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**PREAMBLE**

This CONTRACT ALCATEL-LUCENT/CWA - INSTALLATION - 25 (the "General Agreement") is by and between ALCATEL-LUCENT USA INC (the "Company") and the COMMUNICATIONS WORKERS OF AMERICA, (the "Union").

**ARTICLE 1 - DEFINITIONS**

1 Except where otherwise indicated, the following definitions of terms shall apply throughout this contract:

- (a) As used with reference to the communication equipment workers of Installation field forces, "Company" means Alcatel-Lucent USA Inc.
- (b) "Area" means an administrative unit of the Installation Field forces of the Company which is under the direction of a Manager.
- (c) "Local Management" means the Installation supervisory personnel of the Installation Organization of the Company.
- (d) "National" means COMMUNICATIONS WORKERS OF AMERICA.
- (e) "Local" means any one of the chartered Locals of the National as now or hereafter constituted and which represent the Employees working in the respective Areas of the Installation Organization of the Company. The Locals as of the date of this contract are as follows:

Alabama Local No. 3990

Arizona, New Mexico, El Paso County Local No. 7090

Carolinas Local No. 3790

Connecticut - Massachusetts Local No. 1290

Florida Local No. 3190

Georgia Local No. 3290

Illinois Local No. 4290

MW Missouri - E. Kansas City Local No. 6391

Kentucky-Tennessee – Louisiana – Mississippi Local No. 3890

Michigan Local No. 4050/4090

Missouri-Arkansas-Kansas Local No. 6390

New Jersey Local No. 1090

New York/New England - Local No. 1190

Nebraska – Minnesota – Iowa - North Dakota - South Dakota Local No. 7290

Ohio – Wisconsin - Indiana Local No. 4390

Pennsylvania East – Delaware Local No. 13590

Pennsylvania West - Pittsburgh Local No. 13591

Texas Oklahoma Local No. 6290

Washington, DC – Maryland – Virginia – West Virginia Local No. 2390

Washington, Oregon, Nevada, Utah, Colorado, Alaska, Idaho, Montana, Wyoming, Hawaii, California Local No. 7590

- (f) "Union" means both the National and the Locals.
- (g) "Union Representative" means a person elected or appointed in a duly authorized manner as a representative or agent of the National, the Local, or both.
- (h) "Employee" means communication equipment worker, for whom the National is recognized as exclusive bargaining representative, except for other specialized workers temporarily hired by the Company.

- (i) "7-Day Coverage Employee" means an Employee whose Scheduled Weekly Tour involves special or rotating Scheduled Daily Tours which frequently include working on calendar Saturdays and/or Sundays, and who works on a 7-Day Coverage Job.
- (j) "7-Day Coverage Job" means a job which, because of the nature of the work or the demands of the business, regularly requires operations on all seven (7) days of the Workweek.
- (k) "Term of Employment" - A period of credited employment as computed by the Company under the Pension Plan. Also known as Net Credit Service (NCS).
- (l) The terms "Layoff" or "Laid-Off" shall cover a termination of employment arising out of a reduction in the force due to lack of work.
- (m) "Standard Rate" - A rate of pay assigned to an Employee based on the Employee's Occupational Job Classification.
- (n) "Adjusted Rate" - An Employee's total rate, resulting from the sum of his or her Standard Rate and any applicable wage protection allowance.
- (o) "Nonscheduled Day" - A day outside the Scheduled Weekly Tour.
- (p) "Installation Service" means the time an Employee has been in the Installation Field Forces of the Company, beginning with the date the Employee was placed on the Installation Field Forces' payroll and adjusted for any period of wage credit given for prior experience, for absences of sixty (60) consecutive calendar days or more because of accident or sickness, and for absences of thirty (30) consecutive calendar days or more for reasons such as lay-off, personal leaves of absence (including leaves of absence for Union business) and other separations from the payroll.

## 2 Generic Terms

The use of the masculine or feminine gender or titles in this and any other agreement between the Company and the Union shall be construed as including both genders and not as a sex limitation unless the agreement clearly requires a different construction.

## **ARTICLE 2 - TERMINATION OF EXISTING AGREEMENTS**

All contracts and agreements previously entered into are hereby terminated except those set forth below, which continue in effect according to their terms.

Memorandum of Understanding regarding the Transporting of Tools and Materials

Letter dated December 1, 1966 regarding Rotation on Temporary Transfers

Memorandum of Understanding dated May 31, 1992 regarding the Mode of Operation Agreement

Memorandum of Understanding dated May 31, 1992 regarding the Safety Advisory Committee

Letter dated September 16, 1993 regarding Resolution of Medical Disagreements

Letter dated May 28, 1995 regarding the Skill Review and Reassignment Process

Letter dated May 31, 1998 regarding Hiring Bonus

Memorandum of Understanding dated May 31, 1998 regarding Change in Computation Point.

Memorandum of Understanding dated May 31, 1998 regarding Home Owner's Mortgage Allowance Plan

Memorandum of Understanding dated May 31, 1998 regarding Permanent Transfers for Skill

Memorandum of Understanding dated May 31, 1998 regarding Special Skill Review

Letter dated March 1, 2003 regarding Special Condition Transfer Requests after a Permanent Transfer.

Memorandum of Understanding dated March 1, 2003 regarding Out of Hours Paging Device Assignment, On-Call

**ARTICLE 3 - RECOGNITION**

- 1 The Company hereby recognizes the National as the exclusive bargaining agent on behalf of all communication equipment workers of the Installation Field forces of the Company, as the unit of such Employees was established by the National Labor Relations Board.
- 2 With respect to the interpretation of this collective bargaining agreement, it is the intent of the parties to apply the terms and conditions set forth in the body of this agreement to the Installation Field Employees only.
- 3 The National hereby delegates to each of the Local's jurisdiction over all grievances as to Employees who are within their respective jurisdictions.
- 4 The National shall have exclusive bargaining authority except insofar as jurisdiction is herein specifically delegated to the Locals. With respect to any subject proper for collective bargaining and exclusively local in character, not covered by this contract, the National may, by specific delegation, authorize the Local to bargain locally on such subject. In each such case, the National shall forward to the Company a copy of the delegation of authority.
- 5 The Local Management and the respective Local will negotiate the settlement of grievances in accordance with the provisions of Article 7 and will bargain collectively on subjects specifically delegated to the Local in accordance with the provisions herein. The formal or informal writings evidencing agreements reached as a result of such collective bargaining shall show the Union party to be the National and said writings shall be signed by the duly authorized representative of the Local Management and by the National.
- 6 Collective bargaining on subjects assigned to the Local's may be transferred to the National by the Local in the event local negotiations do not result in a satisfactory settlement. When the National has notified the Company of the acceptance of such transfer, the bargaining subject will not be re-transferred to the Local, except by mutual agreement between the National and the Company.
- 7 The Company and the National will bargain collectively on all subjects proper for collective bargaining, not delegated to the Locals or, if so delegated, after they have been transferred to the National and the National has notified the Company that such transfer has been accepted. Any formal or informal writings evidencing agreements reached will be signed by the Company and the National.
- 8 In the event a question arises as to whether a matter presented by the Local is within the scope of the grievance procedure, or is a matter for collective bargaining, the matter shall be referred to the National for determination and its decision shall be final. The National shall promptly advise the Company of its decision.



**ARTICLE 4 - APPLICATION AND INTERPRETATION OF CONTRACT****1 Application**

The provisions of this contract shall apply to all Employees, including those who are on loan to (a) Company organizations other than the Installation Field forces of the Company or (b) to other companies, provided they remain on the payroll of the Installation Organization. To the extent there is any conflict between the terms of Article 26, on the one hand, and the terms of CWA-25 and Appendix 1, on the other, the terms of Article 26 will control.

**2 Amendments**

The provisions of this contract may be amended by mutual consent of the parties.

**3 Matters Not Covered**

Matters not specifically covered by this contract may be negotiated and made a supplement to this contract.

**4 Specialized Workers**

The wages and working conditions to apply to specialized workers referred to in Article 1, Paragraph 1(h) of this contract will be a matter of local agreement.

**5 Federal and State Laws**

In the event that any provision of this contract should be modified or deleted to conform to any federal or state law or regulation, or any order, determination or ruling or regulation of a federal or state administrative agency or court, the Company shall notify the National in writing. Negotiations shall then take place if requested by the National. In the event of such negotiations, the changes proposed by the Company shall not be implemented until (a) agreement is reached, or (b) the Company determines that timely action is required by the law, regulation, order, determination or ruling, whichever occurs sooner.

**ARTICLE 5 - EMPLOYEES SERVING AS UNION REPRESENTATIVES****1 Definitions**

(a) For the purposes of this article, the following definitions shall apply:

- (1) A "Union Representative" is an Employee of the Company within the bargaining unit who has been designated as such in accordance with Paragraph 2(a) or 2(b).
- (2) Time spent within their Scheduled Daily and Weekly Tours by not more than five (5) Union Representatives while serving as authorized bargaining representatives (designated by the National as such and as eligible to the treatment provided herein) during the sixty (60) day period immediately preceding the final termination date of this contract shall be treated in accordance with Paragraph 6(c) below in determining whether they have met the requirements of Paragraph 5(a)(1) below.

**2 Designation of Union Representatives**

- (a) The National shall advise the Company, in writing, of the names of Employees who are serving as Officers or Union Representatives of the National.
- (b) The Local shall advise Local Management, in writing, of the names of Employees who are serving as Officers or Union Representatives of the Local.
- (c) The President of each Local or such specific Union Representatives as may be designated by the Local shall be recognized by the Company as the business agent representing the Employees under the jurisdiction of the respective Local.
- (d) The President of each Local shall notify Local Management, in writing, as to the Union Representatives of the Local who are authorized by the Local to represent Employees in certain territories for the purpose of settling grievances. This notice shall clearly state the territories and jurisdictions delegated to such Representatives.

**3 Reclassification of Union Representatives**

- (a) A proposal on the part of the Company to change the classification of a Union Representative to a classification not represented by the Union shall be made, in writing, to the Union with a copy to the Employee involved, not less than thirty (30) days prior to the effective date of such change.
- (b) In the event an Employee serving as a Union Representative gives the Company a signed statement indicating that the Employee does not wish to be considered for any change in classification which would remove the Employee from the bargaining unit while serving the Union in such capacity, the Company shall not offer to make such change while the Employee is serving in such capacity.

**4 Transfer of Union Representatives**

- (a) In transferring Union Representatives to meet the needs of the business, consideration will be given to the business needs of the Union.
- (b) Union Representative shall not be transferred when there is, assigned at the same work site or building, another Employee of comparable experience and ability who can be as readily released and transferred at no greater cost to the Company.
  - (1) A "work site" encompasses a group of Employees normally engaged in a common effort. The work site may be involved in multiple points of work, such as, but not limited to those encountered in outside plant operations.

**5 Excused Absences for Union Duties at Union Request**

- (a) Upon request, the Company will excuse a Union Representative who wishes to take time from his or her assigned Company duty to perform Union duties provided the work situation permits, and provided such request has been approved by the President of the National or the President's authorized delegate.

- (1) Such time off shall not be paid for by the Company and shall be limited to a maximum of two hundred and fifty (250) hours per fiscal quarter for Union Representatives other than the Local President. The Local President shall be limited to three hundred and fifty (350) of such hours per fiscal quarter.
- (2) Excused time off in excess of the limitations contained in Paragraphs 5(a) (1) shall result in a requirement for a Union Representative to take a Leave of Absence for Union Business in accordance with the provisions of Paragraph 7.
- (b) Upon request, a reasonable number of Employees who have been selected by the Union to perform Union duties will be excused from their assigned Company duty for a reasonable length of time, provided such request has been approved by the President of the National or the President's authorized delegate. However, the Company may refuse to excuse an Employee at a time when the Employee's absence from work will seriously interfere with the operations of the business and may limit such absences for any one (1) Employee (other than Union Representatives) to a cumulative period of one (1) month in a calendar year. Such absence shall be for periods not to exceed one (1) month, shall be without pay, with credit for previous service and for the period of excused absence, with eligibility to Sickness Disability Benefits under and pursuant to the Short Term Disability Plan beginning on the eighth calendar day following expiration of the excused period and with eligibility to other benefits under and pursuant to the Pension Plan and the Short Term Disability Benefit Plan. Each such absence shall be for a stated period, but can be terminated before the expiration of said period by the return of the Employee to the Employee's assigned Company duties.
- (1) A request that an Employee other than a Union Representative be excused from his or her assigned Company duties shall be made by the President of the National or the President's authorized delegate.
- (c) When a Union Representative's time off for Union business exceeds the number of hours allowed during the period specified in Paragraph 6(c) below, such Employee shall be notified in writing, copy to the Union, that his or her employment with the Company will be terminated on the fourteenth day following the date of such notification unless the Employee either (1) requests a Leave of Absence as provided in Paragraph 7 below, or (2) the Employee assures the Company that he or she will meet the requirement for the next fiscal month, adjusted for the number of hours he or she exceeded the requirement for the previous fiscal quarter. If assurance is given but at the end of the then current fiscal month, the Employee fails to meet the adjusted requirement and fails to request such Leave of Absence, his or her employment with the Company will thereupon be terminated.

## 6 Pay Treatment

- (a) A Union Representative shall be paid for time lost from assigned Company duties when conferring with Management during his or her Scheduled Weekly Tour, except for such time lost while negotiating agreements, provided the Union Representative does not exceed the number of hours allowed during the period specified in Paragraph 5(a)(1).
  - (1) Pay for such time will be based on the Employee's Adjusted Rate plus night work bonus when applicable.
  - (2) Pay treatment outlined above may include necessary travel time to or from the place of discussion when such travel does not exceed fifteen (15) minutes for each trip.
- (b) For the following other items, a Union Representative shall be eligible to receive:
  - Rate progression increases, per Article 12 of this Contract,
  - Pay allowance for observed holidays, per Article 14 of this Contract,
  - Paid Time Off with pay, per Article 15 of this Contract,
  - Payment for absences per Article 16 of this Contract,

- Payment for Military Leave of Absence, per National Items Section,  
provided the Union Representative does not exceed the number of hours allowed during the period specified in Paragraph 5(a)(1) , and provided the Union Representative is otherwise eligible to such payments under the applicable provisions of this Contract.
- (c) The period for determining whether the Union Representative has met the requirement of Paragraph 5(a) (1) above shall be the preceding fiscal quarter except that for Union Representatives:
  - (1) Who are designated, per Article 5, Paragraphs 2(a) and 2(b) during the period of this Contract,  
or
  - (2) Who are reinstated from a Leave of Absence granted under the provisions of Paragraph 7 below where the period of absence is in excess of one (1) month

The period shall be the remainder of the fiscal quarter in which said effective date fell or in which the Representative was so designated or reinstated as the case may have been under items (1) or (2) above. The allowed hours for Union business will be prorated by fiscal month for these cases and the Representative shall not exceed the prorated hours by fiscal month for the remainder of that fiscal quarter or the provisions of Paragraph 5(c) will apply.

#### 7 Leaves of Absence for Union Business at Union Request

- (a) Upon request of the President of the National or the President's authorized delegate, a reasonable number of Employees who have been selected by the Union to perform Union duties which will take them from their assigned Company duties for a continuous period of more than one (1) month shall be granted a Leave of Absence. However, the Company may refuse to excuse an Employee at a time when the Employee's absence from assigned Company duties will seriously interfere with the operation of the business.
- (b) All absences for more than one (1) month shall be covered by a formal Leave of Absence stating the specific purpose for which the leave is granted and the conditions pertaining thereto. Term of Employment will be broken and such Leave of Absence will automatically terminate if and when an Employee ceases to engage in the activities for which the Leave was approved or if and when any part of the absence is used for activities other than for which the Leave of Absence was approved.
  - (1) The terms of a Leave of Absence covering such absences and other conditions relating thereto shall be as prescribed in Paragraph 8 below.
  - (2) Upon the expiration date of such a Leave of Absence, the Employee shall either be reinstated, in accordance with the provisions of Paragraph 9 or action taken as provided in Paragraph 8(a).

#### 8 Terms and Other Conditions of Leaves of Absence for Union Business Granted under the Provisions of Paragraph 7.

- (a) Such a Leave of Absence shall be granted for a stated period in excess of one (1) month but not in excess of one (1) year, and extensions shall be granted for periods, not in excess of one (1) year each.
- (b) The terms and other conditions of such Leaves of Absence shall be as follows:
  - (1) without pay;
  - (2) with credit in Term of Employment for previous credited service (upon subsequent reinstatement from the Leave of Absence);
  - (3) with credit in term of Employment for the time absent (upon subsequent reinstatement from the Leave of Absence);

- (4) with eligibility to Short Term Disability Benefits under and pursuant to the Short Term Disability Benefit Plan for Occupational Employees beginning on the eighth (8th) calendar day following the expiration date of the Leave of Absence;
- (5) with eligibility to Sickness Death Benefits and pension under and pursuant to the Pension Plan;
- (6) with eligibility to continued insurance under and pursuant to the Group Life Insurance Plan;
- (7) with eligibility to continue participation in the Supplementary Life Insurance Plan;
- (8) with eligibility to continue coverage under and pursuant to the Dental Expense Plan for Active Employees by the Employee's paying one hundred percent (100%) of the premium;
- (9) without eligibility to continued coverage under the Long Term Disability Plan for Occupational Employees;
- (10)with eligibility for coverage under and pursuant to the Medical Expense Plan for Occupational Employees (MEP);
- (11)with eligibility for coverage under and pursuant to the Vision Care Program, by the Employee's paying one hundred percent (100%) of the premium.
- (12)shall be eligible to participate in the Alcatel-Lucent USA Inc. Service Anniversary Award on the same terms and conditions as active Employees.
- (13)The annual amount of basic life insurance which the company provides to Employees who are actively at work on union business while on a union Leave of Absence will be determined based on the amount of the Employee's current pay.
- (14)Employees who are actively at work on union business while on a union Leave of Absence may purchase an amount of supplementary life insurance under the Alcatel-Lucent USA Inc. Supplementary Life Insurance Plan that will be determined based on the amount of the Employee's current pay.
- (15)An Employee on a union Leave of Absence shall be able to make fund exchanges among his or her accounts in the Alcatel-Lucent USA Inc. Long Term Savings and Security Plan in the same manner and with the same frequency as participants who are active Employees of the company.

#### 9 Consideration Following Leaves of Absence

- (a) An Employee's Term of Employment will be broken if the Employee fails to return to work on or before the day following the expiration date of such a Leave of Absence except in case prior arrangements for extension have been completed. Such Leaves of Absence may be terminated prior to the expiration date if the Employee gives the Manager ten (10) days' prior written notice of intention to return to work and returns to work on the date specified. Notice of intention to return to work of a Union Representative shall include assurance that the provisions of Paragraph 5(a) (1), above, will be met as described in Paragraph 6(c), above.
- (b) Upon return from a Leave of Absence for Union business an Employee shall be reinstated provided, however, that following the Employee's reinstatement he or she shall be subject to the provisions of Article 20, relating to termination of service due to lack of work.
- (c) Upon reinstatement from a Leave of Absence, the Employee's Standard Rate shall be the rate in effect prior to the Leave of Absence, adjusted by any applicable change in wage levels made during the Leave of Absence.

No physical or other examination shall be required as a requisite of reinstatement, except where the Company finds that an obvious physical or mental condition exists which requires medical advice regarding job placement or fitness for work, but this shall not limit or prejudice any existing rights under the Benefit Plan.

**ARTICLE 6 - COLLECTIVE BARGAINING PROCEDURE**

- 1 Collective bargaining shall be conducted by the duly authorized bargaining representatives of the Company and the duly authorized bargaining representatives of the National or Local, as the case may be. The parties to such bargaining shall notify each other of the names of such representatives and of any subsequent changes which may occur.
- 2 Meetings for the purpose of collective bargaining shall be held upon request of either of the parties to such bargaining. The party requesting the meeting shall furnish the other in advance of the meeting with a notice of the subjects to be considered, except in those instances where the urgency of the case precludes such advance notification.
- 3 It is the intention of the parties, with respect to the collective bargaining of future replacing contracts, to conduct their negotiations thereon in such a manner as to reach a new agreement on or before the termination date of this present contract.

**ARTICLE 7 - GRIEVANCE PROCEDURE****1 Grievances Presented by the Union**

- a) The Local shall normally attempt to settle grievances with the levels of Local Management below that of the Operations Director, normally starting with the immediate Supervisor of the Employee or Employees involved. If not settled in those levels, the grievance may be taken up with the Operations Director. Grievances not settled by the Operations Director may be transferred to the National and, if so transferred, the Operations Director shall be notified.
  - (1) Except where a shorter period is specifically set forth elsewhere in this Agreement, any grievance under the provisions of this Article must be presented to the Company within ninety (90) days following the occurrence of the action which gave rise to the grievance.
- b) When a grievance has been presented to Local Management by the Local, Local Management shall not initiate a further discussion of the grievance with the Employee involved unless the job steward or other representative of the Local is present.
- c) Every effort shall be made by both parties to consider and settle grievances as soon as possible.
- d) When a grievance is presented by a Local and after discussions have been held at the level of presentation, separate statements of the grievance shall be prepared as follows:
  - (1) Local's statement of grievance.
    - i. View of the facts and circumstances held by the Local.
    - ii. Demand for settlement presented by the Local.
    - iii. Statement of whether the grievance is to be referred to higher level, settled or dropped.
  - (2) Company's statement of grievance.
    - i. View of the facts and circumstances held by the Supervisor.
    - ii. Management's position on the Union's demand.
  - (3) A copy of the separate statements prepared in accordance with Paragraphs 1(d)(1) and 1(d)(2) shall be exchanged. The Local's statement shall be signed by the Job Steward or other representative and the Company's statement shall be signed by the Supervisor.
  - (4) If subsequent discussions of the grievance ensue, in which new views of the facts and circumstances are presented or changes in the respective positions are put forward by either party, separate supplementary statements shall be prepared by the level of supervision and the representative of the Local then considering the grievance, and copies of such statements shall be exchanged.
  - (5) Grievances not settled by the Local may be transferred to the National and, if accepted, the National shall so notify the Company. If the National intends to change the demand or present the grievance on a basis different from the previous presentation, the National shall notify the Company of such change within ten (10) days from the time when such transfer has been so accepted.
- e) For the purpose of adjusting grievances of Employees who, at the time of the grievance, were represented by the Union, the Company shall recognize the Union as representing:
  - (1) Employees reclassified to a salary-rated non-supervisory occupation, Laid-Off, suspended for disciplinary reasons, or dismissed, provided the grievance is presented to the Company by

- the Local within thirty (30) days after the Employee is reclassified or separated from the payroll, except that where the justification of the action is involved in disciplinary suspension, or dismissal cases, the provisions of Article 22, Disciplinary Suspension, or Termination of Employment, will apply.
- (2) Employees granted Leaves of Absence (Sickness Leave, Disability Leave, and Personal Leave of Absence) during the period of the Leaves of Absence and thereafter, if the grievance is presented not later than thirty (30) days after the termination of the Leave of Absence.
- f) If the National and the Company fail to settle by negotiation any grievance arising with respect to the interpretation of this contract, or the performance of any obligation hereunder, such grievance may be subject to arbitration in accordance with Article 8 of this contract as the final step in the settlement thereof.
- 2 Any individual Employee or group of Employees shall have the right at any time to present grievances to the Company and to have such grievances adjusted without the intervention of the Union, as long as the adjustment of such grievances is not inconsistent with the terms of this contract and provided that the Union has been given opportunity to be present at such adjustment.



**ARTICLE 8 - ARBITRATION**

- 1 If the National and the Company fail to settle by negotiation any differences arising with respect to the interpretation of this contract or the performance of any obligation hereunder, such differences shall (provided that such dispute is not excluded from arbitration by other provisions of this contract, and provided that the grievance procedures as to such dispute have been exhausted) be referred upon written demand of either party to an impartial arbitrator mutually agreeable to both parties. Such demand shall be presented within sixty (60) days after the Company notifies the Union of its final answer to the grievance. Each such referral shall include but one such dispute unless otherwise agreed. The parties will use the American Arbitration Association's (AAA's) non-administered arbitration service to provide a panel of seven (7) arbitrators from which the parties will strike and select a single arbitrator to serve. The parties will have at least fifteen (15) days from the date that they receive the panel to strike and select an arbitrator. The direct expense of the arbitration, but not including the expense incurred by the parties or their witnesses, shall be borne equally by the Union and the Company.
- 2 The arbitrator shall have no authority to alter or modify the provisions of this contract. Any decision made in compliance with the foregoing shall be final and the parties agree to abide by such decision.

**ARTICLE 9 - UNION AND COMPANY RELATIONSHIPS****1 Management Functions**

The Union recognizes the right of the Company (subject to the limitations contained in the provisions of this contract, but otherwise not subject to the provisions of the arbitration clause) to exercise the functions of managing the business which involve, among other things, the hiring and placement of Employees, the termination of employment, the assignment of work, the determination of methods and equipment to be used, and the control of the conduct of the work.

**2 Non-Discrimination**

- (a) The Company shall in no manner discriminate, coerce or interfere with Employees because of membership or non-membership in the Union or because of activities in behalf of the Union.
- (b) Employees, officers or representatives of the Union shall not intimidate or coerce any Employees into membership in the Union and shall not distribute Union printed matter or perform Union business (except for time conferring with Management when paid for by the Company) on Company time.
- (c) In a desire to restate their respective policies, neither the Company nor the Union shall discriminate against any Employee because of such Employee's race, color, creed, religion, national origin, citizenship, sex, sexual preference or orientation, marital status, age, physical or mental disability or status as a disabled veteran or a veteran of the Vietnam era.

**3 Bulletin Boards**

- (a) Wherever installation jobs are conducted on the customer's premises, and facilities are given the Company for its bulletin board announcements, the Company will attempt to obtain approval of the customer involved to allow the Union to use a portion of the facilities so given for such of its own bulletin board announcements as may be necessary and proper under the circumstances. These facilities shall not be used by the Union except for the following purposes:
  - (1) Notices of meetings, and subjects pertinent thereto.
  - (2) Nominations and election notices.
  - (3) Results of elections.
  - (4) Copies of agreements with the Company.
  - (5) Official records and reports relating to the operation of the National or the Local.
- (b) A violation of the above conditions shall be cause for withdrawing of the bulletin board privilege upon notice to the National and the Local.

**4 Report of Employees**

- (a) Upon the written request of the Local, the Company shall furnish the Local each month or quarter, as requested, with a complete list of all Employees represented by the respective Local. The Company will also furnish the Local upon request on a weekly basis a list of additions and removals of Employees. A weekly "Force Report" will satisfy the requirements of this paragraph 4(a).

**5 Notice to Union of Transfer of Employees**

- (a) When an Employee is transferred to another organization of the Company, or when personnel from another organization of the Company or another Alcatel-Lucent entity are transferred to the Installation Field forces of the Company to perform work normally performed by the Employees represented by the Union, or when Employees are transferred to points outside of the United States, the Local affected will be notified at least thirty (30) days in advance, unless unknown or unforeseen conditions prevent the Company from giving such notice. Except where such transfers are covered by a separate contract, the Company, upon request of the Union, will negotiate the

treatment to be granted Employees leaving the Installation Field forces of the Company on such transfer.

- (b) When an Employee is reclassified to or from a salary-rated, non-supervisory job in the Installation Field forces of the Company, the Local affected will be given at least one (1) week's advance notice of such reclassification and, upon request, negotiations will take place.
- (c) When Employees are to be transferred between Areas of the Company, the Company will notify the Local from whose jurisdiction the Employee is to be transferred. A weekly "Force Report" will satisfy the requirements of this paragraph 5(c).
- (d) When an Employee is to be transferred on a Permanent Transfer, the Company will notify the Local from whose jurisdiction the Employee is to be transferred and the Local which has jurisdiction at the destination Work Location, if applicable, forty-five (45) days in advance of the effective date of such transfer.

#### 6 Hiring and Rehiring

- (a) When the Company contemplates a hiring or rehiring program, the Manager will advise the Local of the estimated number of Employees to be added in the Area, and the Base Locations or Hiring Locations involved.
- (b) Laid-Off Employees will be offered reemployment in accordance with Article 20, Paragraph 7 before others are hired.

#### 7 Information to be Furnished Prospective Employees

The Company agrees to inform all accepted applicants for employment as communication equipment workers that (a) the Communications Workers of America represents the Employees doing the work to which they are to be assigned, (b) wages and working conditions are a matter of agreement between the Union and the Company, and (c) a copy of the contract is available on the job or can be obtained from the Union Representative.

#### 8 Payment For Joint Union - Management Activities

Employees who are involved in joint Union-Management business may request that their reasonable time and expenses while participating in such activities be paid by the Company. Such requests must be submitted in advance using the applicable form (HR620 or equivalent) and if approved, these Employees will be paid for time lost while participating in such activities during their Scheduled Weekly Tour. This includes any associated travel time during the Employee's Scheduled Weekly Tour. Hours paid while engaged in such joint activities will be considered as time worked. In addition, such Employees will be reimbursed for reasonable travel and board and lodging expenses which are directly related to their participation in these activities.

#### 9 Union Orientation For New Employees

The Company and the Union agree that the Union will have the opportunity to meet with newly hired and transferred Employees as part of the overall orientation for the purpose of furnishing them with information about the Union. The Union's segment of this process will be limited to a maximum of sixty (60) minutes. Time spent during the Union Representative's Scheduled Daily Tour will be paid as time worked. In addition, the Company also agrees to introduce Employees permanently transferring into a different work group to the local Union representative assigned to that area.

#### 10 Mutual Respect

The Company and the Union recognize that it is in the best interest of both parties, the Employees and the public that all dealings between them continue to be characterized by mutual respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this contract fairly in accord with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all Employees in the unit. Each party shall bring to the attention of all Employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and the measures they agreed upon to insure adherence to this purpose.

**ARTICLE 10 - SCHEDULED TOURS, TOUR CHANGES AND RELIEF PERIODS**

1. The Workweek of the Company consists of seven (7) consecutive calendar days beginning with Sunday, except that for Employees on tours which start less than four (4) hours before Saturday midnight and extend into Sunday, the Workweek shall be considered as beginning with the start of such tours.
2. Scheduled Tours
  - (a) Scheduled Daily Tours

The hours in a day an Employee is scheduled to work, excluding any unpaid meal or overtime periods. An entire tour which begins four (4) hours or less before midnight shall be considered to be a tour on the following calendar day.
  - (b) Scheduled Weekly Tours
    - (1) The Scheduled Weekly Tour for other than a 7-Day Coverage Employee shall consist of five (5) tours of duty (Scheduled Daily Tours), from Monday through Friday, including the Friday night tour which extends into Saturday when the Employee was not scheduled to work the previous Sunday night tour extending into Monday.
    - (2) The Scheduled Weekly Tour for a 7-Day Coverage Employee shall be arranged by the Company on any days within the Workweek, frequently including Saturdays and/or Sundays.
  - (c) Day Tour

The standard day tour schedule shall start at 8:00 A.M. and stop at 12:00 M, and start at 1:00 P.M. and stop at 5:00 P.M. but this day tour schedule may be varied by the Company to meet local conditions except that all of the eight (8) scheduled hours shall fall between 6:00 A.M. and 6:00 P.M. The Company shall notify the Union when a schedule other than 8:00 A.M. to 12:00 M, and 1:00 P.M. to 5:00 P.M. is established or changed in which case local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.
  - (d) Night Tour

A night tour shall be a period of work in which all or any part of the hours of the Employee's Scheduled Daily Tour falls between the hours of 6:00 P.M. and 6:00 A.M. The scheduled starting and stopping time, for the night tour shall be determined by the Company after consideration of such factors as job requirements and transportation facilities. Local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.
  - (e) Negotiations on Scheduled Tours
    - (1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.
    - (2) The schedule established by the Company shall remain in effect during such negotiations.
3. Split or Change in Tour
  - (f) An Employee's tour may be changed (day tour to night tour or vice versa) or split (the Scheduled Tour of eight (8) hours is not worked consecutively other than for the usual meal periods) during the Workweek. However, when, as a result of a changed tour, an Employee would work less hours than he or she would have worked had there been change in tour, such Employee shall be allowed to make up such deficiency for the Scheduled Tour. Scheduled overtime hours may be made up when job conditions permit.

## 2 Early Start Allowance

(a) When, during the Workweek, an Employee is required to change his or her Scheduled Daily Tour to begin earlier than his or her prior Scheduled Daily Tour, such Employee shall receive an Early Start Allowance.

(1) For each full or partial hour difference of such early start, the Employee shall receive an amount equal to fifty percent (50%) of the Employee's Adjusted Rate.

## 3 Change in Starting Time

Job conditions may require that one or several Employees on a day tour be scheduled to report one hour or more before the majority of Employees on that tour on one or several days in the week.

## 4 Sunday Start Allowance

When an Employee working other than a 7-Day Coverage Job is required to begin his or her first Scheduled Daily Tour between 8 P.M. Sunday and Sunday Midnight, such Employee shall receive a Sunday Start Allowance.

(a) For each full or partial one half hour prior to Midnight, the Employee shall receive an amount equal to fifty percent (50%) of the Employee's Adjusted Rate.

## 5 Job Training

Training of any Employee required by the Company shall be performed during the hours scheduled by the Company for such training and such time considered as authorized time worked.

## 6 Relief Periods

Relief periods (suspension of work or absence from the Employee's assigned duties) not to exceed fifteen (15) minutes in each half of the Scheduled Daily Tour and in each four-hour period of work in excess of the Scheduled Daily Tour shall be granted by job supervision at all Job Locations. Relief periods may be staggered by job supervision for Employees or groups of Employees where job conditions make such action desirable.

## ARTICLE 11 - WORK IN EXCESS OF SCHEDULED TOURS

### 1 General

- (a) It is recognized by both parties that the needs of the business may require work in excess of Scheduled Tours and that the jobs involved must be adequately manned by qualified Employees working on an overtime basis.
- (b) When, in the judgment of the Company, work in excess of Scheduled Tours is necessary, the Employees involved shall be given at least twenty-four (24) hours' notice unless unknown or unforeseen conditions prevent the Company from giving such notice, and the Union shall be notified in advance as follows:
  - (1) When overtime work involves a Job Location, the Job Steward involved shall be notified.
  - (2) When overtime involves several Job Locations which are under the jurisdiction of a Representative, the Representative shall be notified instead of the Job Steward. If the Union organization does not provide such contacts, the individual Job Stewards or Local President shall be notified.
  - (3) When overtime is expected to be general throughout the Area, the Local President shall be notified.
- (c) The amount of overtime and the schedule for working such overtime will be established by the Company. However, the schedule or general pattern for the working of overtime, except in the case of non-recurring overtime in effect for one (1) week or less, shall, upon request of the Union, become a matter for negotiations as follows:
  - (1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.
  - (2) The schedule established by the Company shall remain in effect during such negotiations.
- (d) For 7-Day Coverage Employees, Saturday and Sunday as used in this Article shall mean the Employees' Days in Lieu of Saturday and Sunday, respectively, defined as follows:

#### **Day In Lieu of Sunday ---**

For a 7-DAY COVERAGE EMPLOYEE, the first (1<sup>st</sup>) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the one (1) NONSCHEDULED DAY in the WORKWEEK when operations are on a 6-day schedule basis.

#### **Day In Lieu of Saturday ---**

For a 7-DAY COVERAGE EMPLOYEE, the second (2<sup>nd</sup>) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the sixth (6<sup>th</sup>) SCHEDULED DAY in the WORKWEEK when operations are on a 6-day schedule basis.

- (e) It is understood that every effort will be made to avoid the necessity for working Employees on the day on which an authorized holiday is observed. When an authorized holiday is observed on Saturday, night tours for that week shall commence on the previous Sunday night. When it is considered necessary to schedule regular operations on the day on which an authorized holiday is observed, the Union shall be notified at least seven (7) days in advance unless unknown or unforeseen conditions prevent the Company from giving such notice. The matter shall, upon request of the Union, be subject to negotiation as provided in Subparagraphs 1(c)(1) and 1(c)(2) of this article.
- (f) Whenever possible, overtime work shall be evenly distributed among Employees normally engaged on the work involved. It is agreed that an Employee scheduled for overtime shall work, except when the Employee has adequate reason for not doing so.

## 2 Overtime Compensation - Other Than 7-Day Coverage Employees

- (a) Pay at one and one-half (1 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked, except when the provisions of Paragraph 2(b) or 2(c) apply:
  - (1) For hours worked outside an Employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
  - (2) For hours worked in excess of forty (40) during the Workweek.
  - (3) On a Nonscheduled Day other than Sunday or a Holiday, for Employees who are not working a 7-Day Coverage Job.
- (b) Pay at twice the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked except when the provisions of Paragraph 2(c) apply:
  - (1) For overtime hours paid at Time and One-Half in excess of eight (8) hours in the Workweek including any payments for Call-Ins paid at Time and One-Half.
  - (2) For authorized time worked on Sunday, except when the Employee's first Scheduled Daily Tour begins on Sunday between 8 P.M. and midnight as provided in Article 10, Paragraph 6.
- (c) Pay at two and one-half (2 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked on the day on which an authorized holiday is observed as provided in Article 14 of this Contract.

## 3 Overtime Compensation - 7-Day Coverage Employees

- (a) Pay at one and one-half (1 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked, except when the provisions of Paragraph 3(b) or 3(c) apply:
  - (1) For hours worked outside an Employee's Scheduled Daily Tour provided the Scheduled Daily Tour is eight (8) hours or more.
  - (2) For hours worked in excess of forty (40) during the Workweek.
  - (3) For time worked on a Nonscheduled day of the Workweek other than an authorized Holiday, or the Employee's Day in lieu of a Sunday.
  - (4) On Calendar Sunday
- (b) Pay at twice the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked except when the provisions of Paragraph 3(c) apply:
  - (1) On the Employee's Day in lieu of a Sunday.
  - (2) For overtime hours paid at time and one-half in excess of eight (8) hours in the Workweek including any payments for Call-Ins paid at time and one-half.
- (c) Pay at two and one-half (2 1/2) times the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked on the day on which an authorized holiday is observed as provided in Article 14 of this contract.

## 4 It is the intention of the parties that payments in addition to the Adjusted Rate (other than night work bonus) for any time worked, provided in the foregoing paragraphs of this article, are overtime payments. Nothing in the foregoing paragraphs shall require the payment of overtime on overtime.

- (a) When an Employee receives daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as follows:



Sum of Allowances Paid for Week
Number of hours in Scheduled Weekly Tour plus overtime hours worked in week
x
Total overtime hours worked in week
x
.5 + .009 = Overtime Adjustment.

#### 5 Call-In

- (a) When an Employee is called during his or her leisure time and given a work assignment not requiring a change in living accommodations, but requiring the Employee to proceed at once to the emergency job, it shall be considered a Call-In. Leisure time respecting Call-Ins is the time during which the Employee is not scheduled to work including observed holidays and paid time off.
- (b) Total payment for time worked on a Call-In plus pay for traveling time, as specified below, shall not be less than two (2) hours pay at the applicable overtime rate. The Employee responding to a Call-In shall not be required to perform work other than that made necessary by the emergency nor shall the Company be required to provide additional work should the Employee request it.
- (c) When an Employee is required to make extra trips from his or her residence to place of work and return as a result of a Call-In, the Employee shall be paid travel time for reasonable time spent traveling both ways. When the Call-In does not require extra trips, but does involve reporting earlier than the Employee's standard starting time, travel time shall be paid for reasonable time spent traveling from his or her residence to place of work.

#### 6 Minimum Pay Allowance

When, at the direction of the Company, an Employee reports for work on Saturday or Sunday (or Day in Lieu of Saturday or Sunday for 7-Day Coverage Employee), such Employee shall be given at least two (2) hours' work or paid a minimum of three (3) or four (4) hours at the Employee's Adjusted Rate plus night work bonus when applicable, on Saturday and Sunday (or Day in Lieu of Saturday or Sunday for 7-Day Coverage Employee) respectively.

**ARTICLE 12 - WAGES****1. General Wage Increases 2014-2017**

- (a) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.
- (b) An employee's increase in Standard Rate shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the following General Wage Increases.
- (c) General Wage Increase – 2014  
Effective May 25, 2014, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 24, 2014.
- (d) General Wage Increase – 2015  
Effective May 24, 2015, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 23, 2015.
- (e) General Wage Increase – 2016  
Effective May 22, 2016, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 21, 2016.
- (f) General Wage Increase – 2017  
Effective May 21, 2017, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 20, 2017.
- (g) An Employee who is absent because of sickness, accident or quarantine at the end of his or her Scheduled Daily Tour (within the Employee's Scheduled Weekly Tour) immediately preceding the effective date of any increase provided for in this article, shall not receive the increase (to which otherwise eligible) until his or her return to active duty.

**2. Wage Schedules**

- (a) Wage Schedules for Job Titles in this Agreement are contained in this Paragraph 2. Such Wage Schedules are exclusive of all differentials and other special payments.
- (b) On or after the effective dates set forth above in paragraph 1 respectively, the following Wage Schedules for the Job Titles, Associate Communication Services Technician (ACST), Communication Services Technician (CST), and Senior Communication Services Technician (SCST) will be in effect, and each Employee will (subject to the provisions of Paragraph 2(c) and 2(e) progress from his or her Standard Rate in effect on that date according to the Employee's applicable Wage Schedule and approved Job Title by Service Intervals as herein provided. (Legacy Job Title Code 6710, GPS Job Code 106710).

Wage Schedule 1A														
ACST	Effective	Effective	Effective	Effective	CST	Effective	Effective	Effective	Effective	SCST	Effective	Effective	Effective	Effective
Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17
1	10.37	10.58	10.79	11.01	1	17.85	18.21	18.57	18.94	1	21.54	21.97	22.41	22.86
2	11.07	11.29	11.52	11.75	2	19.01	19.39	19.77	20.17	2	24.27	24.76	25.25	25.76
3	11.81	12.05	12.29	12.54	3	20.24	20.65	21.06	21.47	3	27.35	27.90	28.45	29.02
4	12.61	12.86	13.12	13.38	4	21.55	21.98	22.42	22.87	4	30.82	31.43	32.06	32.70
5	13.45	13.73	14.00	14.28	5	22.95	23.41	23.87	24.35	5	34.73	35.42	36.13	36.85
6	14.36	14.65	14.94	15.24	6	24.43	24.92	25.42	25.93					
7	15.32	15.63	15.95	16.27	7	26.02	26.54	27.07	27.61					
8	16.35	16.68	17.02	17.36	8	27.70	28.26	28.82	29.40					
9	17.45	17.81	18.16	18.53	9	29.50	30.09	30.69	31.30					
10	18.63	19.00	19.38	19.78										
11	19.88	20.28	20.69	21.11										
12	21.22	21.64	22.08	22.52										
13	22.64	23.10	23.56	24.04										
14	24.17	24.65	25.15	25.66										
15	25.79	26.31	26.84	27.38										
PB	109	109	109	109	PB	114	114	114	114	PB	120	120	120	120

Wage Schedule 1A applies to all Employees having a designated Base Location listed below or, for Employees not yet transferred to a Base Location on a Permanent Transfer, a hiring location in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, and Wyoming.

Aberdeen, SD	Dodge City, KS	Jasper, AL	Pueblo, CO
Abilene, TX	Flagstaff, AZ	Jonesboro, AR	Rapid City, SD
Albany, GA	Florence, SC	Joplin, MO	Red Oak, IA
Alexandria, LA	Forrest City, AR	Knoxville, TN	Rome, GA
Anderson, SC	Fort Myers, FL	Lafayette, LA	Ruston, LA
Anniston, AL	Fort Smith, AR	Lake Charles, LA	Salina, KS
Ashville, NC	Frankfort, KY	Laurinburg, NC	Santa Fe, NM
Athens, GA	Gadsden, AL	Lenoir, NC	Savannah, GA
Athens, TN	Gainesville, FL	Longview, TX	Selma, AL
Baton Rouge, LA	Gainesville, GA	Marshall, MN	Sheffield, AL
Bemidji, MN	Gastonia, NC	Mason City, IA	Shelby, NC
Bismark, ND	Goldsboro, NC	McComb, MS	Shreveport, LA
Boise, ID	Grand Forks, ND	Meridian, MS	Sidney, NB
Bowling Green, KY	Grand Island, NB	Minden, LA	Sikeston, MO
Brainerd, MN	Grand Junction, CO	Mobile, AL	Spartanburg, SC
Brewton, AL	Greeley, CO	Monroe, LA	Spencer, IA
Burlington, NC	Greensboro, NC	Montgomery, AL	Tallahassee, FL
Carrollton, GA	Greenville, SC	Natchitoches, LA	Tampa, FL
Casper, WY	Greenwood, MS	Norfolk, NB	Thomasville, GA
Charleston, SC	Gulfport, MS	North Platte, NB	Tupelo, MS
Chattanooga, TN	Hammond, LA	Ogden, UT	Tuscaloosa, AL
Cheyenne, WY	Harlingen, TX	Opelika, AL	Twin Falls, ID
Chipley, FL	Hattiesburg, MS	Orlando, FL	Tyler, TX
Cocoa, FL	Hazelhurst, GA	Owensboro, KY	Watertown, SD
Columbia, SC	Hot Springs, AR	Paducah, KY	Waycross, GA
Columbia, TN	Houma, LA	Paintsville, KY	Wilmington, NC
Columbus, GA	Huntsville, AL	Panama City, FL	Winchester, KY
Columbus, MS	Idaho Falls, ID	Pensacola, FL	Winston-Salem, NC
Covington, GA	Jackson MS	Pierre, SD	Wichita Falls, TX
Danville, KY	Jackson, TN	Pocatello, ID	
Decatur, AI	Jacksonville, FL	Provo, UT	

Wage Schedule 2														
ACST	Effective	Effective	Effective	Effective	CST	Effective	Effective	Effective	Effective	SCST	Effective	Effective	Effective	Effective
Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17
1	10.47	10.68	10.89	11.11	1	18.36	18.73	19.10	19.48	1	22.05	22.49	22.94	23.40
2	11.18	11.41	11.63	11.87	2	19.53	19.92	20.32	20.72	2	24.84	25.33	25.84	26.36
3	11.94	12.18	12.42	12.67	3	20.78	21.20	21.62	22.05	3	27.98	28.54	29.10	29.69
4	12.75	13.01	13.27	13.53	4	22.11	22.55	22.99	23.45	4	31.51	32.14	32.78	33.44
5	13.62	13.89	14.17	14.45	5	23.52	23.99	24.46	24.95	5	35.49	36.20	36.92	37.66
6	14.54	14.84	15.13	15.44	6	25.02	25.52	26.02	26.54					
7	15.53	15.84	16.16	16.49	7	26.61	27.15	27.68	28.24					
8	16.59	16.92	17.26	17.61	8	28.31	28.88	29.45	30.04					
9	17.71	18.07	18.43	18.80	9	30.12	30.72	31.33	31.96					
10	18.92	19.30	19.68	20.08										
11	20.20	20.61	21.02	21.45										
12	21.58	22.01	22.45	22.90										
13	23.04	23.51	23.98	24.46										
14	24.61	25.10	25.61	26.12										
15	26.28	26.81	27.35	27.90										
PB	110	110	110	110	PB	115	115	115	115	PB	121	121	121	121

Wage Schedule 2 applies to all Employees having a designated Base Location listed below\*\*\* or, for Employees not yet transferred to a Base location on a Permanent Transfer, a hiring location in California, Connecticut, Illinois, Indiana, Maryland, Michigan, Nevada, New Jersey, New York, Ohio, Oregon, Pennsylvania, Virginia, Washington, Wisconsin, and West Virginia.

\*\*\* Except that Wage Schedule 1A applies to Employees having as their designated Base Location a Base Location listed below that is in one of the Areas specified under Wage Schedule 1A, but who were hired at other than such Base Location and have not yet been transferred to the Base Location on a Permanent Transfer.

Albuquerque, NM	Fargo, ND	Pine Bluff, AR
Amarillo, TX	Fond du Lac, WI	Phoenix, AZ
Appleton, WI	Ft. Wayne, IN	Raleigh, NC
Atlanta, GA	Ft. Lauderdale, FL	Roanoke, VA
Augusta, GA	Ft. Pierce, FL	Rochester, MN
Bend, OR	Green Bay, WI	Salisbury, MD
Benton Harbor, MI	Houghton, MI	Sault Ste. Marie, MI
Birmingham, AL	Iron Mt., MI	Sioux City, IA
Bloomington, IN	Kokomo, IN	Sioux Falls, SD
Burlington, IA	Louisville, KY	South Bend, IN
Cadillac, MI	Lubbock, TX	Springfield, MO
Cedar Rapids, IA	Lynchburg, VA	St. Cloud, MN
Charlotte, NC	Macon, GA	St. Joseph, MO
Clarksburg, WV	Marquette, MI	Stevens Point, WI
Colorado Springs, CO	Memphis, TN	Traverse City, MI
Columbus, IN	Miami, FL	Tucson, AZ
Corpus Christi, TX	Midland, TX	Vincennes, IN
Davenport, IA	Modesto, CA	Visalia, CA
Daytona Beach, FL	Nashville, TN	Waco, TX
Des Moines, IA	New Albany, IN	Waterloo, IA
Duluth, MN	Omaha, NB	Watertown, WI
Eau Claire, WI	Ottumwa, IA	West Palm Beach, FL
Evansville, IN	Pendleton, OR	Wichita, KS
Escanaba, MI	Petoskey, MI	

Wage Schedule 2A														
ACST	Effective	Effective	Effective	Effective	CST	Effective	Effective	Effective	Effective	SCST	Effective	Effective	Effective	Effective
Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17
1	10.57	10.78	11.00	11.22	1	18.54	18.91	19.29	19.68	1	22.32	22.77	23.23	23.69
2	11.29	11.52	11.75	11.98	2	19.74	20.14	20.54	20.95	2	25.17	25.67	26.19	26.71
3	12.06	12.30	12.55	12.80	3	21.02	21.44	21.87	22.31	3	28.37	28.94	29.53	30.11
4	12.88	13.14	13.41	13.67	4	22.39	22.84	23.29	23.76	4	31.99	32.63	33.29	33.95
5	13.76	14.04	14.32	14.61	5	23.84	24.31	24.80	25.30	5	36.07	36.79	37.53	38.28
6	14.70	14.99	15.30	15.60	6	25.38	25.89	26.41	26.94					
7	15.70	16.02	16.34	16.66	7	27.03	27.57	28.12	28.69					
8	16.77	17.11	17.45	17.80	8	28.78	29.36	29.95	30.55					
9	17.92	18.27	18.64	19.01	9	30.65	31.26	31.89	32.53					
10	19.14	19.52	19.91	20.31										
11	20.45	20.85	21.27	21.69										
12	21.84	22.27	22.72	23.17										
13	23.33	23.79	24.27	24.75										
14	24.92	25.42	25.92	26.44										
15	26.62	27.15	27.69	28.24										
PB	110	110	110	110	PB	115	115	115	115	PB	122	122	122	122

Wage Schedule 2A applies to all Employees having a designated Base Location listed below:\*

Altoona, PA	Jackson, MI	Richmond, VA
Austin, TX	Kalamazoo, MI	Santa Cruz, CA
Bakersfield, CA	Kansas City, MO	Santa Rosa, CA
Bangor, ME	Lakeport, CA	Sacramento, CA
Beaumont, TX	Las Vegas, NV	Salem, OR
Battle Creek, MI	Little Rock, AR	Salinas, CA
Bremerton, WA	Marysville, CA	Salt Lake City, UT
Charleston, WV	Medford, OR	San Antonio, TX
Chico, CA	Minn-St. Paul, MN	San Luis Obispo,
Dallas, TX	Napa, CA	St. Louis, MO
Denver, CO	New Castle, PA	Stockton, CA
El Paso, TX	New Orleans, LA	Scranton, PA
Eugene, OR	Newport News,	Spokane, WA
Eureka, CA	Norfolk, VA	Topeka, KS
Frederick, MD	Oklahoma City,	Tulsa, OK
Fresno, CA	Olympia, WA	Ukiah, CA
Fort Worth, TX	Port Huron, MI	Vancouver, WA
Hagerstown, MD	Portland, OR	Wheeling, WV
Hazleton, PA	Redding, CA	Williamsport, PA
Houston, TX	Reno, NV	Yakima, WA
Indianapolis, IN		

\*Except that Wage Schedule 1A or 2, respectively as specified thereunder, applies to such Employee hired at other than such Base Location and not yet transferred to the Base Location on a Permanent Transfer.

Wage Schedule 2B														
ACST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17	CST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17	SCST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17
1	10.67	10.88	11.10	11.32	1	18.56	18.93	19.31	19.69	1	22.38	22.83	23.29	23.76
2	11.40	11.62	11.86	12.10	2	19.79	20.18	20.59	21.00	2	25.25	25.76	26.28	26.81
3	12.18	12.42	12.67	12.92	3	21.10	21.52	21.95	22.39	3	28.49	29.06	29.65	30.24
4	13.01	13.27	13.53	13.80	4	22.49	22.94	23.40	23.87	4	32.15	32.79	33.45	34.12
5	13.90	14.17	14.46	14.75	5	23.98	24.46	24.95	25.45	5	36.27	37.00	37.74	38.49
6	14.85	15.14	15.44	15.75	6	25.57	26.08	26.60	27.13					
7	15.86	16.17	16.50	16.83	7	27.26	27.81	28.36	28.93					
8	16.94	17.28	17.63	17.98	8	29.07	29.65	30.24	30.84					
9	18.10	18.46	18.83	19.21	9	30.99	31.61	32.24	32.88					
10	19.33	19.72	20.12	20.52										
11	20.65	21.07	21.49	21.92										
12	22.06	22.51	22.96	23.42										
13	23.57	24.04	24.53	25.02										
14	25.18	25.69	26.20	26.73										
15	26.90	27.44	27.99	28.55										
PB	110	110	110	110		116	116	116	116		122	122	122	122

Wage Schedule 2B applies to all Employees having a designated Base Location listed below:

Baltimore, MD      Seattle, WA  
Riverside, CA      Ventura, CA

Wage Schedule 2C														
ACST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17	CST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17	SCST Step	Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17
1	10.97	11.19	11.41	11.64	1	18.93	19.31	19.70	20.09	1	22.72	23.17	23.63	24.10
2	11.72	11.96	12.19	12.44	2	20.18	20.58	21.00	21.42	2	25.64	26.15	26.67	27.20
3	12.52	12.78	13.03	13.29	3	21.50	21.93	22.38	22.82	3	28.94	29.52	30.11	30.71
4	13.38	13.65	13.92	14.20	4	22.92	23.38	23.85	24.32	4	32.67	33.32	33.98	34.66
5	14.30	14.59	14.87	15.17	5	24.43	24.92	25.42	25.92	5	36.87	37.61	38.36	39.13
6	15.28	15.58	15.89	16.21	6	26.03	26.56	27.09	27.63					
7	16.33	16.65	16.98	17.32	7	27.75	28.30	28.87	29.45					
8	17.44	17.79	18.15	18.51	8	29.57	30.17	30.77	31.38					
9	18.64	19.01	19.39	19.78	9	31.52	32.15	32.79	33.45					
10	19.92	20.31	20.72	21.14										
11	21.28	21.70	22.14	22.58										
12	22.74	23.19	23.66	24.13										
13	24.30	24.78	25.28	25.79										
14	25.96	26.48	27.01	27.55										
15	27.74	28.29	28.86	29.44										
PB	111	111	111	111		116	116	116	116		123	123	123	123

Wage Schedule 2C applies to all Employees having a designated Base Location listed below:

Akron, OH	Dover, DE	Portland, ME
Albany, NY	Flint, MI	Poughkeepsie, NY
Allentown, PA	Grand Rapids, MI	Providence, RI
Alton, IL	Harrisburg, PA	Reading, PA
Ann Arbor, MI	Kingston, NY	Rochester, NY
Binghamton, NY	Lancaster, PA	Santa Ana, CA
Canton, OH	Lansing, MI	San Diego, CA
Centralia, IL	Lewistown, PA	San Francisco-East Bay, CA
Champaign, IL	Los Angeles, CA	Saginaw, MI
Cincinnati, OH	Madison, WI	San Jose, CA
Cleveland, OH	Manchester, NH	Springfield, MA
Collinsville, IL	Milwaukee, WI	Syracuse, NY
Columbus, OH	Oceanside, CA	Toledo, OH
Dayton, OH	Ottawa, IL	Utica, NY
Decatur, IL	Philadelphia, PA	Youngstown, OH
Detroit, MI	Pittsburgh, PA	

Wage Schedule 2D														
ACST	Effective	Effective	Effective	Effective	CST	Effective	Effective	Effective	Effective	SCST	Effective	Effective	Effective	Effective
Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17
1	11.06	11.28	11.51	11.74	1	19.03	19.41	19.80	20.20	1	22.93	23.39	23.86	24.33
2	11.80	12.04	12.28	12.53	2	20.28	20.68	21.10	21.52	2	25.84	26.36	26.89	27.43
3	12.59	12.84	13.10	13.37	3	21.60	22.04	22.48	22.93	3	29.12	29.70	30.30	30.91
4	13.44	13.71	13.98	14.26	4	23.02	23.48	23.95	24.43	4	32.82	33.48	34.15	34.83
5	14.34	14.62	14.92	15.22	5	24.53	25.02	25.52	26.03	5	36.99	37.73	38.48	39.25
6	15.30	15.61	15.92	16.24	6	26.13	26.65	27.19	27.73					
7	16.33	16.65	16.99	17.33	7	27.84	28.40	28.96	29.55					
8	17.42	17.77	18.13	18.49	8	29.67	30.26	30.86	31.48					
9	18.59	18.96	19.34	19.73	9	31.61	32.24	32.88	33.54					
10	19.84	20.23	20.64	21.05										
11	21.17	21.59	22.02	22.46										
12	22.59	23.04	23.50	23.97										
13	24.10	24.58	25.08	25.58										
14	25.72	26.23	26.76	27.29										
15	27.44	27.99	28.55	29.12										
PB	111	111	111	111	PB	116	116	116	116	PB	123	123	123	123

Wage Schedule 2D applies to all Employees having a designated Base Location listed below:

Asbury Park, NJ	Framingham, MA	New London, CT
Aurora, IL	Gary, IN	Peoria, IL
Atlantic City, NJ	Hartford, CT	Rockford, IL
Bridgeport, CT	Honolulu, HI	Rock Island, IL
Buffalo, NY	Joliet, IL	Springfield, IL
Camden, NJ	Kankakee, IL	Trenton, NJ
Chicago, IL	Newark, NJ	Washington, DC
Crystal Lake, IL	New Haven, CT	

Wage Schedule 2E														
ACST	Effective	Effective	Effective	Effective	CST	Effective	Effective	Effective	Effective	SCST	Effective	Effective	Effective	Effective
Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17	Step	5/25/14	5/24/15	5/22/16	5/21/17
1	11.13	11.35	11.58	11.81	1	19.17	19.55	19.94	20.34	1	23.10	23.56	24.03	24.51
2	11.88	12.11	12.36	12.60	2	20.48	20.89	21.31	21.73	2	26.15	26.67	27.20	27.74
3	12.67	12.92	13.18	13.44	3	21.88	22.32	22.76	23.22	3	29.60	30.19	30.79	31.41
4	13.52	13.79	14.07	14.35	4	23.38	23.85	24.32	24.81	4	33.50	34.17	34.85	35.55
5	14.43	14.71	15.01	15.31	5	24.98	25.48	25.99	26.51	5	37.92	38.68	39.45	40.24
6	15.39	15.70	16.01	16.33	6	26.69	27.23	27.77	28.32					
7	16.42	16.75	17.09	17.43	7	28.52	29.09	29.67	30.26	S-2 (CSS)				
8	17.52	17.87	18.23	18.59	8	30.47	31.08	31.70	32.34	Step	Effective	Effective	Effective	Effective
9	18.70	19.07	19.45	19.84	9	32.56	33.21	33.87	34.55	1	36.25	36.98	37.72	38.47
10	19.95	20.35	20.75	21.17										
11	21.29	21.71	22.14	22.58										
12	22.71	23.16	23.63	24.10										
13	24.23	24.72	25.21	25.71										
14	25.86	26.37	26.90	27.43										
15	27.59	28.14	28.70	29.27										
PB	111	111	111	111		118	118	118	118		124	124	124	124

Wage Schedule 2E applies to all Employees having New York, NY and Long Island-East, NY as their designated Base Locations.

- (c) In order to qualify for a Service Interval rate increase an Employee (in addition to meeting the other conditions set forth in this Contract) must have sixty (60) days Net Credited Service on the effective date of the scheduled increase.
- (1) Ordinarily Employees shall be hired Step 1. The Company may, however, start an Employee above Step 1 if in its judgment he or she has acquired sufficient mechanical, electrical, communications or other recognized related experience to warrant a higher rate.
- (d) A Service Interval increase in an Employee's Standard Rate as provided in Paragraph 2(b) shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.
- (e) An Employee whose Standard Rate as a result of any wage increases provided for in this article is higher than the rate specified in Paragraph 2(b) for an applicable Service Interval shall maintain such rate until the completion of the next Service Interval at which time the Employee shall receive such increase as may be necessary to adjust his or her Standard Rate to the rate specified in Paragraph 2(b) for such next Service Interval.
- (f) All new Employees (i.e., Employees never employed in the Installation Field forces of the Company) shall be placed into the Associate Communication Services Technician job classification.

## 2 Skill Classification and Recertification Reviews

### (a) Reassignment Review

- (1) All Employees in the Job Title of ACST who have completed the eighty-four (84) month progression schedule and all Employees holding the Job Title of CST will be reviewed for reassignment to a higher approved Job Title prior to the first Monday of fiscal March in each year during the term of this agreement. This review will be conducted by the Installation Resource Planning Board, hereafter referred to as the "Board". All recommendations for reassignments must have the final approval of the Board. Decisions regarding reassignments will be based upon reasons sufficient to, and will be solely at the discretion of, the Board, which decisions shall not be arbitrable. In addition, if the Board determines that there is an immediate need for a CST or SCST, it may, solely at its discretion, waive any Installation Service Skill Plan requirements and approve the reassignment of a qualified Employee to the Job Title with the need. Any approved reassignment of an Employee to a higher Job Title as a result of the Board's review will be effective at the beginning of the first fiscal week in March during the year of reassignment.

For ACST's in progression, the Company will conduct an annual developmental review regarding skill proficiency progress and training needs. For any ACST with fifteen (15) or more years of Installation Service or any CST with twenty (20) years or more of Installation Service who is not recommended for reassignment, a developmental plan will be established by the Board.

Employees who are not reassigned to the Job Title of CST through achievement of a system skill qualification and who are at the maximum ACST wage rate, may be reassigned to the CST Title upon successfully passing the Written Leadership Test. The Test contains elements such as, but not limited to quality, safety, service protection, customer satisfaction, job administration, and interpersonal relationships. It will be administered during the fourth quarter of each calendar year to eligible ACST's and those who pass the Test will be reassigned to CST effective at the beginning of the first fiscal week in March of the subsequent year. ACST's reassigned to CST in this manner shall receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for the CST Job Title which corresponds to the amount which is closest to, but higher than, his/her rate immediately prior to the reassignment. Further Service Interval progression increases shall not apply to such an Employee until such time as he/she becomes qualified in a system skill in accordance with the applicable Skill Plan qualification requirements.



- (2) An Employee who is reassigned to a new approved Job Title of CST or SCST, shall upon reassignment receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for that new Job Title which corresponds to the amount which is closest to, but higher than, his or her rate immediately prior to the reassignment. Subsequent Service Interval increases will become effective in accordance with Paragraph 2(d).
- (3) Any grievance involving assignment or reassignment of approved Job Titles shall, if presented within sixty (60) days after the date of the occurrence which gave rise to the grievance, be subject to the grievance provisions set forth in Article 7, but no grievance involving the Network Systems Work Operations Codes and Skill Classification Plan or its administration shall be subject to the arbitration provisions of Article 8 of this Contract.

(b) Recertification Review

- (1) The skills of all incumbent CST's and SCST's (excluding Employees whose sole system skill qualification is in a Declining System) will be reviewed annually to ensure continued proficiency in their assigned system and level. If an Employee is identified as having a skill deficiency caused by changes in technology or other skill related deficiencies, a recertification plan (including applicable training, on-the-job assignments, etc.) will be established. Periodic reviews will be conducted during the next twelve (12) months to assist the Employee to correct the deficiencies. If the deficiencies are not corrected, the Employee's next applicable negotiated wage increase, per Paragraph 1 above, will be withheld. Once the deficiencies are corrected, the Employee's negotiated wage increase will be restored.
- (2) Disputed situations involving the recertification review will be subject to third party review under the Expedited Arbitration process set forth in Article 22. In such cases, the sole issue shall be whether the Company acted unreasonably in withholding a General Wage Increase from the Employee. If so, the remedy is restoration of the General Increase. The arbitrator shall have no authority to promote the Employee or to rule upon any issue arising under or involving administration of the Skill Classification Plan.
- (c) The approved Job Title of each Employee will be reviewed for reassignment to a higher approved Job Title prior to the first Monday of fiscal March in each year during the term of this agreement. Any reassignment of an Employee to a higher approved Job Title as a result of such review will be effective at the beginning of the first fiscal week in March during the year of reassignment. All assignments and reassignments of approved Job Titles shall be made solely at the discretion of the Company.
- (d) An Employee who is reassigned to a new approved Job Title shall upon reassignment receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for that new Job Title which corresponds to the amount which is closest to, but higher than, his or her rate immediately prior to the reassignment. Subsequent Service Interval increases will become effective in accordance with Paragraph 2(d).
- (e) Any grievance involving assignment or reassignment of approved Job Titles shall, if presented within sixty (60) days after the date of the occurrence which gave rise to the grievance, be subject to the grievance provisions set forth in Article 7, but no grievance involving the Customer Operations Work Operation Codes and Skill Classification Plan or its administration shall be subject to the arbitration provisions of Article 8 of this Contract.

3 Wage Treatment on Transfers between Work Locations with Different Wage Schedules

- (a) The Standard Rate of pay of any Employee on a Temporary Transfer will not be changed by reason of such Temporary Transfer.
- (b) The Standard Rate of an Employee when transferred on a Permanent Transfer to a location where a different Wage Schedule is applicable shall be adjusted to the Standard Rate for the Employee's Service Interval and approved Job Title on the Wage Schedule applicable to the location to which transferred.

- (1) For Transfers to a Base Location where a higher Wage Schedule is applicable, the rate adjusted as provided in Paragraph 4(b) will be effective as of the beginning of the Workweek following the date of arrival at the location to which transferred.
- (2) For Transfers to a Base Location where a lower Wage Schedule is applicable, one-half of the difference between the old rate and the reduced rate as provided in Paragraph 4(b) will be effective as of the beginning of the fourteenth (14) Workweek following the date of arrival at the location to which transferred. The reduced rate as provided in 4(b) shall apply beginning with the twenty-seventh (27) week.
- (3) The allowance which an Employee might otherwise be entitled to receive under the provisions of Paragraph 4(b)(2) shall be decreased by any wage increases received by the Employee as provided in Paragraphs 1, 2 or 3 of this Article during the period for which the allowance is paid.
- (c) The Standard Rate of an Employee transferred from outside the bargaining unit to an assignment within the bargaining unit, except as covered by Article 9, Paragraph 5(a), shall become effective on the day the Employee starts to work in the unit.
  - (1) When the application of Paragraph 4(c) results in a Standard Rate lower than the Employee's rate before transfer, the treatment specified in Paragraphs 4(b)(2) shall be applied. Where the Employee's former rate was on a weekly or monthly basis, the allowance shall be the difference between the hourly equivalent of the Employee's former Standard Weekly or Monthly Rate and his or her new Standard Rate.

#### 4 Responsibility for the Work of Others or Classroom Training Delivery

- (a) An Employee assigned by Local Management to be responsible for the work of others as a Lead Installer will be assigned the responsibility for a job site(s). Responsibilities will include, but are not limited to, planning, organizing, laying out and assigning the work, monitoring the progress of the job, interpreting job information, preparing routine forms such as connecting sheets, dope sheets and running sheets, checking and testing, housekeeping, safety, contacting suppliers, and interfacing with customers or customer representatives. Also included are reporting and visually certifying the accuracy of Employees' time records, ensuring that the quality of the product, both the components and the overall job, meets prescribed quality objectives, including required quality documentation and the training and instructing of Installers.
- (b) An Employee assigned as a Lead Installer is not responsible for disciplining personnel, or for reporting on or passing judgment on the individual performance of other Installers with respect to productivity, quality, attendance, etc. However, he/she is expected to be fully aware of the status of the work, both the components and the overall job(s), and to keep the Supervisor advised of any deviations from the job plan or schedules that are encountered or anticipated.
- (c) An Employee may be assigned by Local Management to be responsible for the delivery of a formal training class covering either technical or non-technical subject matter when such responsibility includes teaching other employees in a classroom environment either on or off the job, will be paid the allowance as specified in (d) below.
- (d) An Employee assigned by Local Management to be responsible for the work of others as a Lead Installer or Trainer as described above for two (2) hours or more during a Scheduled Daily Tour, shall be granted a daily allowance of \$7.00.

#### 5 Night Work Bonus

- (a) An Employee on Night Tour shall be paid a night work bonus of ten percent (10%) of the Employee's Adjusted Rate for all time worked on such tours.

#### 6 Delivery of Pay Checks

- (a) The Company will endeavor to have payroll checks available for distribution on Thursday of each week unless unknown or unavoidable conditions prevent the Company from doing so. If there is a delay in delivery to a Job Location, every reasonable effort will be made to issue Field drafts or other means, to all Employees ordinarily by noon on Friday.

- (b) As a mandatory method of paycheck delivery for all Employees hired by the Company, the Company will deliver the Employee's pay check as follows:
  - (1) Electronic Funds Transfer (EFT)
  - (2) Payroll Debit Card Program
- (c) If an Employee utilizes EFT or selects the Payroll Debit Card Program, pay stubs will be mailed to the Employee's home or other fixed address as specified by the Employee.
- (d) If there is a delay in receipt of EFT, the Employee will qualify for payment by Field Draft, or other means, ordinarily by noon on Friday.
- (e) The Payroll Debit Card is an optional EFT process.
  - (1) Employee participation in the Payroll Debit Card Program shall be voluntary.
  - (2) An Employee's net pay for each week will be deposited to the Employee's Payroll Debit Card account.
  - (3) The Employee's Payroll Debit Card will be usable at any ATM.
  - (4) The Company will work with the vendor(s) of the Payroll Debit Card Program to ensure that an Employee's net pay will be available to the Employee at ATM machines at the beginning of each pay day.
  - (5) An Employee's Payroll Debit Card account will not be available for other deposits.
  - (6) The activation fee for an Employee's Payroll Debit Card account will be paid by the Company.

**ARTICLE 13 - LOCAL ASSIGNMENTS AND TRANSFERS****1 Definitions**

- (a) "Base Location" means a city listed in Appendix 2 attached hereto and made a part hereof. Such cities are so designated because they are focal points for the performance of installation work.
- (b) "Hiring Location" means the place of hiring of an Employee who was hired at other than a Base Location and who has not yet been transferred to his or her designated Base Location on a Permanent Transfer.
- (c) "Work Location" means a Base Location (or Hiring Location, if applicable) or any other place to which an Employee was transferred on his or her latest Transfer.
- (d) "Job Location" means a specific site at which installation work is performed.
- (e) "Computation Point" means the fixed point in the Work Location designated by the Company for the purpose of computing travel time and transportation expense allowances on Local Assignments and Temporary Transfers.
- (f) "Compensated Travel Time" means travel time for which payment is made under the provisions of Paragraphs 3(b)(2), 4(a)(5)(ii), 4(b) (with reference to Paragraphs 4(a)(5)(ii) and 4(b)(1)), 4(b)(1), 5(a)(1) and 5(a)(2).
- (g) "Local Assignment" means the assignment of an Employee to a Job Location which the Company determines is within range of travel on a daily basis from the applicable Computation Point of an Employee's Work Location.
- (h) "Transfer" means the movement of an Employee from one Work Location to another Work Location on other than a Local Assignment.
- (i) "Temporary Transfer" means the transfer of an Employee from one Work Location to another Work Location without a change in the Employee's designated Base Location. An Employee's return to his or her designated Base Location (or Hiring Location, if applicable) shall not be considered a transfer.
- (j) "Permanent Transfer" means the transfer of an Employee from one Base Location to another Base Location on other than a Temporary Transfer. It also means the initial transfer of an Employee to his or her designated Base Location if the Employee was hired at other than a Base Location, except when such transfer is for the purpose of attending a training class.

**2 General**

- (a) The Company and the Union agree that the character of installation work makes it necessary for an Employee to move to and from Job Locations and Work Locations. The Company will effect such a move by a Local Assignment, a Temporary Transfer or a Permanent Transfer.
- (b) The Company shall designate a Base Location for each Employee. An Employee shall not be eligible to any per diem allowance at the location in which he or she was hired, until the Employee has been transferred to a Base Location on a Permanent Transfer.
- (c) The Company shall not specify the mode of travel to be used by an Employee on a Local Assignment or Transfer, except as follows:
  - (1) The Company may furnish transportation when it determines that such transportation is appropriate for travel on a Local Assignment or transfer, and in such event Employees may be assigned to drive or to travel as passengers in a Company-provided vehicle.
  - (2) The Company may schedule travel via common carrier, including airplane, on a Permanent Transfer, or on a Temporary Transfer as provided in Paragraphs 4(a)(2) and 4(b).

- (d) When an Employee uses his or her motor vehicle in connection with a Local Assignment or a transfer, such use shall in no case be considered either as authorized or required by the Company. However, in the case of a Permanent Transfer, Paragraph 5(a)(2) (travel time) and Paragraph 5(b)(2) (travel expense) shall apply when an Employee uses his or her automobile under the conditions stated in said paragraphs.
- (e) The Company will endeavor to schedule travel on transfers during the day tour of the Scheduled Weekly Tour in effect at the Job Location from which the Employee is transferred, except when sleeping accommodations are provided for overnight travel via common carrier. When travel is scheduled via common carrier, departure and arrival time will be designated.
- (f) An Employee shall be given at least forty-five (45) days advance notice of a Permanent Transfer. Unless unknown or unforeseen conditions prevent the Company from giving such notice, an Employee shall be given at least seven (7) days advance notice of a Temporary Transfer to a Work Location sixty five (65) road miles or more from the Employee's Applicable Computation Point; and notification prior to the end of the Employee's tour on the work day preceding a Local Assignment.
- (g) Multiple Computation Points will be established with respect to the following Base Locations: Atlanta, Chicago, Dallas, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Newark, New York, Minneapolis-St. Paul, Philadelphia, Phoenix, St. Louis, San Antonio, San Diego, San Francisco-East Bay, and Seattle. For the purpose of computing transportation expense and daily miscellaneous allowance on Local Assignments and transportation expense and travel time allowances on Temporary Transfers, the Computation Point designated for an Employee at such Base Locations shall be that Computation Point previously designated for the Employee and in effect as of 11:59 p.m. on May 30, 1998. For those Employees who may be rehired from Layoff subsequent to the effective date of this Contract, the Computation Point designated shall be that Computation Point previously designated for the Employee and in effect as of the time he or she had last been Laid-Off; except, that in the event the Employee is rehired to a Computation Point different from that from which he or she was assigned when he or she was Laid Off, the Computation Point designated shall be the Computation Point to which he or she was rehired. For those Employees who may be newly hired, rehired, or reinstated from Leave of Absence subsequent to the effective date of this Contract, the Computation Point designated shall be the one nearest the Employee's living quarters as of the time such Computation applies.
  - (1) For those Employees who may be Permanently Transferred during the life of this Contract, the Computation Point designated shall be the one nearest the Employee's living quarters as of the time such Computation applies.
  - (2) The re-designation of Employees' Computation Points due to changes in their living quarters will be considered, in accordance with seniority, only insofar as business needs permit.
- (h) The Company will endeavor to assign an Employee to a Job Location as near his or her home location and as near the Employee's place of residence in the Work Location as conditions permit.
- (i) In selecting Employees for Temporary Transfer, the Company will give consideration to the Employee's marital status and personal responsibilities.
  - (1) Employees will be selected for Permanent Transfer as follows:
    - (i) The Company will select, by inverse order of Term of Employment, Employees assigned to the Base Location from which such transfer is to be made. For purposes of this paragraph, such selections shall be made from within the following groupings of Employees:

Communications Service Installer

Associate Communication Services Technician

Communication Services Technician  
(by Communications System and No-Match)

Senior Communication Services Technician  
(by Communications System)

- (ii) An Employee selected in accordance with (i) who has been notified of such Permanent Transfer may, prior to its effective date, elect termination of employment in lieu of the transfer. In such event the Employee will be granted a termination allowance equal to the Layoff Allowance provided in Paragraph 1 of Article 21, for his or her Term of Employment as of the date employment is terminated. In no event, will the Employee receive more than \$30,500 or be entitled to any rights of a laid off Employee. In addition, the Employee will, if eligible, be granted a service pension under and pursuant to the Benefit Plan.
- (2) For the purposes of Paragraph 2(i)(1), one or several Base Locations will be considered as one Base Location when the distance between the applicable Computation Points of those Base Locations is less than thirty-three (33) road miles, and provided that such Base Locations are within the same Area.
- (j) An Employee will not be assigned to an outlying Job Location unless transportation or communication is available to the Employee.
- (k) Except for unforeseen conditions beyond the control of the Company, an Employee will not be assigned for more than eight (8) hours to an outlying Job Location where no other personnel are assigned either by the Company or by the Customer.
- (l) In connection with a Permanent Transfer, dependent means an Employee's wife or husband and children; also other members of his or her family who live with the Employee in the same establishment and are principally dependent upon him or her for support.
- (m) A special condition transfer, which shall not be considered as coming within the other provisions of this article, will be made when all the following conditions exist:
  - (1) Employee requests that he or she be transferred to another Work Location for personal reasons.
  - (2) Although such a transfer would not be initiated by the Company in the normal conduct of the business, the Employee's services can be used at the Work Location to which the transfer is requested.
  - (3) The Company agrees to make the transfer and makes satisfactory arrangements with the Local representing the Employee in the Area from which transfer is requested, respecting treatment to be accorded such Employee and to notify the Local which has jurisdiction at the destination Work Location, if applicable.
- (n) A transfer out of the bargaining unit or to points outside the States of the United States shall not be considered as coming under the provisions of this article.
- (o) There shall be no duplication of per diem allowances, and no duplication of Local Assignment Allowances. When more than one per diem allowance, per Paragraphs 4(c)(1) and 5(c)(3), might otherwise be applicable for the same day, the Employee shall be paid only the higher of such allowances for that day. When more than one Local Assignment Transportation Expense Allowance or Daily Miscellaneous Allowance, per Paragraph 3(a), might otherwise be applicable for the same day, the Employee shall be paid only the higher of such allowances for that day.

- (p) When an Employee is transferred after the beginning and before the close of the Scheduled Weekly Tour, the provisions of this article shall not be applied in such a way as to deny an Employee an opportunity to earn eight (8) hours' pay (authorized time worked plus Compensated Travel Time) during any of his or her Scheduled Daily Tours of such Scheduled Weekly Tour.
- (q) When the authorized time worked at the Employee's Adjusted Rate plus Compensated Travel Time for the Workweek does not exceed forty (40) hours, Compensated Travel Time hours shall be paid for at the Employee's Adjusted Rate. When the authorized time worked plus Compensated Travel Time for the Workweek exceeds forty (40) hours, the hours in excess of forty (40) shall be paid at one and one-half (1 1/2) times the Employee's Adjusted Rate. For purposes of this Paragraph 2(q), the travel time allowance of eight (8) hours provided for in Paragraph 4(a)(2) and 4(f)(1)(iii) and sixteen (16) hours provided for in Paragraph 4(a)(3) shall be considered as authorized time worked.
- (r) The Company shall select the route and shall determine the road mileage measurement for that route, for the purposes of Paragraphs 3(a), 3(b), 4(a)(1), 4(a)(2), 4(a)(5), 4(b), 4(c)(1), 4(c)(3) and 4(e)(1), and road mileage tables (such as Rand McNally Standard Highway Mileage Guide) shall be used for determining mileage, where possible.
- (s) Employees will be reimbursed for toll fees, as incurred, upon presentation of receipts provided that such toll fees are reasonably related to the travel as specified in Paragraph 3(a) Local Assignments, Paragraph 4(a)(1) Temporary Transfers, and Paragraph 5(a)(2) Permanent Transfers.

### 3 Local Assignment

- (a) For each day worked on a Local Assignment, an Employee shall receive the applicable Daily Transportation Expense Allowance as provided in the schedule immediately below.

#### Effective 1/1/15

Distance Between Computation Point and Job Location				Daily Transportation Expense Allowance (1)
0	up to	1	mile(s)	0.00
1	" "	2	"	0.00
2	" "	3	"	0.00
3	" "	4	"	0.00
4	" "	5	"	0.00
5	" "	6	"	0.00
6	" "	7	"	0.00
7	" "	8	"	0.00
8	" "	9	"	0.00
9	" "	10	"	0.00
10	" "	11	"	0.55
11	" "	12	"	1.65
12	" "	13	"	2.75
13	" "	14	"	3.85
14	" "	15	"	4.95
15	" "	16	"	6.05
16	" "	17	"	7.15
17	" "	18	"	8.25
18	" "	19	"	9.35
19	" "	20	"	10.45

20	" "	21	"	11.55
21	" "	22	"	12.65
22	" "	23	"	13.75
23	" "	24	"	14.85
24	" "	25	"	15.95
25	" "	26	"	17.05
26	" "	27	"	18.15
27	" "	28	"	19.25
28	" "	29	"	20.35
29	" "	30	"	21.45
30	" "	31	"	22.55
31	" "	32	"	23.65
32	" "	33	"	24.75
33	" "	34	"	25.85
34	" "	35	"	26.95
35	" "	36	"	28.05
36	" "	37	"	29.15
37	" "	38	"	30.25
38	" "	39	"	31.35
39	" "	40	"	32.45
40	" "	41	"	33.55
41	" "	42	"	34.65
42	" "	43	"	35.75
43	" "	44	"	36.85
44	" "	45	"	37.95
45	" "	46	"	39.05
46	" "	47	"	40.15
47	" "	48	"	41.25
48	" "	49	"	42.35
49	" "	50	"	43.45
50	" "	51	"	44.55
51	" "	52	"	45.65
52	" "	53	"	46.75
53	" "	54	"	47.85
54	" "	55	"	48.95
55	" "	56	"	50.05
56	" "	57	"	51.15
57	" "	58	"	52.25
58	" "	59	"	53.35
59	" "	60	"	54.45
60	" "	61	"	55.55
61	" "	62	"	56.65
62	" "	63	"	57.75
63	" "	64	"	58.85
64	" "	65	"	59.95

(1) Table to be adjusted if the IRS standard mileage rate is less than \$.55



- (b) When transportation is furnished by the Company on a Local Assignment, Employees assigned to travel in the Company- provided vehicle as driver or passenger shall be paid as follows:
  - (1) An Employee assigned to drive a Company-provided vehicle shall be paid as authorized time worked for all time so spent driving over the route specified by his or her Supervisor.
  - (2) Travel time for an Employee assigned to travel to and from a Job Location as a passenger in a Company-provided vehicle shall be established by the Company. It shall be based on the average elapsed time required for one-way travel via Company-provided vehicle between the designated starting point and the Job Location. The amount of time by which such one-way travel (computed to the nearest five (5) minutes) exceeds forty-five (45) minutes shall be paid for in respect to each one-way trip.
- (c) When an Employee is paid for travel time under the provisions of Paragraph 3(b), the Company may reduce the Scheduled Daily Tour of such Employee up to the amount of such travel time by varying the starting and stopping time of his or her Scheduled Daily Tour. In such event, the amount of such travel time used in the reduction shall be treated as authorized time worked for purposes of computing overtime compensation for authorized time worked in excess of the Scheduled Daily Tour; also in such event the provisions respecting negotiation contained in Paragraphs 2(c), 2(d), 2(e) of Article 10 shall not apply.
- (d) Under the following conditions, the Company may elect to pay an Employee a meal allowance of \$8.00 for the day:
  - (1) the Employee completes the normal tour outside of Local Assignment mileage range from his/her applicable Computation Point , and
  - (2) he/she works more than ten (10) hours on that day, and
  - (3) the Employee is not on a Temporary Transfer.

In the event that an Employee is assigned to the same work location, which is outside of Local Assignment mileage range from his/her applicable Computation Point, for two consecutive days or more, a Temporary Transfer per diem transfer expense allowance will be paid.

#### 4 Temporary Transfer

- (a) Travel Expense and Travel Time (except in an emergency, as provided for in Paragraph 4(b)).
  - (1) When an Employee is transferred on a Temporary Transfer or returned from, and the distance between the applicable Computation Points of the starting and destination Work Locations is 800 miles or less, he or she shall be paid a transportation expense allowance of \$.55 or the IRS allowable rate per mile, whichever is less. The Employee shall also be paid a travel time allowance of one and one-half (1 1/2) minutes per mile for such distance up to and including 320 road miles, and one (1) minute per mile for such distance over 320 road miles. Such travel time allowance shall be scheduled during the day tour schedule in effect at the Job Location from which the Employee is transferred, and paid for as authorized time worked. In addition, the Employee shall also be paid an allowance specified in Paragraph 4(a)(7) to the extent applicable.
  - (2) When an Employee is transferred on a Temporary Transfer or returned from, and the distance between the applicable Computation Points of the starting and destination Work Locations is more than 800 road miles, the Company will specify travel via airplane to the extent that such transportation is available for the trip. The Company will have the sole responsibility for making reservations and arranging for coach class (or equivalent) airline tickets for the Employee who elects to travel by air. The Employee will be paid a travel time allowance of eight (8) hours which will be allotted to the Scheduled Daily Tour at the Job Location to which transferred on the day designated for travel. The Employee will also be paid for the following items to the extent applicable in traveling as scheduled:
    - (i) Local ground transportation expense (airport bus, limousine, taxi) as reasonably incurred between the Employee's living quarters or Job Location and the airport or common carrier

terminal at each end of the trip, (or when such ground transportation is not available between the Employee's home at the Base Location (or Hiring Location, if applicable) and the airport or common carrier terminal, an allowance of \$.55 or the IRS allowable rate per mile, whichever is less each way based on the distance in road miles between his or her home and such airport or common carrier terminal).

- (ii) Other common carrier fare as authorized and incurred in traveling to and from the location of the airport.
- (3) If an Employee scheduled to travel as provided in paragraph 4(a)(2) notifies the Company that he or she elects to travel other than as scheduled, the Employee will be paid an amount in lieu of actual airplane fare to be paid in accordance with the following schedule, based upon the road mileage distance between the applicable Computation Points of the starting and destination Work Locations:

**In Lieu of Amount**

<u>Road Mileage Distance</u>	<u>3/02/03</u>
<b>801 - 1049</b>	<b>\$264.00</b>
<b>1050 - 1299</b>	<b>\$309.00</b>
<b>1300 - 1549</b>	<b>\$320.00</b>
<b>1550 - 1799</b>	<b>\$332.00</b>
<b>1800 - 2049</b>	<b>\$344.00</b>
<b>2050 - 2299</b>	<b>\$363.00</b>
<b>2300 – Up</b>	<b>\$395.00</b>

The Employee will also be paid a travel time allowance of sixteen (16) hours which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel. In addition, the Employee shall also be paid an allowance specified in Paragraph 4(a)(7) to the extent applicable.

- (4) When an Employee initially travels as provided in Paragraph 4(a)(2), travel on subsequent Temporary Transfers will also be scheduled via airplane, to the extent that such transportation is available, until the Employee is returned to his or her designated Base Location (or Hiring Location, if applicable). If the Employee travels as so scheduled and the distance between the applicable Computation Points is 800 road miles or less, the Employee will be paid a travel time allowance, not to exceed eight (8) hours, for time so spent during the Scheduled Daily Tour in effect at the Job Location from which transferred. When the distance between the applicable Computation Points is over 800 road miles, the travel time allowance will be eight (8) hours, which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel. Such travel time allowance will be paid for as authorized time worked. The Employee will also be paid for the items described in Paragraph 4(a)(2)(i) and 4(a)(2)(ii) as applicable. If the Employee notifies the Company that he or she elects to travel other than as scheduled, the Employee will be paid the travel time allowance and travel expense allowance that would be applicable in accordance with Paragraph 4(a)(1) and 4(a)(7), when the applicable distance is 800 road miles or less. When the applicable distance is over 800 road miles, travel will be scheduled in accordance with Paragraph 4(a)(3) and the Employee will be paid the travel time and travel expense allowances that would be applicable in accordance with Paragraph 4(a)(3) and 4(a)(7).
- (5) When transportation en route to the destination Work Location on a Temporary Transfer is furnished by the Company:
  - (i) An Employee assigned to drive a Company-provided vehicle shall be paid as authorized time worked for all time so spent driving over the route specified by his or her Supervisor, and

- (ii) An Employee assigned to travel as a passenger in a Company provided vehicle shall be paid for such time scheduled by the Company during the day tour schedule in effect at the Job Location from which he or she is transferred. In addition, an allowance shall be paid for the items described in Paragraph 4(a)(7) to the extent applicable.
- (6) The Company will arrange transportation for an Employee who travels via airplane in accordance with Paragraph 4(a)(2) or Paragraph 4(a)(4) when suitable transportation is not available between the airport and the temporary living quarters or Job Location at the destination Work Location. The Company will also arrange daily transportation for an Employee who so travels and who is unable to arrange his or her own transportation between the temporary living quarters and the Job Location at the destination Work Location, provided that the Employee has exhausted all reasonable means of obtaining such daily transportation.
- (7) When such travel time allowance as specified in Paragraphs 4(a)(1), 4(a)(3), 4(a)(4), 4(a)(5) and 4(b)(1) is scheduled on more than one (1) day, the Employee will also be paid a per diem transfer expense allowance for each such scheduled day, in the applicable amount specified in Paragraph 4(c)(1), or the lodging option allowance as specified in Paragraph 4(c)(3), as applicable, but without duplication of any per diem allowances, as specified in Paragraph 2(o).
- (b) When, because of an emergency an Employee is directed to proceed at once to a Job Location on a Temporary Transfer, he or she shall be paid in accordance with Paragraphs 4(a)(1), 4(a)(2), 4(a)(3), 4(a)(4), 4(a)(5) or 4(b)(1), whichever is applicable, except that, unless Paragraph 4(b)(1) applies, the travel time allowance shall be computed from the Employee's Job Location or from the Employee's living quarters at the Work Location, whichever is applicable, to the destination Job Location.
- (1) An Employee scheduled because of an emergency to travel via common carrier (other than by airplane), over a route selected by the Company to the destination Job Location shall be paid for all time so spent, except between 11 p.m. and 7 a.m. when sleeping accommodations are provided on an overnight trip. In addition, the Employee shall be paid for the following items to the extent applicable in traveling within the time scheduled for such travel:
  - (i) Common carrier fare by route described in Paragraph 4(b)(1).
  - (ii) The allowance specified in Paragraph 4(a)(7), if applicable.
- (c) Per Diem Expense Allowance
  - (1) A per diem transfer expense allowance will be paid starting with the day an Employee is scheduled to arrive at a Work Location on a Temporary Transfer (but not before the day of actual arrival) and ending with the scheduled day of departure, based on the distance between the Computation Points in such Work Location and in the Employee's designated Base Location (or Hiring Location, if applicable), in accordance with the following schedule:

**Category I, II, & III Cities Identified as follows:**

**Work Locations to Which Transferred**

**Category I**

**All Other cities not listed in  
CATEGORY II or III**

<b>Distance Between Applicable Computation Points</b>	<b>Effective 1/1/15</b>
<b>Road Miles</b>	<b>Per Diem Allowance</b>
65 and over	\$44.00

**Work Locations to Which Transferred****Category II <sup>(A)</sup>**

Akron, OH	Fresno, CA	Rockford, IL
Albuquerque, NM	Gary, IN	Sacramento, CA
Anaheim, CA	Grand Rapids, MI	Salt Lake City, UT
Austin, TX	Greensboro, NC	Santa Ana, CA
Baton Rouge, LA	Hartford, CT	St. Petersburg, FL
Birmingham, AL	Jackson, MS	Shreveport, LA
Bridgeport, CT	Knoxville, TN	Spokane, WA
Charlotte, NC	Lincoln, NB	Springfield, MA
Columbus, GA	Lubbock, TX	Syracuse, NY
Corpus Christi, TX	Madison, WI	Tacoma, WA
Dayton, OH	Mobile, AL	Tallahassee, FL
Des Moines, IA	Newport News, VA	Tampa, FL
Evansville, IN	Norfolk, VA	Tucson, AZ
Flint, MI	Paterson, NJ	Virginia Beach, VA
Fort Lauderdale, FL	Providence RI	Wichita, KS
Fort Myers, FL	Richmond, VA	Youngstown, OH
Fort Pierce, FL	Riverside, CA	
Fort Wayne, IN	Rochester, NY	

<b>Distance Between Applicable Computation Points</b>	<b>Effective 1/1/15</b>
<b>Road Miles</b>	<b>Per Diem Allowance</b>
65 and Over	\$48.00

**Work Locations to Which Transferred****Category III <sup>(A)</sup>**

Atlanta, GA	Kansas City, MO	Phoenix, AZ
Baltimore, MD	Los Angeles, CA	Pittsburgh, PA
Buffalo, NY	Louisville, KY	Portland, OR
Chicago, IL	Memphis, TN	St. Louis, MO
Cincinnati, OH	Miami, FL	San Antonio, TX
Cleveland, OH	Milwaukee, WI	San Diego, CA
Columbus, OH	Minneapolis-St. Paul, MN	San Jose, CA
Dallas, TX	Nashville, TN	San Fran - Oakland, CA
Denver, CO	Newark, NJ	Seattle, WA
Detroit, MI	New Orleans, LA	Toledo, OH
El Paso, TX	New York, NY	Tulsa, OK
Fort Worth, TX	Oklahoma City, OK	Washington, DC
Honolulu, HI	Omaha, NB	
Houston, TX	Philadelphia, PA	

<b>Distance Between Applicable Computation Points</b>	<b>Effective 1/1/15</b>
<b>Road Miles</b>	<b>Per Diem Allowance</b>
65 and Over	\$52.00

<sup>(A)</sup>This allowance will also apply when the Work Location to which transferred is a city, town or village that abuts a city listed herein, and the Computation Point of such city, town or village is not more than five (5) road miles from the city limits of such listed city.

- (2) When an Employee is absent from work, payment of the allowance per Paragraph 4(c)(1) or payment of room rent and tax plus per diem allowance per Paragraph 4(c)(3) will be made only when such absence is excused. However, when the absence is due to accident, sickness, or quarantine, such allowance will be paid only when the Employee remains at his or her Work Location.
- (3) When an Employee is transferred on a Temporary Transfer, and the distance between the applicable Computation Points of his or her Work Location and his or her designated Base Location (or Hiring Location, if applicable) is 65 road miles or more, he or she may, not later than three (3) working days before the scheduled date of departure, elect to waive the applicable Per Diem Expense Allowance otherwise payable under Paragraph 4(c)(1) and accept a lodging option in its place. Under the lodging option the Company will select and arrange for lodging accommodations for the Employee at its expense (room rent and tax only) and will pay the Employee a lodging option per diem allowance as follows:

**Lodging Option Per Diem Allowance**

<b>Work Location to Which Transferred</b>	<b>Road Miles</b>	<b>Effective 1/1/15 Per Diem Allowance</b>
Category I	65 and over	\$26.00
Category II	65 and over	\$27.00
Category III	65 and over	\$28.00

Notwithstanding the above, the lodging option per diem specified in this paragraph will be paid starting with the day the Employee is scheduled to arrive at the Work Location on Temporary Transfer (but not before the day of actual arrival) and ending with the day on which the Employee is scheduled to depart on return to his or her designated Base Location (or Hiring Location, if applicable) or on which the Employee becomes eligible for a travel time allowance as set forth in Paragraph 4(a)(7). Eligibility for per diem allowance payments, if any, for days upon which the lodging option per diem allowance is not payable as set forth above shall be in accordance with other applicable provisions of this Article.

The Company will assume the room rent expense and pay the lodging option per diem allowance only for each day that an allowance under Paragraph 4(c)(1) would have been payable had the Employee not selected the lodging option.

It is in the best interest of both parties that Employees avoid unnecessary lodging expense incurrences by checking out when their rooms will not be utilized.

- (i) Not more than once during each Temporary Transfer such an Employee may, upon at least three (3) working days notice to the Company, change his or her election and accept the per diem allowance payable under Paragraph 4(c)(1) or change to the lodging option as the case may be. However, in no case may an Employee elect the per diem allowance payable under Paragraph 4(c)(1) for the day scheduled for departure to return to his or her Base Location (or Hiring Location, if applicable) unless he or she had received such an allowance for the day preceding the scheduled date of departure.

**(d) Paid Time Off During Temporary Transfer**

- (1) When an Employee's scheduled paid time off falls within the period of Temporary Transfer, it may be rescheduled by mutual consent between the Employee and the Company. If such paid time off is not rescheduled, and the Employee is subject to the provisions of Paragraph 4(e)(1), his or her transfer will be interrupted for the period of the paid time off, and travel time and travel expense for the trip to his or her Base Location (or Hiring Location, if applicable) and return to his or her Work Location will be paid as provided in Paragraph 4(a)(1), 4(a)(2) or 4(a)(3), whichever is applicable, but no per diem allowance, as provided in Paragraph 4(c)(1), or no payment of room, rent, and tax or payment of per diem allowance per Paragraph 4(c)(3)

will be paid during such interruption; otherwise, the transfer shall be terminated before the start of the paid time off.

- (2) If an Employee takes one (1) or more days of paid time off on a "day-at-a-time" basis as provided in Paragraph 2(c)(1) of Article 15, Paid Time Off, during the period of a Temporary Transfer, such transfer shall not be interrupted or terminated in accordance with Paragraph 4(d)(1) and travel time and travel expenses as provided in Paragraphs 4(a)(1), 4(a)(2) or 4(a)(3) will not be applicable. Per diem allowance as provided in Paragraph 4(c)(1) or payment of room rent and tax plus per diem allowance per Paragraph 4(c)(3) will not be paid starting with the first day of any such paid time off and ending with the day the Employee returns to work as scheduled.

(e) Periodic Trips Home

- (1) When an Employee is scheduled to be on Temporary Transfer for a period of more than six (6) weeks and the distance between the applicable Computation Points of his or her Work Location and his or her designated Base Location (or Hiring Location, if applicable) is 250 road miles or more, the Employee shall be eligible for the treatment specified in Paragraph 4(e)(5) for periodic weekend trips home, or trips by the Employee's spouse or dependent child, but not both, to such Work Location in accordance with the following:
  - (i) As of the fifth Monday in the transfer period, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the fifth Monday but prior to the ninth Monday in the transfer period.
  - (ii) As of the ninth Monday in the transfer period, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the ninth Monday but prior to the thirteenth Monday in the transfer period, provided his or her Temporary Transfer is not scheduled to terminate prior to the eleventh Monday in the transfer period.
  - (iii) As of the thirteenth Monday in the transfer period, and as of each fourth successive Monday thereafter, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the day on which he or she becomes so eligible but prior to such fourth Monday thereafter, provided the Employee's Temporary Transfer is not scheduled to terminate prior to the second Monday following the day on which he or she becomes so eligible.
- (2) The transfer period shall start with the Monday of the week the Employee actually arrives at his or her Work Location on a Temporary Transfer, or the Monday of the week in which his or her travel time allowance is scheduled or allotted as provided in Paragraphs 4(a)(1), 4(a)(2), 4(a)(3), 4(a)(5), 4(b) or 4(b)(1), whichever occurs later. Such period shall end when the Employee is returned to his or her Base Location (or Hiring Location, if applicable) or is given a new Temporary Transfer and the distance between the applicable Computation Points of his or her new Work Location and his or her Base Location (or Hiring Location, if applicable) is less than 250 road miles.
- (3) Eligibility for the specified treatment shall apply to such a trip taken on any weekend in the interval for which the Employee is so eligible, provided he or she is not scheduled to work overtime during such weekend. In the event that weekend overtime schedules are in effect during an interval for which an Employee is eligible for the specified treatment in connection with a trip as provided in Paragraph 4(e)(1), the Company will designate a weekend in such interval on which the Employee may arrange to exercise such eligibility.
- (4) Eligibility for the specified treatment in connection with such trips is not cumulative; i.e., any trip for which Employee is eligible for the specified treatment as provided in Paragraph 4(e)(1)(i), 4(e)(1)(ii) or 4(e)(1)(iii) shall be taken in the interval specified therein. If the Employee does not exercise his or her eligibility as so provided, he or she shall have waived eligibility for such interval.
- (5) Where an Employee is eligible for a weekend trip home during an interval to which such eligibility applies or where an Employee is eligible to have his or her spouse or dependent child,

but not both, take a trip to the Employee's Work Location during such interval, the Company will have the sole responsibility for making reservations and providing coach or the equivalent airline tickets (excluding air taxi or commuter air carriers) in advance of the trip for a round trip from the major airport nearest the Computation Point of the Employee's Work Location to the major airport nearest the location of the Employee's residence at the time the transfer was initiated. The Company will also provide a round trip mileage expense payment at the rate of fifty-five cents (\$.55) or the IRS allowable rate per mile, whichever is less, from the Employee's work location or place of lodging to and from the airport of departure. The Company shall not make flight arrangements in a manner which would unreasonably curtail the Employee's weekend time at home.

The Company will grant reasonable time off the job with pay, as determined by the supervisor, on the Friday afternoon preceding the weekend Periodic Trip and/or the Monday morning following the weekend Periodic Trip where the distance between the applicable Computation Points of the Employee's Work Location and designated Base Location (or Hiring Location, if applicable) is 500 miles or more when such time off is necessary to avoid having the Employee's weekend time at home unreasonably curtailed.

In determining the need for such time off, and the amount thereof, the supervisor will take into consideration such matters as individual airline scheduling problems encountered by the Employee, the distance to the airport from the job location and time zone changes.

This procedure is established with the full understanding by the parties that in some situations the application of this procedure may not resolve all of the scheduling problems encountered by individual Employees on Periodic Trips home.

- (i) Eligibility for the treatment specified in Paragraph 4(e)(5) shall be based upon the following:
  - (A) The Employee shall give the Company sufficient notice (normally fourteen (14) days) to permit the Company to make reservations and purchase airline tickets. Where unforeseen conditions, such as a death in the family or other bona fide family emergency, prevents such notice and necessitates the Employee to make his or her own reservations, he or she shall be reimbursed for funds disbursed (for the trip actually taken), upon presentation of a coach or equivalent airline ticket receipt.
  - (B) The Employee shall comply with the vouchering and administrative procedures established by the Company.
- (ii) The specified treatment set forth in Paragraph 4(e)(5), will not be provided for any trip which would be taken during or immediately preceding or immediately following a period of unexcused absence, including work interruptions. Furthermore, each full week of any such unexcused absence will be excluded from the transfer period for purposes of determining eligibility to such treatment, as provided in Paragraph 4(e)(1).
- (6) An Employee may substitute a trip on other than a weekend for any trip to which he or she is eligible for the specified treatment in accordance with Paragraphs 4(e)(1) through 4(e)(5), provided such trip is taken in the interval specified, and in connection with excused absence for reasons such as a holiday, death or illness in the family, or paid time off days not previously scheduled as provided for in Paragraph 4(d).
- (7) An Employee may substitute for the trip to which he or she becomes eligible for the specified treatment in accordance with Paragraph 4(e)(1)(i), a trip taken on or before the fifth Monday in the transfer period, provided such trip is taken because of a death in the immediate family, as defined in Article 16, Paragraph 5(b), or an emergency at home, or to spend the Christmas, Easter or Thanksgiving holidays at home, and provided further that Company approval is granted at the time the trip is taken. In addition, in case of a death in the immediate family as previously described, an Employee may, subject to the approval previously described, substitute for the trip to which (s)he becomes eligible for the specified treatment in accordance with Paragraph 4(e)(1)(ii) or 4(e)(1)(iii), a trip during a preceding period as described in Paragraphs 4(e)(1)(i), 4(e)(1)(ii) or 4(e)(1)(iii).



- (8) When an Employee's Temporary Transfer is interrupted, as provided in Paragraph 4(d)(1), for paid time off which starts during an interval in which he or she would otherwise be eligible for the specified treatment in connection with a trip home, his or her eligibility for such interval will be canceled. Furthermore, each full week of paid time off will be excluded from the transfer period for purposes of determining the Employee's eligibility for the specified treatment in connection with trips home, as provided in Paragraph 4(e)(1), following such paid time off.
  - (9) Per diem expense allowance and lodging expense which would otherwise be applicable in accordance with Paragraph 4(c)(1) or 4(c)(3), will not be paid for Saturday and Sunday of any weekend for which transportation is provided per Paragraph 4(e)(5). Nor shall per diem be paid for Saturday and Sunday of the weekend following the day on which the Company accepts a substitute trip as provided in Paragraph 4(e)(6) or 4(e)(7), except that applicable per diem will be paid for any such Saturday and Sunday if the Employee works as scheduled at the Temporary Transfer Work Location on Friday, Saturday, or Sunday. Such per diem allowance and lodging expense also will not be paid for any day on which the Employee is absent from work during such a trip because of paid time off, holiday, Company Designated Day, personal sickness, death or illness in the family, or any other excused absence.
- (f) Local Assignment and Temporary Transfer to Attend Training
- (1) When an Employee is assigned to formal classroom or vestibule training at a location designated by the Company, such assignment shall be treated as a Work Location and/or Job Location for purposes of Local Assignment and Transfer as follows:
    - (i) An Employee assigned to a Training Location within Local Assignment range from the Employee's designated Computation Point shall receive an allowance in accordance with Paragraph 3 of this Article.
    - (ii) When an Employee is transferred on a Temporary Transfer for training or returned there from, and the distance between the applicable Computation Points of the starting and destination Work Locations is 320 miles or less, he or she shall be paid a transportation expense allowance of \$.55 or the IRS allowable rate per mile, whichever is less and a travel time allowance of one and one-half minutes per mile. Such travel time allowance shall be scheduled during the day tour schedule in effect at the Job Location from which the Employee is transferred or during a like schedule on a weekend where necessary. The travel time allowance shall be paid for as authorized time worked.
    - (iii) When an Employee is transferred to training on a Temporary Transfer or returned therefrom, and the distance between the applicable Computation Points of the starting and destination Work Locations is more than 320 road miles, the Company will specify travel via airplane to the extent that such transportation is available for the trip. The Company will have the sole responsibility for making reservations and arranging for coach class (or equivalent) airline tickets for the Employee who elects to travel by air. The Employee will be paid a travel time allowance of eight (8) hours which shall be allotted to the Scheduled Daily Tour in effect at the Job Location from which the Employee is transferred or during a like schedule on a weekend where necessary. The travel time allowance will be paid for as authorized time worked. The Employee will also be paid for the following items to the extent applicable in traveling as scheduled:
      - (A) Local ground transportation expense (airport bus, limousine, taxi) as reasonably incurred between the Employee's living quarters or Job Location and the airport or common carrier terminal at each end of the trip, (or when such ground transportation is not available between the Employee's home at the Base Location (or Hiring Location, if applicable) and the airport or common carrier terminal, an allowance of \$.55 or the IRS allowable rate per mile, whichever is less each way based on the distance in road miles between his or her home and such airport or common carrier terminal.)
      - (B) Other common carrier fare as authorized and incurred in traveling to and from the location of the airport.

- (C) The Company will provide necessary daily transportation between the living quarters and the training location when the Employee travels via airline as scheduled.
- (iv) If an Employee scheduled to travel by airline notifies the Company that he or she elects to travel other than as scheduled, the Employee will be paid an amount in lieu of actual airplane fare. If the distance is 321 miles up to and including 800 miles, the Employee will be paid \$.55 or the IRS allowable rate per mile, whichever is less. If the distance is greater than 800 miles, the Employee will be paid in accordance with the following schedule, based upon the road mileage distance between the applicable Computation Points of the starting and destination Work Locations:

**In Lieu of Amount**

<u>Road Mileage Distance</u>	<u>3/02/03</u>
<b>801 - 1049</b>	<b>\$264.00</b>
<b>1050 - 1299</b>	<b>\$309.00</b>
<b>1300 - 1549</b>	<b>\$320.00</b>
<b>1550 - 1799</b>	<b>\$332.00</b>
<b>1800 - 2049</b>	<b>\$344.00</b>
<b>2050 - 2299</b>	<b>\$363.00</b>
<b>2300 – Up</b>	<b>\$395.00</b>

The Employee will also be paid a travel time allowance of eight (8) hours which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel or during like hours on a weekend where necessary. The travel time allowance will be paid for as authorized time worked.

- (v) The travel time allowance of eight (8) hours may be allotted to the last day of training:
- (A) if the Employee travels by airline and the schedule allows the Employee to arrive no later than 10:00 P.M. local time at the destination airport, or
  - (B) if the Transfer is less than 320 miles and the travel time allowance of one and one-half minutes per mile allows the Employee to arrive at the Computation Point of the Employee's Work Location no later than 10:00 P.M. local time.

Any hours over eight (8) worked or traveled on that day will be paid at the applicable overtime rate. Otherwise, the travel time allowance shall be scheduled on or allotted to the day tour schedule in effect the following day at the Training Location from which the Employee is transferred.

## 5. Permanent Transfer

### (g) Travel Time

- (1) Time scheduled by the Company for travel via common carrier by the shortest practical route between the Work Locations to and from which the Employee is transferred shall be paid for during the day tour schedule in effect at the Job Location from which transferred and, when sleeping accommodations are not provided, between 11:00 P.M. and 7:00 A.M., except when the provisions of Paragraph 5(a)(2) apply.
- (2) If an Employee notifies the Company of his or her intention to use his or her automobile as a means of transportation to the destination Base Location, the Company shall schedule day and hour of departure and shall pay travel time incurred in such use over the route agreed upon by the Employee and Supervisor at the time of Transfer during the day tour schedule in effect at the Job Location from which the Employee is transferred.

## (h) Travel Expense

- (1) When the provisions of Paragraph 5(a)(1) apply, an allowance shall be paid for the Employee and each dependent who accompanies him or her, for the following items to the extent applicable in traveling within the time scheduled for such travel:
  - (i) Common carrier fare by the shortest practical route between the Work Locations to and from which the Employee is transferred.
  - (ii) Meals en route (including tip); \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
  - (iii) Lower berth in first class sleeping car (or equivalent accommodations in lieu thereof) and a \$2.00 porter tip per night when overnight travel is scheduled.
  - (iv) Lodging en route when a stopover is required by the common carrier schedule as incurred.
- (2) When the provisions of Paragraph 5(a)(2) apply, an allowance shall be paid to the Employee for the following items to the extent applicable:
  - (i) Mileage for the route agreed upon by the Employee and Supervisor at the time of Transfer at \$.55 or the IRS allowable rate per mile, whichever is less.
  - (ii) Additional mileage at \$.13 per mile when an Employee tows an automobile trailer to be used for his or her living accommodations at the destination Base Location.
  - (iii) Towing charges en route as approved in advance when an Employee is unable to tow his or her trailer.
  - (iv) Parking or garaging en route as incurred.
  - (v) Meals en route (including tip): \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
  - (vi) Lodging en route when a stopover is required as incurred.

A like allowance shall be paid for each dependent accompanying the Employee with respect to items 5(b)(2)(v), 5(b)(2)(vi) and Paragraph 2(s).

## (i) Locating Expenses

- (1) The Company shall authorize, arrange and pay the cost of packing, shipping, unpacking and storage (incidental to shipping) of the Employee's household goods, and shall arrange with the moving company and pay directly for the following incidental services, if necessary:
  - (i) Furnace and chimney cleaning.
  - (ii) Gas, electric, and water connections of a minor nature, including supplementary additions within the boundary of the dwelling to utilities already installed; such as, electric power, gas, or water supply to service home equipment or appliances.
  - (iii) Removal and reinstallation of home equipment (includes uncoupling at origin and reinstallation plus incidental servicing as required at destination, and applies to: gas or electric range, washing machine, dryer, freezer, refrigerator, television set, antenna, or other home equipment).
  - (iv) Transportation and care (boarding) of household pets prior to moving into new permanent residence.
  - (v) Realignment of television set and replacement of antenna. The cost of acquiring a comparable new antenna may be paid when removal of the old one is not feasible.
  - (vi) Storage of household goods limited to 90 days.
- (2) The Employee shall be reimbursed for the incurred cost of unexpired board, rent and garage rent, paid for in advance and not recovered.
- (3) An Employee who is Permanently Transferred shall be paid a per diem allowance of \$20.00 for self and each dependent ten (10) or more years of age and \$15.00 for each dependent under

ten (10) years. Such allowance shall be paid for each day, starting with the scheduled day of arrival at the Base Location (but not before the day of actual arrival) and ending with the day of moving into permanent quarters or the fourteenth calendar day at that Base Location, whichever occurs first. To cover all other locating expenses, a single allowance of \$650.00 or three percent (3%) of the Employee's Annual Standard Rate as of the effective date of transfer, whichever is the greater shall be paid to such Employee.

- (i) When it is agreed that it is necessary, because of the transfer, for an Employee to vacate his or her living quarters at the starting point prior to Employee's scheduled departure, payment of a per diem allowance in the amount specified in Paragraph 5(c)(3) shall be made for a period not to exceed three (3) days.
- (4) An Employee whose dependents do not accompany him or her, but who advises the Company that they will travel to his or her new Base Location within ninety (90) calendar days following his or her arrival on a Permanent Transfer, shall be paid a per diem allowance, in the amount specified in Paragraph 5(c)(3). Such allowance shall be paid for a total of no more than fourteen (14) calendar days, including days on which it is paid for the Employee, and days on which it is paid for the Employee and dependents when they arrive at the new location, except that such allowance shall not be paid for any day after the Employee moves into permanent quarters, or after the ninetieth (90th) calendar day following his or her arrival, whichever occurs first.
  - (i) An Employee described in Paragraph 5(c)(4) shall also be paid an allowance for each dependent who travels to the new Base Location, to the extent applicable, as provided in Paragraph 5(b)(1) or 5(b)(2), except that in the event Paragraph 5(b)(2) applies, the Employee may also be paid such allowance for one (1) round trip from his or her new Base Location for the purpose of using his or her automobile as a means of transportation for the Employee's dependents to his or her new Base Location.
- (j) Expense in Connection with Disposal and Purchase of Home
  - (1) An Employee who is notified of a Permanent Transfer shall be eligible to reimbursement for additional expenses as follows:
    - (i) The Employee shall have the option to dispose of his or her home (one or two-family house, townhouse, condominium unit or a mobile home affixed to the Employee's real property used as his principle residence) in accordance with Paragraph 5(d)(1)(i)(A) or 5(d)(1)(i)(B) and Paragraph 5(d)(1)(ii) below provided: The home is the Employee's principle residence owned and occupied by the Employee at the time of Permanent Transfer, the Employee possesses a good and marketable title, it is not used for commercial purposes, the house shall not have been rented after the Employee has been notified of Permanent Transfer, the home shall not include adjoining property (land and improvements) that exceeds twenty-five percent (25%) of the total value of the main property plus the adjoining property and the home complies with applicable laws, rules, and regulations relating to construction and occupancy.
      - (A) An Employee may make an irrevocable election to sell his or her principal residence to the Realty Company designated by the Company at the Realty Company's appraised value based on the following requirements:
        - (1) The Realty Corporation's offer must be accepted within ninety (90) days following the date of the appraisal letter and such offer shall be final.
        - (2) The house must not have been given to another Realty Company with an exclusive listing.
        - (3) The total amount of liens and encumbrances on the property must not exceed the appraised value.
        - (4) The transfer of title or use of the property must not be subject to the approval of a third party.

- (B) An Employee who receives a bona fide written offer higher than the Realty Company appraisal (net cash return greater than the appraisal value per Paragraph 5(d)(1)(i)(A)) from a third party for the purchase of his or her home may elect to sell to said Realty Company who will close the sale of the property to the third party. Such election and sale shall be in accordance with requirements established by the Company which shall be provided to the Employee prior to the sale.
- (ii) An Employee may, with advance Company approval, sell his or her home directly to a buyer other than the Realty Company (the options in Paragraph 5(d)(1)(i)(A) or 5(d)(1)(ii)(B) will not be used) and be reimbursed for the applicable expenses listed in subparagraphs (A) through (G) below. Such expenses shall not be grossed-up for tax purposes.
  - (A) Licensed broker's selling commission.
  - (B) Mortgage prepayment penalty.
  - (C) Legal fees, except unusual fees to clear substantial title defects.
  - (D) Disbursements for documentary stamps.
  - (E) Applicable real estate transfer taxes.
  - (F) Applicable title fees and survey, if chargeable to seller.
  - (G) Inspection Fees (where required by state law)
- (iii) Employees owning mobile homes located on real property not owned by the Employee as their principal place of residence may have the option of (a) having the Company ship it to the new Work Location at the Company's expense provided the value of the mobile home exceeds the estimated cost of shipment or (b) with advance Company approval, sell it privately and be reimbursed for approved selling expenses.
- (iv) Employees who rent their principal residence from others shall have their leases settled by the Company, except that oral leases will not qualify.
- (v) Within thirty (30) days prior to the date the Employee is scheduled to report to work at his or her new Base Location, the Company will, upon request and subject to the needs of the business, authorize the Employee to make one visit of reasonable duration to the new Base Location for the purpose of searching for a residence. The Employee may be accompanied by one (1) of the following individuals, who must reside with the Employee; husband, wife, son, daughter, mother, father, mother-in-law, father-in-law, grandparent, grandchild, sister, brother or partner. In this connection, the Company will reimburse the Employee for the following items to the extent applicable for himself or herself and his or her travel companion:
  - (A) Lodging at the new Base Location during the period of the visit as incurred.
  - (B) Meals (including tip) for the period of the visit: \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
  - (C) Mileage for the round trip at \$.55 or the IRS allowable rate per mile, whichever is less.
  - (D) Reasonable expense for the care of children and pets during the period of the visit.
- (vi) An Employee who elects to purchase a home will be eligible to reimbursement of the incurred expenses listed in sub- paragraph (A) through (J) below, for amount not to exceed \$750, or 2% of the purchase price, whichever is greater, in taking title (closing costs) on the purchase of a house provided such house is to be used as the Employee's principal residence, the house is either a one- or two- family dwelling and is not to be used for commercial purposes. The transaction of purchase shall be completed within six (6) months following the date of the Employee's Transfer. Such expenses shall be substantiated by invoices or a copy of the closing statements:
  - (A) Legal Fees

- (B) Title Insurance Fees
  - (C) Bank Service Fees (including fees such as mortgage origination fees and the like but excluding discount "points" in any form and charges for mortgage insurance such as M.G.I.C.)
  - (D) Mortgage Taxes
  - (E) Mortgage Approval and/or Credit Rating Fees
  - (F) Real Estate Transfer Costs
  - (G) Recording Fees
  - (H) Survey Expenses (if required)
  - (I) Appraisal Fees (charged by lender)
  - (J) Inspection Fees (plumbing, electrical system, etc. required by lender))
- (vii) An Employee who elects to purchase a house at the new Base Location shall be eligible to Advance of Equity from the Company necessary to assist the Employee in the purchase of a home at the Destination Base Location subject to the following terms and conditions:
- (A) Advances of Equity may not exceed the amount of Employee's net equity in a currently owned home specified in Paragraph 5(d)(1)(i) based upon appraised value determined by the Company or a Contract of Sale. Advance of Equity will not apply to cooperative apartments.
  - (B) All advances will be evidenced by a promissory note.
  - (C) The amount of equity advance shall be drawn only as necessary to meet the commitment on the purchase of a new home. The initial amount shall not exceed the amount required for down payment. The necessary balance of such an advance shall be withdrawn no earlier than one week before the closing on the new home.
  - (D) Initial Advance of Equity and all subsequent advances are made without interest and must be repaid: 1) immediately but no more than seven (7) calendar days following receipt of the net proceeds from the sale of the Employee's home, or 2) six (6) months from the date of the initial promissory note, or 3) on demand, in the event employment is terminated for any reason, or 4) if there is default or inappropriate use of funds, whichever occurs first. Partial payments received by an Employee from a buyer within the six (6) month period shall be remitted immediately to the Company.
- (k) An Employee who is notified of a Permanent Transfer, accepts the transfer, disposes of a home which qualifies under Paragraph 5(d)(1)(i), may elect to receive, in lieu of any monies or services to which otherwise eligible under Paragraphs 5(c), 5(d) and their subparagraphs, a lump sum payment of \$21,000, less applicable taxes, provided the Employee:
- (1) sells his or her home at the originating location within nine (9) months of the effective date of the transfer and provides the Company with appropriate documentation to substantiate the sale of the home no later than 45 days after such sale; and
  - (2) provides proof acceptable to the Company that the Employee and Employee's spouse have sold their entire interest in the home, in an arms length transaction for at least a fair market value price, to a natural person other than a member of the Employee's family (e.g., spouse, child, parent, in-laws or anyone with a family relationship recognized by law in the state where the transfer of property took place) and that the Employee and the Employee's spouse have or will have no right, title or interest in the home after the sale has been completed; and
  - (3) establishes his or her permanent residence in the locale of the destination Base Location.
- Such \$21,000 will be paid once all conditions specified above have been met.

**ARTICLE 14 - HOLIDAYS**

- 1 The following shall be recognized as holidays covered by this Agreement, and the calendar day on which the holiday falls shall be observed as the holiday except as provided in Paragraph 3.

New Year's Day

Memorial Day (last Monday in May)

Independence Day

Labor Day

Thanksgiving Day

\*Day After Thanksgiving Day

Christmas Day

\*The holiday "Day after Thanksgiving" shall be the workday within the SCHEDULED WEEKLY TOUR which immediately follows the day observed as the Thanksgiving Day holiday.

2 Compensation

An Employee, who loses all or part of his or her scheduled tour of duty due to the suspension of operations during the Scheduled Weekly Tour in observance of an authorized holiday, shall be compensated for such tour or part thereof not to exceed eight (8) hours at the Employee's Adjusted Rate plus applicable night work bonus, provided the Employee receives pay from the Company for all or part of either the day preceding or the day following the holiday.

3 Holiday Observance

- (a) When an authorized holiday falls on Sunday, (or, for a 7-Day Coverage Employee, such Employee's Day in Lieu of Sunday) the following day shall be observed as a holiday.
- (b) When, during the period of this contract, an authorized holiday falls on Saturday, (or, for a 7-Day Coverage Employee, on such Employee's Day in Lieu of Saturday) the Company shall designate any one of the following as the day to be observed as such holiday:
  - (1) The Saturday on which the calendar holiday falls, or
  - (2) The workday, within the Employee's Scheduled Weekly Tour, which immediately precedes the calendar holiday, or
  - (3) The workday, within the Employee's Scheduled Weekly Tour, which immediately follows the calendar holiday.
- (c) When the Company designates the Saturday (or, for a 7-Day Coverage Employee, on such Employee's Day in Lieu of Saturday) in which the calendar holiday falls as the observed holiday and an Employee is not scheduled to work on such day, he or she shall receive a holiday allowance not to exceed eight (8) hours at the Employee's Adjusted Rate plus night work bonus when applicable for time not worked during Employee's Scheduled Daily Tour provided:
  - (1) The Employee works all of both his or her Scheduled Daily Tours preceding and following the holiday, or
  - (2) The Employee works all or part of both his or her Scheduled Daily Tours preceding and following the holiday and is excused by the Company for all partial-day absences on such preceding or following days.

In applying the provisions of sub-paragraphs 3(c)(1) and 3(c)(2) of this Article, paid time off shall be considered as time worked.

- (d) The holiday period shall be the twenty-four (24) consecutive hour period between midnight and midnight on the calendar day on which the holiday is observed. For those tours which cross midnight, the holiday period shall be the twenty-four (24) consecutive hour period beginning with the scheduled start of the tour that commences on the calendar day on which an authorized holiday is observed. This may be changed by mutual agreement between the local Union and local Management to such twenty-four (24) consecutive hour period that commences on the eve of the calendar day on which an authorized holiday is observed (calendar day preceding such holiday observance day).



**ARTICLE 15 – PAID TIME OFF****1 Eligibility**

- (a) Employees will be eligible to paid time off with pay during the current calendar year in accordance with Paragraphs 1(a)(1) through 1(a)(5) and subsequent provisions of this Article:
  - (1) Eleven (11) days after completion of a Term of Employment of six (6) months.
  - (2) Seventeen (17) days after completion of a Term of Employment of twelve (12) months, provided that if a Term of Employment of six (6) months and of twelve (12) months are both completed in the same calendar year, only seventeen (17) days of paid time off will be granted, with the additional six (6) days to be scheduled after completion of twelve (12) months' Term of Employment. The first eleven (11) days may be scheduled any time after completion of six (6) months' Term of Employment.
  - (3) Twenty-two (22) days beginning with the year in which a Term of Employment of seven (7) years will be completed.
  - (4) Twenty-seven (27) days beginning with the year in which a Term of Employment of fifteen (15) years will be completed.
  - (5) Thirty-two (32) days beginning with the year in which a Term of Employment of twenty-five (25) years will be completed.
  - (6) New York and Massachusetts Employees only shall be eligible for one (1) additional day to the paid time off referenced in 1(a)(1) through 1(a)(5).
- (b) The days of paid time off provided for in Paragraph 1(a) will consist of the number of days and hours which the Employee would have been scheduled to work (excluding overtime) during the paid time off absence.
- (c) For an Employee whose Term of Employment is less than two (2) years, the amount of paid time off to which otherwise eligible in accordance with this Article will be reduced by one-twelfth (1/12) for each full period of thirty (30) consecutive calendar days' absence or separation from the payroll occurring, or expected to occur, during the current calendar year (other than paid for absences due to sickness or accident disability). In the amount to be subtracted, fractions of one-half (1/2) day or less will be disregarded, and fractions of more than one-half (1/2) day will be considered as one (1) day. In computing any such period of absence, the absence will be considered as beginning with the first calendar day after the last day for which the Employee is paid.
- (d) Solely for the purpose of granting paid time off eligibility for a Term of Employment of six (6) months, twelve (12) months, and two (2) years, as provided in Paragraphs 1(a) and 1(c), an Employee hired or rehired on the first (1st) working day of a calendar month will have Term of Employment computed from the first (1st) calendar day of that month.
- (e) An Employee reinstated from Leave of Absence or rehired who has previously taken paid time off or received allowance in lieu thereof in the current calendar year will be eligible to the number of days of paid time off days for his or her Term of Employment as determined in accordance with Paragraphs 1(a), 1(b) and 1(c), less the number of days of paid time off previously taken or paid for.
- (f) An Employee reinstated from Leave of Absence or rehired from Layoff who has a Term of Employment of two (2) years or more and who was not previously on the roll in the current calendar year will be eligible to paid time off with pay in the following amounts, applied to the number of days of paid time off for his or her Term of Employment as determined in accordance with Paragraph 1(a) or 1(b):

<b><u>Reinstated or Rehired</u></b>	<b><u>Amount of Eligibility</u></b>
On or before March 31	Full
April 1 through June 30	Three-fourths (3/4)
July 1 through September 30	One-half (1/2)
After September 30	One-fourth (1/4)

In computing the paid time off to which eligible as provided herein, fractions of less than one-half (1/2) day will be disregarded and fractions of one-half (1/2) day or more will be considered as one (1) day. In no event, however, will the Employee's paid time off eligibility as determined herein be less than would be applicable if the Employee were hired as of the date reinstated or rehired.

## 2 Scheduling Paid Time Off

- (a) Paid time off days are not cumulative. Except as provided in Paragraphs 2(e), 2(f), and 2(g), the paid time off to which an Employee is eligible in each calendar year shall be taken before midnight December 31 of that year.
- (b) Paid time off days will be scheduled in accordance with the Employee's wishes to the extent consistent with the needs of the business, giving due consideration to Term of Employment.
- (c) Paid time off days shall normally start on the first (1st) day of the Employee's normal Scheduled Weekly Tour; and paid time off, other than fractional weeks to which an Employee is eligible, shall initially be scheduled and shall be taken in full weeks, except as provided in Paragraph 2(c)(1), 2(c)(2) and 2(c)(3).
  - (1) Employees may take up to seventeen (17) days of paid time off to which eligible, on a "day-at-a-time" basis. When an Employee so elects, up to seventeen (17) days will be reserved and scheduled for this purpose, but only after the initial scheduling of all Employees' paid time off and in accordance with Paragraph 2(b). One (1) or more paid time off days may then be granted to such Employees prior to their reserved paid time off, subject to the needs of the business, advance approval by the Company, Term of Employment, and the order in which requests were received. The seventeen (17) days or portion of the seventeen (17) days not used on a "day-at-a-time" basis by the time the reserved paid time off occurs must be taken during the reserved period.
  - (2) The Company and the Union recognize that it may be in the best interest of the Employee to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, up to four (4) of the seventeen (17) paid time off day(s) referenced in 2(c)(1) may be used as follow:
    - (i) Each flexible paid time off day may be divided into increments of two (2) hours, provided, however that where the length of an Employee's schedule daily tour is not evenly divisible by two (2), the last increment of each paid time off may be less than two (2) hours
    - (ii) An increment may be taken at any time provided his/her supervisor is notified before the beginning of the tour and not more than twenty-five (25%) of the work group has already been granted time off. In the event more than twenty-five percent (25%) of the work group is scheduled off, then the time may be granted consistent with the needs of the business.
  - (3) Up to two (2) paid time off days of the seventeen (17) paid time off days referenced in 2(c)(1) in each calendar year may be designated by the Company. Employees for which a paid time off day is designated by the Company and who are not otherwise eligible for pay shall be excused and paid for such designated day, provided they are on the active payroll of the Company on the designated day

- (d) When an Employee's scheduled paid time off includes a holiday recognized in accordance with Article 14, Holidays, and observed in accordance therewith on any day Monday through Friday in such week an extra day off with pay will be granted in lieu thereof, which ordinarily shall be taken continuously with other paid time off due.
- (e) When an Employee is disabled due to illness or injury at the time paid time off is scheduled to begin, the paid time off shall be postponed, and rescheduled to the extent possible in the current calendar year. When an Employee becomes disabled due to illness or injury while on a scheduled paid time off, the paid time off will be terminated as of the end of the day immediately preceding the first (1st) day of such illness and the remaining portion of the terminated paid time off shall be rescheduled during the current calendar year. Any portion of paid time off rescheduled as provided herein which cannot be completed in the current calendar year shall be rescheduled in the following calendar year, provided that the paid time off so rescheduled shall be completed prior to July 1 and prior to the Employee's taking any of the paid time off to which eligible in that year.
  - (1) Rescheduling as provided in Paragraph 2(e) shall be subject to the Employee's having furnished within a reasonable time a physician's certificate acceptable to the Company showing evidence of such disability. Paid time off rescheduled as provided therein shall be taken after the Employee has been approved to return to full-time duty by a Company physician, except that in special circumstances and upon request of the Employee, the Company may permit the Employee to take such rescheduled paid time off after recovery from the illness or injury but before returning to full-time duty.
- (f) Paid time off to which an Employee becomes eligible upon completion of a Term of Employment of six (6) or twelve (12) months shall be scheduled after completion of such Term of Employment, provided that, when an Employee completes such Term of Employment after December 1, such paid time off may be scheduled in the following calendar year if the Employee so requests, provided it is completed prior to July 1 and prior to the Employee's taking any of the paid time off to which eligible in that year.
- (g) At the option of the employee and subject to the needs of the business, up to five (5) paid time off days to which an employee is eligible may be carried over into the following year, provided that such carry-over paid time off is scheduled and taken on or before June 30. An employee's request to carry over paid time off will not be unreasonably denied.
- (h) An Employee eligible to paid time off as provided in this Article but who has not been able to take it due to needs of the business may, at the discretion of the Company, be offered an allowance in lieu of such paid time off. Such allowance in lieu thereof will be determined as follows:

<b><u>Paid Time Off</u></b>	<b><u>Maximum Allowable</u></b>
<b><u>Eligibility</u></b>	<b><u>Allowance</u></b>
1 week	2 days
2 weeks	3 days
3 weeks	5 days
4 weeks	7 days
5 weeks	10 days

Such allowance in lieu thereof will be paid at the Employee's Adjusted Rate, may be offered by Base Location and, if offered, will only be offered between October 1 and December 31 of the current year. If such an offer is made and an Employee assigned to that Base Location is working on the date of the offer but becomes disabled due to illness or injury prior to the close of the offer, he/she will be given another opportunity to accept the offer provided he/she returns to active work in that Base Location by June 1 of the subsequent year. An Employee on transfer into or out of a Base Location on the date the offer is made will be eligible to accept the allowance in lieu of paid time off.

### 3 Computation of Paid Time Off Pay

- (a) For each day of paid time off to which an Employee is eligible as determined above, he or she will be paid the following:
- (1) Employee's Adjusted Rate in effect during the paid time off absence multiplied by the number of hours in the Employee's Scheduled Daily Tour (not to exceed eight (8)), plus
  - (2) Employees whose Scheduled Weekly Tour includes three (3) or more Night Tours in the week prior to the week paid time off begins, will be eligible for night work bonus for such paid time off.
  - (3) Employees who would otherwise have been scheduled to work a Night Tour on an individual paid time off day will be eligible for Night Work Bonus for such paid time off.

### 4 Employees Leaving the Company

- (a) When an Employee's service with the Company is terminated before the Employee has taken paid time off with pay to which eligible as provided in this Article, an allowance in lieu thereof will be granted, except that:
- (1) An Employee granted a Leave of Absence shall be granted paid time off with pay to which eligible, ordinarily before the Leave of Absence begins.
  - (2) An Employee being retired under the Pension Plan will be granted, prior to retirement, paid time off with pay to which eligible or pay in lieu thereof; however, when Employee (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, (2) is retired on disability pension, no paid time off with pay or allowance in lieu thereof shall be applicable.
  - (3) An Employee, who is dismissed, other than for unsatisfactory conduct, shall be granted such allowance only at the discretion of the Company.
  - (4) No paid time off or allowance in lieu thereof shall be granted to an Employee (a) who is dismissed for unsatisfactory conduct or (b) who resigns following reinstatement from Leave of Absence or rehire unless the Employee has been on the active roll for at least three (3) months prior to such resignation.
- (b) An Employee who terminates employment by resignation or termination for cause will be required to reimburse the Company for the value of the paid time off days to which eligible during the current calendar year, which have been taken prior to the date the Employee's termination occurs, in excess of the schedule below.

**Eligible Paid Time Off Days For Employee Leaving Company  
During Calendar Year Due To Resignation Or Termination for Cause**

Term of Employment Completed (or would have been completed) in the Calendar Year of the Termination				
Month of Termination	1 - 6 Years	7 - 14 Years	15 - 24 Years	25 and Over Years
January	1	2	2	3
February	2	4	4	5
March	3	5	7	8
April	4	7	9	10
May	5	9	11	13
June	7	11	14	16
July	8	13	16	19

August	10	15	18	21
September	12	16	20	24
October	13	18	22	26
November	15	20	24	29
December	17/18	22/23	27/28	32/33

- (c) An Employee granted paid time off or allowance in lieu thereof as provided in Paragraph 4(a) shall also be granted paid time off or allowance in lieu thereof, as applicable, for any paid time off rescheduled or carried over from the previous calendar year in accordance with Paragraph 2(e), 2(f) or 2(g), respectively.
- (d) In the event an Employee dies before taking all the paid time off to which eligible as provided in this Article, an allowance in lieu of the paid time off not taken will be paid to the Employee's beneficiary or to the Employee's estate if no beneficiary is designated.

**ARTICLE 16 - PAY TREATMENT FOR ABSENCES****1 General**

- (a) Before an Employee is granted pay for absence under any of the provisions of this article, he or she shall submit satisfactory evidence to substantiate the reason for the absence.
- (b) It is recognized that there will be no duplication of payment by the Company for the same period of absence, whether to be paid for under the provisions of any contract between the parties, or otherwise.

**2 Jury Duty and Other Court Attendance**

- (a) An Employee summoned for jury duty, or to serve as a witness (not as a plaintiff or defendant) in a court case will be paid for such absence, not to exceed eight (8) hours per day, within the Employee's Scheduled Weekly Tour. Such Employee will report for his or her regular duties while temporarily excused from such attendance at court.
- (b) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.

**3 Service as Judges and Clerks of Election**

- (a) An Employee appointed to serve as a judge or clerk of election within his or her Scheduled Weekly Tour will be excused for such absence, consistent with the needs of the business. When so excused, the Employee will be paid for such absence in the amount, if any, by which his or her pay for the period of absence within the Employee's Scheduled Daily Tour exceeds the compensation received for such election board service.
- (b) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.

**4 Absence due to Quarantine**

- (a) An Employee required to be absent due to quarantine imposed by duly constituted health authorities will be paid for such absence the amount, if any, the Employee would be paid if he or she were sick.

**5 Absence due to Death in the Immediate Family**

- (a) An Employee shall be granted reasonable absence, defined below, because of a death in his or her immediate family with pay for such time lost from assigned Company duty, provided the Employee's Term of Employment is six (6) months or more at the time such absence begins.
- (b) An Employee's immediate family shall be considered as husband, wife, son, daughter, mother, father, mother-in-law, father-in-law, grandparent, grandchild, sister or brother; also, any relative or partner residing with the Employee.
- (c) In determining reasonable absence, consideration shall be given to the relationship of the Employee to the deceased and the responsibility of the Employee for making funeral arrangements. However, for deaths of a husband, wife, partner, son, daughter, mother or father, a reasonable absence shall not exceed five (5) consecutive Scheduled Daily Tours.
- (d) For all other immediate family members, a reasonable absence shall not exceed three (3) consecutive Scheduled Daily Tours. Because of the mobile character of the Installation Field Forces, the Company agrees that if (a) an Employee receives payment under Paragraph 5(a) above for an absence due to a death of a mother-in-law, father-in-law, grandparent, grandchild, sister or brother, or any relative residing with the Employee, which death occurs while the Employee is on a Temporary Transfer or Permanent Transfer, and (b) other than overnight or evening travel is made necessary because of such transfer, payment may also be granted for additional absence during Scheduled Daily and Weekly Tours as may be necessary by reason of such travel, not to exceed two (2) days.

- (e) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.
- (f) In the event that it is necessary for an Employee to be absent for a death in his or her immediate family, as provided in Article 16, Paragraph 5, on a day the Employee had previously scheduled as Paid Time Off, such day shall be rescheduled, provided however, that no more than three (3) Paid Time Off days shall be rescheduled for such purposes.

**6 Personal Sickness Absence up to but not including Eight (8) Consecutive Days**

- (a) Subject to all of the other provisions of this paragraph, an Employee absent because of personal sickness for any number of consecutive days of sickness absence up to but not including eight (8), will be paid for such time lost (not to exceed eight (8) hours per day) within his or her Scheduled Daily and Weekly Tour, based on the Employee's Term of Employment on the first day of such absence, as follows:

<b><u>Term of Employment</u></b>	<b><u>Basis for Payment</u></b>
Less than two (2) years	None
Two (2) years but less than five (5) years	Commencing with third consecutive day of absence
Five (5) years but less than ten (10) years	Commencing with second consecutive day of absence
Ten (10) years or more	Commencing with first day of absence

- (b) For the purpose of computing consecutive days of a sickness absence, the first day of such absence will start at the time within the Employee's Scheduled Daily and Weekly Tour when he or she is first absent due to sickness disability and shall continue for a period of twenty-four (24) consecutive hours thereafter. Subsequent consecutive days of such absence will start and end at the same times on the days following within the Employee's Scheduled Weekly Tour.
- (c) No sickness absence payment shall be made for any such time for which benefits are paid under the Short Term Disability Plan, nor for which holiday allowance is paid.
- (d) The Company may require the Employee to furnish a physician's certificate, acceptable to the Company, showing inability to work during the entire period of sickness absence.
- (e) Pay for such absence will be based on the Employee's Adjusted Rate in effect on the first full or partial day of absence plus night work bonus when applicable.

**7 Absence of Veterans During First Year of Reinstatement**

- (a) Veterans reinstated from Special Leave of Absence for service in the Armed Forces may be granted reasonable absence, with pay at Adjusted Rate plus night work bonus when applicable, during the Scheduled Weekly Tour within the first year of reinstatement for the purpose of visiting a Government hospital, doctor or Veterans' Bureau in connection with service-incurred disabilities when so scheduled by a Government agency, subject to limitation on such payment of ten (10) Scheduled Daily Tours or an equivalent number of hours.

**ARTICLE 17 - BENEFIT PLANS**

1. The following listed Alcatel-Lucent USA Inc. Benefit Plans or their applicable successor Plan(s), with all subsequent amendments, shall, in accordance with their respective terms, apply to employees in the bargaining unit:

Business Travel Accident Insurance Plan

Dental Expense Plan for Active Employees

Flexible Spending Account Plans:

- Health Care Flexible Spending Account
- Dependent Care Flexible Spending Account

Group Life and Accident Loss Insurance Plans:

- Dependent Accidental Loss Insurance Plan
- Dependent Group Life Insurance Plan
- Group Life Insurance Plan for Active Employees
- Group Term Life Insurance Plan (Supplementary Life Insurance)
- Supplementary Accidental Loss Insurance Plan

Long Term Disability Plan

Long Term Savings and Security Plan

Medical Expense Plan for Occupational Employees

Lucent Technologies Inc. Retirement Plan

Short Term Disability Plan

2. Except as provided in this Article, there shall be no negotiations during the life of this Agreement upon changes in pensions or any other subjects covered by the existing Employee Benefit Plans.
3. In the event, during the life of this Agreement, the COMPANY proposes to exercise any right provided in any of the existing Employee Benefit Plans or their successors, by taking action affecting the benefits or privileges of Employees represented by the Union, it will before doing so, notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that no change may be made in the Plan which would reduce or diminish the benefits or privileges provided thereunder as they apply to Employees represented by the Union without its consent.
4. Any dispute involving the true intent and meaning of Paragraph 3 may be presented as a grievance within thirty (30) days after the matter complained of and if not resolved by the parties, it may be submitted within thirty (30) days after the final answer of the COMPANY to the arbitration procedure of this Agreement. However, nothing herein shall be construed to subject the Employee Benefit Plans (or their successors) or their administration or the terms of the proposed change(s) in the Plans to arbitration.



**ARTICLE 18 - RIGHTS OF VETERANS**

The obligation of the Company under present or future legislation with respect to reinstatement and continuing employment of veterans shall, to the extent applicable, supersede and replace the provisions of this contract.

**ARTICLE 19 - MAINTENANCE OF WORK OPERATIONS**

- 1 No officer, representative or member of the Union shall authorize, instigate, condone or engage in a strike, work stoppage or interruption of work operations, including absences to attend Union meetings that would have the same effect as a strike or work stoppage, during the period of this contract.
- 2 The Company may suspend or terminate the deduction of dues provisions of this contract for any local involved where prompt and corrective action is not taken after notice by the Company to the business agent of such Local in the event of a violation of the foregoing provisions of Paragraph 1.

**ARTICLE 20 - ADJUSTMENTS TO THE WORKING FORCE**

- 1 The Company desires to maintain employment as near to a constant level as possible. Both parties recognize, however, that the needs of the business and its efficient operation may necessitate reassignment of personnel or the addition to, or decrease in the working force.
- 2 The Company shall give the National or Local involved advance notice of thirty (30) calendar days prior to the effective date of a Layoff.
- 3 When lack of work necessitates Layoff, Employees shall be Laid-Off in accordance with Term of Employment and by Layoff groups as set forth in the following:
  - (a) Employees with less than five (5) years' Term of Employment shall be first Laid-Off in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from the Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (b) Employees retained on the roll under the provisions of Paragraph 3(a) shall be next Laid-Off.
  - (c) Employees with a Term of Employment of five (5) years but less than eight (8) years shall be next Laid-Off, in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from the Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (d) Employees retained on the roll under the provisions of Paragraph 3(c) shall be the next Laid-Off.
  - (e) Employees with a Term of Employment of eight (8) years but less than ten (10) years shall be next Laid-Off, in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (f) Employees retained on the roll under the provisions of Paragraph 3(e) shall be next Laid-Off.
  - (g) An Employee who, based on Term of Employment, would otherwise fall within a Layoff group set forth in Paragraph 3(a) but who, as of the effective date of the Layoff, is within one year of having his/her service bridged under the Pension Plan will be placed in a Layoff group based on the Term of Employment he or she will have at the time of such bridging but only for purposes of determining the order of Layoff. Such Employee will continue to be a part of the Layoff group set forth in Paragraph 3(a) for purposes of determining "the total number of such Employees" to which the 10% exemption applies but will not be considered as having been exempt from Layoff pursuant to such paragraph.
  - (h) Employees with ten (10) years' or more Term of Employment shall be next Laid-Off, in inverse order of Term of Employment. The Layoff group shall be the Employees assigned to all Base Locations.
- 4 Notwithstanding the provisions of Paragraph 3, it is agreed that an Employee in a particular Work Location need not be Laid-Off if the forward work load at that location indicates that the Employee of longer Term of Employment who would otherwise be transferred to that location to take the place of the Employee Laid-Off would have to be Laid-Off within a period of six (6) months.
- 5 In the event it should be determined that a former Employee has been Laid-Off other than in accordance with the provisions of Paragraph 3, the obligation of the Company shall be to rehire such Employee at the time of such determination and the Employee shall be made whole; however, lost wages will be paid for a period not to exceed nine months from the date of his or her layoff, less any amounts received by the Employee for unemployment compensation, layoff allowance payments, and interim earnings.
- 6 When it appears possible in meeting the needs of the customer, and practicable from the standpoint of the dispersion of the working force, to reduce work effort in a spread work movement by short timing operations below normal, the Company will advise the Local involved and suitable plans for such procedure shall be arrived at through negotiations, giving due consideration to the expected work load situation and the customers' requirements.

- 7 A former Employee who has been Laid-Off shall be returned to work in the inverse order of Layoff (except as provided in Paragraph 9) at the Base Location from which he or she was Laid-Off provided he or she makes himself or herself locally available to said Base Location, and provided that he or she is qualified for the work to be done, physically fit, and has not been Laid-Off for more than three (3) years.
  - (a) In a Multiple Computation Point Base Location, the Company may offer recall, in inverse order of Layoff at the Base Location, to a former Employee who has not been Laid Off for more than three (3) years at a Computation Point within the Multiple Computation Point Base Location other than that to which the Employee was assigned at the time of Layoff. If this occurs, and the Employee refuses to accept such recall, he or she shall continue to retain his or her recall rights until an offer is made to the Computation Point to which the Employee had been assigned, or until the three (3) year recall period has expired, whichever occurs first.
- 8 In the event it should be determined that a former Employee has not been rehired in accordance with Paragraph 7 or 7(a), the sole obligation of the Company shall be to hire such former Employee at the time of such determination.
- 9 An Employee whose actual date of Layoff was later than his or her scheduled date of Layoff because of absence due to accident or sickness on and after his scheduled date of Layoff shall, for purposes of Paragraph 7 or 7(a) only, be considered to have been Laid-Off as of his or her scheduled date of Layoff.
- 10 Effective May 31, 1992, for all Employees on the active roll on or after that date, who were laid off and have been rehired by the Company and have prior periods of two (2) years or more net credited service (which is eligible for recognition under the Pension Plan upon completion of a two (2) year bridge) that are not yet included in current net credited service, all such prior net credited service will be recognized by the Company for purposes of determining the selection of Employees to be laid off (but not for any pension purpose).
- 11 Managers who were never installers cannot return to the Installer title. No management person or any other employee holding a non-represented title, regardless if they were former Installers, can be returned to the Installation Bargaining Unit, to a Base or Hiring Location where recall rights exist, unless the individual being returned has a Term of Employment greater than Employees who are on the recall list and at least four (4) years Term of Employment.

**ARTICLE 21 - LAYOFF ALLOWANCES****1 Schedule of Allowances**

Employees Laid-Off shall be granted a Layoff allowance based on Term of Employment at date of such Layoff, in accordance with the following schedule, except as provided in Paragraph 4 below:

<b><u>Term of Employment At Date of Layoff</u></b>	<b><u>Layoff Allowance Number of Weeks' Pay</u></b>
Less than 1 year	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	9
9	11
10	13
11	15
12	17
13	19
14	21
15	24
16	28
17	32
18	36
19	40

Five (5) weeks' additional pay for each full year of TERM OF EMPLOYMENT in excess of nineteen (19) years up to a maximum of one hundred and four (104) weeks.

**2 Computation of Allowance Payments**

- (a) Layoff allowance payments shall be based on the Employee's established schedule of working hours or days (excluding overtime) in effect as of the date of Layoff, with a minimum of thirty-two (32) hours per week. For individual Employees whose Scheduled Tours are less than the thirty-two (32) hour minimum mentioned above, the allowance shall be based on their Scheduled Tours. The rate of pay used in such computations shall be the Employee's Adjusted Rate plus night work bonus when applicable.
- (1) When an Employee's Standard Rate has been reduced and the effective date of such reduction falls within the twenty-six (26) week period preceding Layoff, the Standard Rate used shall be that in effect immediately preceding the reduction from the higher Standard Rate which was effective within such twenty-six (26) week period if it is higher than the Standard Rate in effect as of the date of Layoff.

**3 Allowance Payments**

- (a) The Employee shall have the option of receiving the Layoff Allowance (1) in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.
- (b) If the periodic installment option is chosen, the frequency of these installments will match the Employee's normal pay cycle. The amount of each installment will be determined by multiplying the number of weeks in the Employee's pay cycle by the Layoff Allowance Factor applicable to the

Employee. (Any odd balance will be carried forward into another pay cycle). An Employee's Layoff Allowance factor is the dollar figure used as a "week of pay" in calculating the total Layoff Allowance to which that Employee is entitled.

(c) Periodic installments shall continue until the earliest occurrence of any of the following events:

- (1) The total amount of the installments to the Employee equals the total amount of Layoff Allowance which the Employee is to receive.
- (2) The Employee is recalled or re-employed as a regular Employee by Lucent Technologies Inc. or any of its affiliates, subsidiaries or entities.

#### 4 Schedule of Allowance for Re-employed Employees

An Employee who has been re-employed following a period of Layoff and who is again Laid-Off, shall be granted a Layoff allowance in accordance with Paragraph 1 based on Term of Employment as of the date of second or subsequent Layoff, minus net amount (i.e., amount paid to Employee less amount refunded per Paragraph 5 below) paid to Employee as Layoff allowance at time of prior Layoff or Layoffs.

**NOTE: When an Employee's Term of Employment prior to employment is not credited, Layoff allowance shall be based on Term of Employment since date of such reemployment.**

#### 5 Payment of Layoff Allowance Rendered Excess by Rehiring

When an Employee has received a Layoff Allowance in lump sum and is subsequently recalled or rehired as a regular Employee at Lucent Technologies Inc. or any affiliate, subsidiary or entity and the number of weeks since date of Layoff is less than the number of weeks of Layoff Allowance granted, the amount of Layoff Allowance paid the Employee for the excess number of weeks shall be repaid to the Company as a condition precedent to such recall or rehiring.

#### 6. Optional Termination Pay

- (a) The Company may, to the degree necessary to resolve a surplus, in order of seniority, offer employees in the surplus universe the opportunity to elect Optional Termination Pay.
- (b) The Company will offer this Optional Termination Pay provision to the degree necessary to resolve a surplus, in order of seniority, where there is an employee(s) at risk of layoff having more than ten (10) years Term of Employment at the time the surplus is declared.
- (c) An employee who elects Optional Termination Pay shall leave the payroll without recall rights on a date determined by the Company and receive any Paid Time Off to which the employee is entitled plus a lump sum payment calculated using the schedule in paragraph 1 not to exceed 52 weeks. Under no circumstances will the Optional Termination Pay be greater than 52 weeks.

**ARTICLE 22 - DISCIPLINARY SUSPENSION  
OR TERMINATION OF EMPLOYMENT**

- 1 In all cases in which the Company suspends an Employee for disciplinary reasons, or an Employee is dismissed, the Union shall be notified of the action being taken by the Company as soon as practicable after the Employee is notified. When an Employee is dismissed, such notice shall precede the effective date of dismissal except that when the Company considers it necessary to remove an Employee from the Job Location it may do so without advance notice. In such a case, the Union shall forthwith be notified; however, when the Union Representative is not immediately available, issuance of the leaving notice shall be postponed until the Union Representative has been notified, or a period of five (5) days has elapsed, whichever first occurs.

At any meeting between a representative of the Company and Employee in which discipline (including warnings which are to be recorded in the personnel file, suspensions, downgradings or discharge for cause) is to be announced, a Union Representative may be present if the Employee so requests.

- 2 The Union may question the justification of the action taken within fourteen (14) days after the effective date of such action. Any such questions shall be considered in accordance with the grievance procedure prescribed in Article 7, except that any such question with respect to an Employee having a Term of Employment of twelve (12) months or less, which is not settled with the immediate Supervisor of the Employee involved may be taken up with the Operations Area Manager, but this shall be considered the final level of discussion of any such grievance, and only at this level shall separate statements of the grievance as provided in Paragraph 1(d) of Article 7 of this contract be prepared and exchanged.
- 3 If settlement is not reached in the grievance procedure, as provided in Paragraph 2 above, such dispute may be referred to arbitration in accordance with Article 8 of this contract, provided the Employee involved has a Term of Employment of more than twelve (12) months. However, in the case of any dispute referred to arbitration as provided herein, the authority of the Arbitrator shall be further limited to a determination of whether or not the Company had just cause in suspending or dismissing such Employee or Employees.

Notwithstanding the provisions of this Paragraph 3, a grievance concerning the disciplinary suspension of an Employee having a Term of Employment of twelve (12) months or less may be submitted to arbitration in accordance with the provisions of Article 22 provided the Employee involved is included in a grievance involving or submitted in behalf of two (2) or more Employees in the unit, at least one of whom has a Term of Employment of more than twelve (12) months.

- 4 Should the Arbitrator decide that the action of the Company was without just cause, the Employee shall be offered reinstatement if he or she has not been previously reinstated, and if reinstated, shall, subject to the provisions of Paragraphs 5 and 6 below, be paid at his or her Adjusted Rate for time lost within his or her Scheduled Weekly Tour less any amount paid to or received by the Employee as wages in other employment and as unemployment benefits under any provisions of law during the period of suspension or subsequent to the date of dismissal.
- 5 Any balance due the Employee under Paragraph 4 shall be further reduced by any money other than wages received from the Company at the time of being suspended or dismissed. If this balance is reduced to zero without offsetting all such monies, the remaining money due the Company shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten per cent (10%) of such Employee's wages.
- (a) Employees who are reinstated by an Arbitrator pursuant to this Article shall have deducted from any back pay award, an amount which represents union dues or union dues equivalency for the back pay period, provided:
- (1) The employee shall have signed an authorization for payroll deduction of union dues or union dues equivalency;
  - (2) The signed authorization was current at the time of the action which led to the grievance or arbitration at issue; and

- (3) The balance due the employee, in accordance with Paragraph 4 above, is sufficient to permit the deduction of union dues or union dues equivalency.
- 6 If there is no balance due the Employee under Paragraph 4, all monies other than wages, paid by the Company at the time of suspension or dismissal shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten per cent (10%) of such Employee's wages.

7 Expedited Arbitration

- (a) In lieu of the procedures specified in ARTICLE 8, ARBITRATION, of this Agreement, any grievance involving the suspension of an individual Employee, except those which also involve an issue of arbitrability, contract interpretation, or work stoppage (strike) activity and those which are also the subject of an administrative charge or court action shall be submitted to arbitration under the expedited arbitration procedure hereinafter provided within fifteen (15) calendar days after the filing of a request for arbitration. In all other grievances involving disciplinary action which are specifically subject to arbitration under ARTICLE 8 of this Agreement, both parties may within fifteen (15) calendar days after the filing of the request for arbitration, elect to use the expedited arbitration procedure hereinafter provided. The election shall be in writing and, when signed by authorized representatives of the parties, shall be irrevocable. If no such election is made within the foregoing time period, the arbitration procedure in ARTICLE 8, ARBITRATION, shall be followed.
- (b) As soon as possible after this Agreement becomes final and binding, a panel of three (3) umpires shall be selected by the parties. Each umpire shall serve until the termination of this Agreement unless his or her services are terminated earlier by written notice from either party to the other. The umpire shall be notified of his or her termination by a joint letter from the parties. The umpire shall conclude his or her services by settling any grievance previously heard. A successor umpire shall be selected by the parties. Umpires shall be assigned cases in rotating order designated by the parties. If an umpire is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next umpire. If no one can hear the case within ten (10) working days, the case will be assigned to the umpire who can hear the case at the earliest date.
- (c) The procedure for expedited arbitration shall be as follows:
- (1) The parties shall notify the umpire in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The umpire shall notify the parties in writing of the hearing date.
  - (2) The parties may submit to the umpire prior to the hearing a written stipulation of all facts not in dispute.
  - (3) The hearing shall be informal without formal rules of evidence and without a transcript. However, the umpire shall be satisfied himself or herself that the evidence submitted is of a type on which he or she can rely, that the hearing is in all respects a fair one, and that all facts necessary to a fair settlement and reasonably obtainable are brought before the umpire.
  - (4) Within five (5) working days after the hearing, each party may submit a brief written summary of the issues raised at the hearing and arguments supporting its position. The umpire shall give his or her settlement within five (5) working days after receiving the briefs. He or she shall provide the parties a brief written statement of the reasons supporting his or her settlement.
  - (5) The umpire's settlement shall apply only to the instant grievance, which shall be settled thereby. It shall not constitute a precedent for other cases or grievances and may not be cited or used as a precedent in other arbitration matters between the parties unless the settlement or a modification thereof is adopted by the written concurrence of the representatives of each party at the final step of the grievance procedure, as provided in ARTICLE 7, GRIEVANCE PROCEDURE.
  - (6) The time limits in 7(c)(1) and 7(c)(4) of this Paragraph may be extended by agreement of the parties or at the umpire's request, in either case only in emergency situations. Such extensions shall not circumvent the purpose of this expedited procedure.



- (7) In any grievance arbitrated under the provisions of this Paragraph 7, the Company shall under no circumstances be liable for back pay for more than twelve (12) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the disciplinary action. Delays requested by the Union in which the Company concurs shall not be included in such additional time.
- (8) The umpire shall have no authority to add to, subtract from, or modify any provisions of this Agreement.
- (9) The decision of the umpire will settle the grievance, and the Company and the Union agree to abide by such decision. The compensation and expenses of the umpire and the general expenses of the arbitration shall be borne by the Company and the Union in equal parts. Each party shall bear the expense of its representatives and witnesses.
- (10) The time limit for requesting arbitration under this provision shall be the same as provided in Paragraph 1, of ARTICLE 8, ARBITRATION.

**ARTICLE 23 - DEDUCTION OF UNION DUES****1 General**

- (a) The Company agrees to deduct Union dues and initiation fees from the wages of any Employee authorizing the Company to do so and to remit such deductions to the Union in accordance with Section II, below; however, dues deductions for Employees on international assignments will be handled in accordance with Section IV, below.
- (b) The provisions of this Deduction of Union Dues MOU shall not be effective if inconsistent with the law of the applicable State.
- (c) In the event of a Permanent or Special Condition Transfer of an Employee, the Company will make every reasonable effort to ensure that the correct (receiving) Union Local number will be transmitted to the National Union along with the monthly dues report.

**2 Procedures**

- (a) Upon receipt of a "Payroll Deduction Authorization" from an Employee, in the form attached hereto as Exhibit A, the Company will initiate deductions for amounts equal to Union dues (and, if authorized, an Initiation Fee) from such Employee's wages, disability payments, or other benefit payments or paid time off payments.
  - (1) Deduction shall be made from the Employee's wages, disability payments, or other benefit payments or paid time off payments as installments in the first 4 fiscal weeks each month.
  - (2) Deductions shall begin during the first (1st) payroll period in the month following receipt of a newly executed "Payroll Deduction Authorization" by Workforce Relations, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:
    - those required by law, and
    - those authorized for Group Life Insurance and Medical Expense Plan premiums.
  - (3) If the scheduled deduction for amounts equal to Union dues cannot be made in the period(s) specified above, such deductions(s) will be made during the consecutive payroll periods ending no later than the last payroll period in the following month.
  - (4) "Payroll Deduction Authorizations" shall be suspended when an Employee:
    - is transferred to a job that is not represented by the Communications Workers of America,
    - goes on Leave of Absence for more than (1) month,
    - is removed from the payroll of the Company, or
    - as set forth under Section IV, concerning international assignments.
  - (5) "Payroll Deduction Authorizations" suspended in accordance with the preceding paragraph shall be reactivated on the first (1st) payroll period following the return of an Employee to a job that is represented by the Union.
  - (6) Except as provided in Section II, Paragraph a. (4) or Section IV, "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by the Company unless canceled by such Employee. Such cancellation must be individually sent to Workforce Relations and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement.
  - (7) In the event an Employee who cancels a "Payroll Deduction Authorization," in accordance with the above paragraph, wishes to resume deductions for amounts equal to Union Dues, such employee shall be obligated to complete a new "Payroll Deduction Authorization."

- (8) By written certification, the Union shall keep the Company currently informed of the amount of regular monthly dues lawfully in effect in each Local having jurisdiction over any Employees in the bargaining unit. Such amount or formula shall be uniform for all Employees represented by the Local.
- (9) Certifications which change the amounts equal to Union dues for any Local will be accepted by the Company no more than three (3) times in any calendar year.
- (10) Amounts deducted in accordance with the above provisions shall be remitted to the Union no later than the end of the second (2nd) week following the months during which the deductions were made, the Company shall deliver to the Union a check for the amount due, payable to the Union, accompanied by a report showing the names of Employees from whose pay:
  - Regular deductions have been made.
  - No deduction has been made because of cancellation of authorization.
  - No deduction has been made because of revocation of authorization.
  - No deduction has been made because of insufficient earnings in this pay period.
  - Deduction has been made for a prior month.
- (11) It is recognized that the suspension, reactivation and cancellation procedures for "Payroll Deduction Authorizations" contained herein shall be observed for all Employees in the bargaining unit on the effective date of this collective bargaining agreement.
- (12) It is understood that the Company assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither the Company nor any of its officers, agents or employees or any of its supplier(s) shall in any way be held liable or responsible for any loss.

### 3 Deductions From National Lump Sum Settlements

- (a) A lump sum settlement which is agreed to by both the Company and the Union at the National Level, in settlement of a grievance or arbitration, shall have Union dues or Union dues equivalency deducted from any such settlement, provided:
  - (1) The involved Employee has signed an authorization for payroll deduction of Union dues or Union dues equivalency; and
  - (2) The signed authorization was current at the time of the action which led to the grievance or arbitration.
- (b) The amount to be deducted for Union dues or Union dues equivalency shall be 1.3% of the lump sum settlement amount.

### 4 Dues Deductions While On International Assignment

- (a) This Section IV will set forth the agreement reached regarding the deduction of Union dues for Employees who leave the Installation bargaining unit for international assignments. For those Employees who voluntarily consent to continue to make payment of Union dues after they have left the Installation bargaining unit to accept an international assignment, the Company will agree to make payroll deductions for Union dues, (1.3% of the Standard Rate of pay from each check) and to remit those deductions to the Union, under the following conditions:
  - (1) The Employee's decision to continue dues deductions after departure from the bargaining unit shall be voluntary and uncoerced by the Union or any of its representatives.
  - (2) The Employee shall have executed an appropriate dues deduction payroll authorization form, which may be revoked according to its terms. A copy of the payroll authorization form is attached hereto as Exhibit B.
  - (3) The Company and the Employee(s) will adhere to the dues deductions procedures set forth in Section IV, Paragraph b., below.

- (4) This agreement shall not be a precedent for either party, and shall not be cited to, used or referenced by any party for any other purpose, including but not limited to use in Union organizing efforts.
  - (5) Upon evidence acceptable to the Company that any Employee's decision to continue Union dues payroll deductions was coerced or improperly obtained in any fashion, the Company may unilaterally and without liability, terminate the dues deductions for the particular Employee(s).
  - (6) Any disputes relating to any dues deduction for Employees on international assignment, or the procedures described below, shall not be subject to the grievance or arbitration procedures of the collective bargaining agreement.
- (b) This section sets forth the procedures to be followed in connection with the deduction of Union dues for Employees on international assignments.
- (1) The Payroll Deduction Authorization form for Employees on international assignments, an example of which is attached hereto as Exhibit B, shall be used by each Employee who desires to authorize payroll deduction for Union dues while outside of the bargaining unit on international assignment.
  - (2) Payroll Deduction Authorization may be canceled by an Employee provided such cancellation is individually sent to Workforce Relations and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement.
  - (3) The Company shall continue to recognize a properly executed authorization submitted by an Employee until (a) the authorization is revoked by the Installer as provided in the preceding paragraph; (b) the Employee is transferred out of the business line; (c) the employment of the Employee is terminated for any reason, including but not limited to Leaves of Absence with or without pay; (d) as set forth in Section IV., Paragraph a. (5), above, or (e) the deduction of dues provisions of the collective bargaining agreement are terminated or suspended pursuant to Article 19, Paragraph 2.
  - (4) If the Payroll Deduction Authorization (Exhibit B) is not properly filled out or the name shown cannot be reconciled with Company records, it will be returned to the Local Union.
  - (5) The Communications Workers of America (CWA) recognizes that each Union Local accepts the responsibility for keeping the CWA National Office apprised of the deduction cards that they receive in accordance with this memorandum in order for the National Office to be able to apportion the Local's share of the dues to the appropriate Local.

**EXHIBIT A**  
**PAYROLL DEDUCTION AUTHORIZATION**

\_\_\_\_\_  
 Name: \_\_\_\_\_

UPI                      HRID                      Last                      First                      Middle Initial

I hereby authorize Alcatel-Lucent USA Inc. ("Alcatel-Lucent") to deduct from my wages, disability payments, or other benefit payments or paid time off payments, an amount equal to regular monthly Union dues. If for any reason Alcatel-Lucent fails or is unable to make a deduction, I authorize Alcatel-Lucent to make such deduction in a subsequent payroll period.

The amount equal to regular monthly Union dues shall be that which is certified to Alcatel-Lucent by the Communications Workers of America for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes, if applicable.

This authorization shall remain in effect when I am employed by Alcatel-Lucent unless canceled by me. Such cancellation must be individually sent to Workforce Relations and the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement, and shall be effective on the first payroll period in the following month.

This authorization is voluntarily made in order to pay my fair share of the Union's cost of representing me for purposes of collective bargaining, and this authorization is not conditioned on my present or future membership in the Union.

In addition, I authorize Alcatel-Lucent to deduct from my wages or other payment an amount of \$\_\_\_\_\_ in payment of my initiation fee.

Amounts deducted in accordance with this authorization are not deductible as charitable contributions for federal income tax purposes.

\_\_\_\_\_  
 Signature of Employee

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Employee Work Location

\_\_\_\_\_  
 Union Local

**EXHIBIT B - PAYROLL DEDUCTION AUTHORIZATION  
FOR INSTALLERS ON INTERNATIONAL ASSIGNMENTS**

\_\_\_\_\_  
Name: \_\_\_\_\_

UPI                      HRID                      Last                      First                      Middle Initial

I hereby authorize Alcatel-Lucent USA Inc. ("Alcatel-Lucent") to deduct from my wages, disability payments, or other benefit payments or paid time off payments, an amount equal to 1.3% of the Standard Rate of pay from each check. If for any reason Alcatel-Lucent fails or is unable to make a deduction, I authorize Alcatel-Lucent to make such deduction in a subsequent payroll period.

I recognize that I am under no legal obligation to pay Union dues, as my International assignment is outside of the bargaining unit and I acknowledge that I am not covered by, and have no rights under the collective bargaining agreement while I am outside of the bargaining unit. I also acknowledge that this payroll deduction authorization is entirely voluntary on my part, and neither Alcatel-Lucent nor the Communications Workers of America have attempted to influence my decision in any way.

This authorization shall remain in effect when I am employed by Alcatel-Lucent on an International Assignment unless canceled by me. Such cancellation must be individually sent to Workforce Relations and the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement, and shall be effective on the first payroll period in the following month.

Amounts deducted in accordance with this authorization are not deductible as charitable contributions for federal income tax purposes.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Work Location

\_\_\_\_\_  
Union Local

**ARTICLE 24 - AGENCY SHOP\***

1. Each Employee who is a member of the Union or who is obligated to tender to the Union amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all Employees entering into the bargaining unit on or after the effective date of this Agreement, shall as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members, for the period from such effective date or, in the case of Employees entering into the bargaining unit after the effective date, on or after the thirtieth (30th) day after such entrance, whichever of these dates is later, until the termination of this Agreement.

Each Employee who is a member of the bargaining unit on or before the effective date of this Agreement and who on the effective date of this Agreement was not required as a condition of employment to pay or tender to the Union amounts equal to the periodic dues applicable to members, shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members for the period beginning thirty (30) days after the effective date of this Agreement, until the termination of this Agreement.

2. The condition of employment specified above shall not apply during periods of formal separation\*\* from the bargaining unit by any such Employee but shall reapply to such Employee on the thirtieth (30th) day following his or her return to the bargaining unit.

\* Where permitted by law.

\*\* The term "formal separation" includes transfers out of the bargaining unit, removal from the payroll of the Company, and Leaves of Absence of more than one (1) month duration.

**ARTICLE 25 – VACANT**

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**ARTICLE 26 - COMMUNICATION SERVICES INSTALLER**

The provisions of this Article 26 shall be applicable to Employees in the title of Communication Services Installer only. All provisions of CWA-25 and Appendix 1, the Local Memoranda and the National Memorandum shall apply to this Article 26 as if fully restated herein, except as expressly modified, replaced or deleted by the provisions of this Article 26.

**1. SCHEDULED TOURS, TOUR CHANGES AND RELIEF PERIODS**

The following provisions, in lieu of Article 10, apply to the employees covered under this functional article. The Workweek of the Company consists of seven (7) consecutive calendar days beginning with Sunday, except that for Employees on tours which start less than four (4) hours before Saturday midnight and extend into Sunday, the Workweek shall be considered as beginning with the start of such tours.

**Scheduled Tours****(a) Scheduled Daily Tours**

The hours in a day an Employee is scheduled to work, excluding any unpaid meal or overtime periods. An entire tour which begins four (4) hours or less before midnight shall be considered to be a tour on the following calendar day.

**(b) Scheduled Weekly Tours**

- 1) The Scheduled Weekly Tour for other than a 7-Day Coverage Employee shall consist of five (5) tours of duty (Scheduled Daily Tours), from Monday through Friday, including the Friday night tour which extends into Saturday when the Employee was not scheduled to work the previous Sunday night tour extending into Monday.
- 2) The Scheduled Weekly Tour for a 7-Day Coverage Employee shall be arranged by the Company on any days within the Workweek, frequently including Saturdays and/or Sundays.

**(c) Day Tour**

The standard day tour schedule shall start at 8:00 A.M. and stop at 12:00 P.M. and start at 1:00 P.M. and stop at 5:00 P.M. but this day tour schedule may be varied by the Company to meet local conditions except that all of the eight scheduled hours shall fall between 6:00 A.M. and 6:00 P.M. The Company shall notify the Union when a schedule other than 8:00 A.M. to 12:00 P.M. and 1:00 P.M. to 5:00 P.M. is established or changed in which case local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.

**(d) Night Tour**

A night tour shall be a period of work in which all or any part of the hours of the Employee's Scheduled Daily Tour falls between the hours of 6:00 P.M. and 6:00 A.M. The scheduled starting and stopping time, for the night tour shall be determined by the Company after consideration of such factors as job requirements and transportation facilities. Local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.

**(e) Night Work Bonus**

An Employee on Night Tour shall be paid a night work bonus of ten percent (10%) of the Employee's Adjusted Rate for all time worked on such tours.

**(f) Negotiations of Scheduled Tours**

- 1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.
- 2) The schedule established by the Company shall remain in effect during such negotiations

**Sunday Start Allowance**

When an Employee working other than a 7-Day Coverage Job is required to begin his or her first Scheduled Daily Tour between 8 P.M. Sunday and Sunday Midnight, such Employee shall receive a Sunday Start Allowance.

- (a) For each full or partial one half hour prior to Midnight, the Employee shall receive an amount equal to fifty percent (50%) of the Employee's Adjusted Rate.

**Job Training**

Training of any Employee required by the Company shall be performed during the hours scheduled by the Company for such training and such time considered as authorized time worked.

**Relief Periods**

Relief periods (suspension of work or absence from the Employee's assigned duties) not to exceed fifteen (15) minutes in each half of the Scheduled Daily Tour and in each four-hour period of work in excess of the Scheduled Daily Tour shall be granted by job supervision at all Job Locations. Relief periods may be staggered by job supervision for Employees or groups of Employees where job conditions make such action desirable.

**2. WAGES AND STAFFING****General Wage Increase**

The General Wage Increases (GWI) denoted in Article 12, apply as shown in Attachment 1.

**Staffing**

- (a) When there are ACST, CST and SCST job vacancies in a Base Location, they will be staffed as follows:
  - (1) First, ACST, CST and SCST Installers under CWA-25 with recall rights per Article 20 in the Base Location with the job vacancy;
  - (2) Next, with Communication Services Installers in the Base Location with the job vacancy. Such Employees will be assigned to the ACST title by Installation Service (as defined in Article 1 – Definitions). During the next skill review period, such Employee's entire Work Operation Code experience will be considered in accordance with Article 12, Paragraph 3 of CWA-25.
  - (3) Next, new hires, (e.g., Employees never employed in the Installation Field forces of the Company), shall be placed into the Associate Communication Services Technician job classification.
- (b) When there are job vacancies in a Base Location for Communication Services Installers, they will be staffed as follows:
  - (1) First considered will be ACST, CST and SCST Installers under CWA-25 with recall rights per Article 20 in the Base Location where Communication Services Installers are to be hired. If they accept a job offer, their recall rights to their former job classification will not be affected nor will they be required to repay any termination allowance they received at the time of termination;
  - (2) Next considered will be former Laid Off Installers whose recall rights have expired and/or new hires, at the Company's discretion.
  - (3) For Employees entering the Communication Services Installer classification, the Company will determine the appropriate hiring Step on the Wage Schedule.
- (c) Communication Services Installers will only perform Work Operation Code 321 work as defined in the Installer's Work Operations Codes and Skill Classification Plan (SD-11-1421.2).

- (d) The Skill Classification and Recertification Reviews, Wage Treatment on Transfers between Work Locations with Different Wage Schedules, Responsibility for the Work of Others or Classroom Training Delivery do not apply.

### **3. HOLIDAYS**

Holidays are observed in accordance with Article 14.

### **4. PAID TIME OFF**

Communication Services Installers will be eligible to fifty-six (56) hours of paid time off per year, after the completion of a Term of Employment of six (6) months. The fifty-six (56) hours may be taken, when eligible, on a "day-at-a-time" basis or in increments of two hours. Up to 2 days may be designated by the Company.

### **5. PAY TREATMENT FOR ABSENCES**

Not applicable to Communication Services Installers.

### **6. BENEFIT PLANS AND PROGRAMS**

The following listed Alcatel-Lucent Benefit Plans and Programs or their applicable successor Plan(s) or Program(s), with all subsequent amendments, shall, in accordance with their respective terms, apply to employees covered under this functional article.

- (a) Business Travel Accident Insurance Plan

- (b) Flexible Spending Account Plans:

- 1) Health Care Flexible Spending Account
- 2) Dependent Care Flexible Spending Account

- (c) Group Life and Accident Loss Insurance Plans:

- 1) Dependent Accidental Loss Insurance Plan
- 2) Dependent Group Life Insurance Plan
- 3) Group Life Insurance Plan for Active Employees
- 4) Group Term Life Insurance Plan (Supplementary Life Insurance)
- 5) Supplementary Accidental Loss Insurance Plan

- (d) Long Term Savings and Security Plan

- (e) Medical Expense Plan for Occupational Employees

- (f) Communication Services Installers shall also have access to the Dental Expense Plan for Active Employees and the Vision Care Program if the Employee elects to pay the premiums associated with them.

- (g) Communication Services Installers will not be eligible for any other benefits except as set forth above. For greater certainty, notwithstanding the fact that the term "Term of Employment" is referred to in the Pension Plan, Communication Services Installers shall not participate in and shall not accrue benefits under the Pension Plan with respect to their employment under this Article.

### **7. FORCE ADJUSTMENT**

When lack of work necessitates Layoff, Communication Services Installers shall be laid off in inverse order of Term of Employment, by Base Location. Prior to any ACST, CST or SCST Installer being Laid Off in a base location, all Communication Services Installers shall first be Laid Off.

### **8. LAYOFF ALLOWANCES**

Not applicable to Communication Services Installers

**9. LOCAL MEMORANDUMS OF UNDERSTANDING**

The CWA-25 Local Memorandum(s) apply to Communication Services Installers in accordance with their terms and conditions, except where modified by this Article 26.

**10. NATIONAL MEMORANDUM OF UNDERSTANDING**

The CWA-25 National Memorandum applies to Communication Services Installers in accordance with their terms and conditions, except where modified by this Article 26. The following letter agreements and/or provisions of the National Memorandum of Understanding shall not apply to Communication Services Installers.

- (a) All provisions with respect to the Lucent Technologies Inc. Retirement Plan
- (b) Alcatel-Lucent Performance Plan
- (c) Tuition Assistance
- (d) Academic Award Program
- (e) Funds for Alliance/ETOP Distribution (FAED)

## Attachment 1

**Communication Service Installer (CSI)**

<b>Step</b>	<b>Effective May 25, 2014</b>	<b>Effective May 24, 2015</b>	<b>Effective May 22, 2016</b>	<b>Effective May 21, 2017</b>
1	11.05	11.27	11.50	11.73
2	11.51	11.74	11.98	12.22
3	11.99	12.23	12.48	12.73
4	12.49	12.74	13.00	13.26
5	13.01	13.27	13.54	13.81
6	13.56	13.83	14.11	14.39
7	14.12	14.40	14.70	14.99
8	14.71	15.01	15.31	15.62
9	15.33	15.63	15.95	16.27
10	15.97	16.28	16.61	16.95
11	16.63	16.96	17.31	17.66
12	17.33	17.67	18.03	18.39
13	18.05	18.41	18.78	19.16

**ARTICLE 27 - DURATION**

This Agreement shall become effective at 12:01 a.m. on May 25, 2014, but only if it is ratified by the Union membership and the Company is so notified on or before August 8, 2014. When so effective, this Agreement shall continue in effect in accordance with its own terms until 11:59 p.m. on May 26, 2018, notwithstanding that certain provisions may terminate prior to the expiration of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

**AGREED:****FOR THE UNION**

/s/ Laura Unger  
Assistant to the Vice President  
Telecommunications & Technologies  
Communications Workers of America

/s/ Martha Flagge  
Staff Representative  
Telecommunications & Technologies  
Communications Workers of America

/s/ Mike Klein  
Local 4050/4090  
Communications Workers of America

/s/ Rick Mulledy  
Local 4390  
Communications Workers of America

**FOR THE COMPANY**

/s/ Stephen J. Muscat  
Senior Director  
U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.

/s/ Philip Stewart  
Senior Director  
NAR Benefits Policy  
Alcatel-Lucent USA, Inc.

/s/ David Birdsong  
Senior Manager U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.

/s/ Theresa Andrechick  
Manager U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.

**APPENDIX 1 - BASE LOCATIONS****1 Base Location****NORTHEASTERN AREA**New York

Albany, NY  
Binghamton, NY  
Buffalo, NY  
Kingston, NY  
Long Island-East, NY

New York, NY  
Poughkeepsie, NY  
Rochester, NY  
Syracuse, NY  
Utica, NY

Connecticut

Bridgeport, CT  
Hartford, CT

New Haven, CT  
New London, CT

Massachusetts

Framingham, MA

Springfield, MA

Maine

Bangor, ME

Portland, ME

New Hampshire

Manchester, NH

Rhode Island

Providence, RI

**EASTERN AREA**New Jersey

Asbury Park, NJ  
Atlantic City, NJ  
Camden, NJ

Newark, NJ  
Trenton, NJ

Pennsylvania

Allentown, PA  
Altoona, PA  
Harrisburg, PA  
Hazleton, PA  
Lancaster, PA  
Lewistown, PA

New Castle, PA  
Philadelphia, PA  
Pittsburgh, PA  
Reading, PA  
Scranton, PA  
Williamsport, PA

Maryland

Baltimore, MD  
Frederick, MD

Hagerstown, MD  
Salisbury, MD

Virginia

Lynchburg, VA  
Newport News, VA  
Norfolk, VA

Richmond, VA  
Roanoke, VA

West Virginia

Charleston, WV  
Clarksburg, WV

Wheeling, WV

District of Columbia

Washington, DC

Delaware

Dover, DE

**SOUTHERN AREA**Florida

Chipley, FL  
Cocoa, FL Orlando, FL  
Daytona Beach, FL  
Fort Lauderdale, FL  
Fort Myers, FL  
Fort Pierce, FL  
Gainesville, FL  
Jacksonville, FL

Miami, FL  
Orlando, FL  
Panama City, FL  
Pensacola, FL  
Tallahassee, FL  
Tampa, FL  
West Palm Beach, FL

Georgia

Albany, GA  
Athens, GA  
Atlanta, GA  
Augusta, GA  
Carrollton, GA  
Columbus, GA  
Covington, GA

Gainesville, GA  
Hazlehurst, GA  
Macon, GA  
Rome, GA  
Savannah, GA  
Thomasville, GA  
Waycross, GA

North Carolina

Asheville, NC  
Burlington, NC  
Charlotte, NC  
Gastonia, NC  
Goldsboro, NC  
Greensboro, NC

Laurinburg, NC  
Lenoir, NC  
Raleigh, NC  
Shelby, NC  
Wilmington, NC  
Winston-Salem, NC



South Carolina

Anderson, SC  
Charleston, SC  
Columbia, SC

Florence, SC  
Greenville, SC  
Spartanburg, SC

Alabama

Anniston, AL  
Birmingham, AL  
Brewton, AL  
Decatur, AL  
Gadsden, AL  
Huntsville, AL  
Jasper, AL

Mobile, AL  
Montgomery, AL  
Opelika, AL  
Selma, AL  
Sheffield, AL  
Tuscaloosa, AL

Tennessee

Athens, TN  
Chattanooga, TN  
Columbia, TN  
Nashville, TN

Jackson, TN  
Knoxville, TN  
Memphis, TN

Kentucky

Bowling Green, KY  
Danville, KY  
Frankfort, KY  
Louisville, KY

Owensboro, KY  
Paducah, KY  
Paintsville, KY  
Winchester, KY

Louisiana

Alexandria, LA  
Baton Rouge, LA  
Hammond, LA  
Houma, LA  
Lafayette, LA  
Lake Charles, LA

Minden, LA  
Monroe, LA  
Natchitoches, LA  
New Orleans, LA  
Ruston, LA  
Shreveport, LA

Mississippi

Columbus, MS  
Greenwood, MS  
Gulfport, MS  
Hattiesburg, MS

Jackson, MS  
McComb, MS  
Meridian, MS  
Tupelo, MS

**CENTRAL AREA**Michigan

Ann Arbor, MI  
Battle Creek, MI  
Benton Harbor, MI  
Cadillac, MI  
Detroit, MI  
Escanaba, MI  
Flint, MI  
Grand Rapids, MI  
Houghton, MI  
Iron Mountain, MI

Jackson, MI  
Kalamazoo, MI  
Lansing, MI  
Marquette, MI  
Petoskey, MI  
Port Huron, MI  
Saginaw, MI  
Sault Ste. Marie, MI  
Traverse City, MI

Ohio

Akron, OH  
Canton, OH  
Cincinnati, OH  
Cleveland, OH

Columbus, OH  
Dayton, OH  
Toledo, OH  
Youngstown, OH

Illinois

Alton, IL  
Aurora, IL  
Centralia, IL  
Champaign, IL  
Chicago, IL  
Collinsville, IL  
Crystal Lake, IL

Decatur, IL  
Joliet, IL  
Kankakee, IL  
Ottawa, IL  
Peoria, IL  
Rockford, IL  
Rock Island, IL  
Springfield, IL

Indiana

Bloomington, IN  
Columbus, IN  
Evansville, IN  
Fort Wayne, IN  
Gary, IN

Indianapolis, IN  
Kokomo, IN  
New Albany, IN  
South Bend, IN  
Vincennes, IN

Wisconsin

Appleton, WI  
Eau Claire, WI  
Fond du Lac, WI  
Green Bay, WI

Madison, WI  
Milwaukee, WI  
Stevens Point, WI  
Watertown, WI

**SOUTHWESTERN AREA**Texas

Abilene, TX  
Amarillo, TX  
Austin, TX  
Beaumont, TX  
Corpus Christi, TX  
Dallas, TX  
El Paso, TX  
Fort Worth, TX  
Harlingen, TX

Houston, TX  
Longview, TX  
Lubbock, TX  
Midland, TX  
San Antonio, TX  
Tyler, TX  
Masco, TX  
Wichita Falls, TX

Oklahoma

Oklahoma City, OK

Tulsa, OK

Kansas

Dodge City, KS  
Salina, KS

Topeka, KS  
Wichita, KS

Missouri

Joplin, MO  
Kansas City, MO  
Sikeston, MO

Springfield, MO  
St. Joseph, MO  
St. Louis, MO

Arkansas

Forrest City, AR  
Fort Smith, AR  
Hot Springs, AR

Jonesboro, AR  
Little Rock, AR  
Pine Bluff, AR

**WESTERN AREA**Arizona

Flagstaff, AZ  
Phoenix, AZ

Tucson, AZ

New Mexico

Albuquerque, NM

Santa Fe, NM

Colorado

Colorado Springs, CO  
Denver, CO  
Grand Junction, CO

Greeley, CO  
Pueblo, CO

Wyoming

Casper, WY

Cheyenne, WY

Utah

Ogden, UT

Salt Lake City, UT

Provo, UT

Idaho

Boise, ID

Pocatello, ID

Idaho Falls, ID

Twin Falls, ID

Minnesota

Bemidji, MN

Minn.-St. Paul, MN

Brainerd, MN

Rochester, MN

Duluth, MN

St. Cloud, MN

Marshall, MN

North Dakota

Bismarck, ND

Grand Forks, ND

Fargo, ND

Nebraska

Grand Island, NB

Omaha, NB

Norfolk, NB

Sidney, NB

North Platte, NB

Iowa

Burlington, IA

Ottumwa, IA

Cedar Rapids, IA

Red Oak, IA

Davenport, IA

Sioux City, IA

Des Moines, IA

Spencer, IA

Mason City, IA

Waterloo, IA

South Dakota

Aberdeen, SD

Sioux Falls, SD

Pierre, SD

Watertown, SD

Rapid City, SD

Washington

Bremerton, WA

Spokane, WA

Olympia, WA

Vancouver, WA

Seattle, WA

Yakima, WA

Oregon

Bend, OR  
Eugene, OR  
Medford, OR

Pendleton, OR  
Portland, OR  
Salem, OR

**PACIFIC AREA**California

Bakersfield, CA  
Chico, CA  
Eureka, CA  
Fresno, CA  
Lakeport, CA  
Los Angeles, CA  
Marysville, CA  
Modesto, CA  
Napa, CA  
Oceanside, CA  
Redding, CA  
Riverside, CA

Sacramento, CA  
Salinas, CA  
San Diego, CA  
San Francisco-East Bay, CA  
San Jose, CA  
San Luis Obispo, CA  
Santa Ana, CA  
Santa Cruz, CA  
Santa Rosa, CA  
Stockton, CA  
Ukiah, CA  
Ventura, CA  
Visalia, CA

Nevada

Las Vegas, NV

Reno, NV

Hawaii

Honolulu, HI

**2 Temporary Base Location**

Employees who were assigned a Temporary Base Location in accordance with Paragraph 2, Appendix 1 to Contract CEW-2 and who have not been moved on a Permanent Transfer to one of the above listed Base Locations as of the effective date of Contract CWA-18, shall maintain their Temporary Base Location assignments until so moved.

**APPENDIX 2 – SERVICE AND SUPPORT EMPLOYEES**

This Appendix 4 covers the two remaining Service and Support Employees previously covered under the Consolidated Workers General Agreement – Repair, Distribution and Service and Support unit.

**ARTICLE 1 – RECOGNITION****1. Certification of Membership**

The UNION hereby certifies that it represents the majority of the EMPLOYEES to whom the Agreement applies, and the UNION is the acknowledged, designated and selected collective bargaining REPRESENTATIVE of such members.

**2. Recognition**

The COMPANY hereby recognizes the UNION as the exclusive REPRESENTATIVE of the following EMPLOYEES: those Service and Support Employees holding the title R50 and who are EMPLOYEES of the COMPANY in the location listed below, but excluding all other Employees including, but not limited to, confidential Employees, professional and technical Employees, guards and supervisors, as defined in the NLRA and any Employees who are part of another bargaining unit: 4205 Stuart Andrew Blvd, Ste B, Charlotte, N 28217-1540. The EMPLOYEES described in this bargaining unit shall separately and collectively be referred to as the "Service and Support Employees" or "S&S Employees."

**3. Management of the Business**

The right to manage the business and to direct the working forces and operation of the business, subject to the limitations imposed by this Agreement, is vested in, and retained by, the COMPANY.

**4. Federal and State Laws**

In the event that any provision of this Agreement should be modified or deleted to conform to any federal or state law or regulation, or any order, determination, ruling or regulation of a federal or state executive or administrative agency or court, the COMPANY shall notify the UNION in writing. Negotiations shall then take place if requested by the UNION. In the event of such negotiations, the changes shall not be implemented until (a) agreement is reached, or (b) the COMPANY determines that timely action is required by the law, regulation, order, determination or ruling, whichever occurs sooner.

**ARTICLE 2 – APPLICATION OF PROVISIONS IN CWA-25**

The following provisions of Installation Contract CWA-25 shall apply in their entirety unless otherwise indicated.

Article 1 – Definitions, except "Local" shall mean Carolinas, Local 3790, "Employee" shall mean "S&S Employee" as defined in Article 1, and "Installation Service" shall not apply.

Article 2 – Termination of Existing Agreements; except the agreements that are listed as continuing shall not apply to the S&S Employees.

Article 4 – Application and Interpretation of Contract; provided, however, that any limitations under CWA-25 specific to communication equipment workers (i.e., ACST, CST, SCST or CSI job titles) by the nature of the work performed shall not apply.

Article 5 – Employees Service as Union Representatives

Article 6 – Collective Bargaining Procedure

Article 7 – Grievance Procedure

Article 8 – Arbitration

Article 9 – Union and Company Relationships

Article 10 – Scheduled Tours, Tour Changes and Relief Periods

Article 11 – Work in Excess of Scheduled Tours

Article 12 – Wages: Shall not apply except for paragraph 8, Delivery of Pay Checks. The wages are identified below:

<b>Material Planner</b>				
<b>Step</b>	<b>Effective May 25, 2014</b>	<b>Effective May 24, 2015</b>	<b>Effective May 22, 2016</b>	<b>Effective May 21, 2017</b>
1	16.70	17.03	17.37	17.72
2	17.98	18.33	18.70	19.08
3	19.35	19.74	20.13	20.53
4	20.83	21.24	21.67	22.11
5	22.42	22.87	23.33	23.80
6	24.14	24.62	25.11	25.62
7	25.98	26.50	27.03	27.58
8	27.97	28.53	29.10	29.68
9	30.11	30.71	31.32	31.95
10	32.41	33.06	33.72	34.40
11	34.89	35.59	36.30	37.03
<b>Pension Band</b>	<b>121</b>	<b>121</b>	<b>121</b>	<b>121</b>

Article 13 – Local Assignments and Transfers: Shall not apply

Article 14 – Holidays

Article 15 – Paid Time Off

Article 16 – Pay Treatment for Absences: Shall apply with the following addition:

*Voting*

Subject to service and coverage conditions and the provisions of applicable state laws, a Service and Support EMPLOYEE who is scheduled to work and who is eligible to vote in a National, State, County or Municipal general election shall, upon request, be excused with pay for a reasonable period on such election day to enable the Service and Support EMPLOYEE to vote; provided, however, that the COMPANY shall specify the period during which such Service and Support EMPLOYEE will be excused.

Article 17 – Benefits

Article 18 – Rights of Veterans

Article 19 – Maintenance of Work Operations

Article 20 – Adjustments to the Working Force: Shall not apply, except that the Company may lay-off S&S Employees when there is a lack of work. S&S Employees who are laid off shall be covered by the provisions of the Charlotte Facility Closing Agreement, incorporated by reference.

Article 21 – Layoff Allowances: Shall not apply. Service and Support Employees are covered by the provisions of the Charlotte Facility Closing Agreement, incorporated by reference.

Article 22 – Disciplinary Suspension or Termination of Employment

Article 23 – Deduction of Union Dues

Article 24 – Agency Shop

Article 25 – Excused Work Days: Shall not apply.

Article 26 – Communication Services Installer: Shall not apply.

Article 27 – Duration

Appendix 1 – Base Locations: Shall not apply

All Local Memoranda: Shall not apply

All National Memoranda

### ARTICLE 3 – FACILITY CLOSING AGREEMENT

The provisions of the Charlotte Facility Closing Agreement are incorporated by reference. In the event that the Company needs to layoff the S&S Employees due to a surplus condition, facility closing, or subcontracting, the parties will refer to the Charlotte Facility Closing Agreement.

### ARTICLE 4 – VIRTUAL OFFICE

1. The Company may require the S&S Employees to work virtual office (i.e., from their home office) on a temporary or permanent basis. Should an employee decline to work virtual office, the employee will have the option to voluntarily terminate their employment with the benefits described in the Charlotte Facility Closing Agreement.
2. The Company's decision to do so shall in no way affect the Company's rights, under Article 3 – Facility Closing Agreement, to close/terminate their work location (wherever they may be working) and lay off the S&S Employees with the benefits described in the Charlotte Facility Closing Agreement.
3. In the event that the Company requires the S&S Employees to work virtual office, the Company's policy entitled "North America Telecommuting and Virtual Office Policy," last updated June 17, 2013 shall apply. The Company agrees that it will not change the terms and conditions within the policy for the effected employees without negotiations with the Union. The Company also agrees that at least 24 hours notice to the Employee will be provided before being granted access to the employee's virtual office.



**AGREEMENT NOT TO PT UNION REPS AND OFFICERS  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014 wherein it was agreed that Union Representatives, who are members of a Local's Executive Board, shall not be selected for Permanent Transfer under Article 13, Paragraph 2(i)(1) while serving the Union in such capacity; provided that, however, should the use of Permanent Transfers involve the total depopulation of Union Representatives' assigned Base Locations the Company will arrange for Permanent Transfers of such Union Representatives to other populated Base Locations within the jurisdiction of the Locals.

The Local Union will notify Local management which Union Representatives identified per Article 5, paragraph 2(b) serve on the Local's Executive Board.

**AREA DEFINED FOR ARTICLE 13  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014, whereby it was agreed that notwithstanding the definition of the term "Area" as contained in Article 1, Paragraph 1(b) said term shall, solely for the purposes of Article 13, Paragraph 2(i)(2), mean the Areas as described below:

**Alabama-Kentucky-Tennessee Area**

Anniston, AL	Knoxville, TN
Athens, TN	Louisville, KY
Birmingham, AL	Memphis, TN
Bowling Green, KY	Mobile, AL
Brewton, AL	Montgomery, AL
Chattanooga, TN	Nashville, TN
Columbia, TN	Opelika, AL
Danville, KY	Owensboro, KY
Decatur, AL	Paducah, KY
Frankfort, KY	Paintsville, KY
Gadsden, AL	Selma, AL
Huntsville, AL	Sheffield, AL
Jackson, TN	Tuscaloosa, AL
Jasper, AL	Winchester, KY

**Arizona-New Mexico-El Paso County, Texas Area**

Albuquerque, NM	Phoenix, AZ
El Paso, TX	Santa Fe, NM
Flagstaff, AZ	Tucson, AZ

**Carolinas Area**

Anderson, SC	Greensboro, NC
Asheville, NC	Greenville, SC
Burlington, NC	Laurinburg, NC
Charleston, SC	Lenoir, NC
Charlotte, NC	Raleigh, NC
Columbia, SC	Shelby, NC
Florence, SC	Spartanburg, SC
Gastonia, NC	Wilmington, NC
Goldsboro, NC	Winston-Salem, NC

**Cincinnati-Cleveland Area**

Akron, OH	Columbus, OH
Canton, OH	Dayton, OH
Cincinnati, OH	Toledo, OH
Cleveland, OH	Youngstown, OH

**Colorado-Wyoming Area**

Casper, WY	Grand Junction, CO
Cheyenne, WY	Greeley, CO
Colorado Springs, CO	Pueblo, CO
Denver, CO	

**Connecticut Area**

Bridgeport, CT	New London, CT
Framingham, MA	Providence, RI
Hartford, CT	Springfield, MA
New Haven, CT	

**Florida Area**

Chipley, FL	Miami, FL
Cocoa, FL	Orlando, FL
Daytona Beach, FL	Panama City, FL
Fort Lauderdale, FL	Pensacola, FL
Fort Myers, FL	Tallahassee, FL
Fort Pierce, FL	Tampa, FL
Gainesville, FL	West Palm Beach, FL
Jacksonville, FL	

**Georgia Area**

Albany, GA	Gainesville, GA
Athens, GA	Hazlehurst, GA
Atlanta, GA	Macon, GA
Augusta, GA	Rome, GA
Carrollton, GA	Savannah, GA
Columbus, GA	Thomasville, GA
Covington, GA	Waycross, GA

**Hawaii Area**

Honolulu, HI

**Illinois Area**

Alton, IL	Joliet, IL
Aurora, IL	Kankakee, IL
Centralia, IL	Ottawa, IL
Champaign, IL	Peoria, IL
Chicago, IL	Rockford, IL
Collinsville, IL	Rock Island, IL
Crystal Lake, IL	Springfield, IL
Decatur, IL	

**Indiana Area**

Bloomington, IN	Indianapolis, IN
Columbus, IN	Kokomo, IN
Evansville, IN	New Albany, IN
Fort Wayne, IN	South Bend, IN
Gary, IN	Vincennes, IN

**Kansas-Oklahoma Area**

Dodge City, KS	St. Joseph, Mo
Kansas City, MO	Topeka, KS
Oklahoma City, OK	Tulsa, OK

Salina, KS

Wichita, KS

**Louisiana-Mississippi Area**

Alexandria, LA  
Baton Rouge, LA  
Columbus, MS  
Greenwood, MS  
Gulfport, MS  
Hammond, LA  
Hattiesburg, MS  
Houma, LA  
Jackson, MS  
Lafayette, LA

Lake Charles, LA  
McComb, MS  
Meridian, MS  
Minden, LA  
Monroe, LA  
Natchitoches, LA  
New Orleans, LA  
Ruston, LA  
Shreveport, LA  
Tupelo, MS

**Michigan Area**

Ann Arbor, MI  
Battle Creek, MI  
Benton Harbor, MI  
Cadillac, MI  
Detroit, MI  
Escanaba, MI  
Flint, MI  
Grand Rapids, MI  
Houghton, MI  
Iron Mountain, MI

Jackson, MI  
Kalamazoo, MI  
Lansing, MI  
Marquette, MI  
Petoskey, MI  
Port Huron, MI  
Saginaw, MI  
Sault Ste. Marie, MI  
Traverse City, MI

**Minnesota - North Dakota Area**

Bemidji, MN  
Bismarck, ND  
Brainerd, MN  
Duluth, MN  
Fargo, ND  
Grand Forks, ND

Marshall, MN  
Minneapolis-  
St. Paul, MN  
Rochester, MN  
St. Cloud, MN

**Missouri-Arkansas Area**

Forrest City, AR  
Fort Smith, AR  
Hot Springs, AR  
Jonesboro, AR  
Joplin, MO

Little Rock, AR  
Pine Bluff, AR  
Sikeston, MO  
Springfield, MO  
St. Louis, MO

**Nebraska-Iowa-South Dakota Area**

Aberdeen, SD  
Burlington, IA  
Cedar Rapids, IA  
Davenport, IA  
Des Moines, IA  
Grand Island, NB  
Mason City, IA  
Norfolk, NB  
North Platte, NB

Ottumwa, IA  
Pierre, SD  
Rapid City, SD  
Red Oak, IA  
Sidney, NB  
Sioux City, IA  
Sioux Falls, SD  
Spencer, IA  
Waterloo, IA

Omaha, NB

Watertown, SD

**New Jersey Area**

Asbury Park, NJ

Newark, NJ

Atlantic City, NJ

Trenton, NJ

Camden, NJ

**New York Area**

Albany, NY

New York, NY

Bangor, ME

Portland, ME

Binghamton, NY

Poughkeepsie, NY

Buffalo, NY

Rochester, NY

Kingston, NY

Syracuse, NY

Long Island-East, NY

Utica, NY

Manchester, NH

**Northern California-Nevada Area**

Bakersfield, CA

Sacramento, CA

Chico, CA

Salinas, CA

Eureka, CA

San Francisco-

Fresno, CA

East Bay, CA

Lakeport, CA

San Jose, CA

Las Vegas, NV

San Luis Obispo, CA

Marysville, CA

Santa Cruz, CA

Modesto, CA

Santa Rosa, CA

Napa, CA

Stockton, CA

Redding, CA

Ukiah, CA

Reno, NV

Visalia, CA

**Northern Texas Area**

Abilene, TX

Lubbock, TX

Amarillo, TX

Midland, TX

Dallas, TX

Tyler, TX

Fort Worth, TX

Wichita Falls, TX

Longview, TX

**Philadelphia Area**

Allentown, PA

Philadelphia, PA

Dover, DE

Reading, PA

**Pittsburgh Area**

Altoona, PA

New Castle, PA

Harrisburg, PA

Pittsburgh, PA

Hazleton, PA

Scranton, PA

Lancaster, PA

Williamsport, PA

Lewistown, PA

**Southern California Area**

Los Angeles, CA

San Diego, CA

Oceanside, CA  
Riverside, CA

Santa Ana, CA  
Ventura, CA

**Southern Texas Area**

Austin, TX  
Beaumont, TX  
Corpus Christi, TX  
Harlingen, TX

Houston, TX  
San Antonio, TX  
Waco, TX

**Utah-Idaho-Montana Area**

Boise, ID  
Idaho Falls, ID  
Ogden, UT  
Pocatello, ID

Provo, UT  
Salt Lake City, UT  
Twin Falls, ID

**Washington DC Area**

Baltimore, MD  
Charleston, WV  
Clarksburg, WV  
Frederick, MD  
Hagerstown, MD  
Lynchburg, VA  
Newport News, VA

Norfolk, VA  
Richmond, VA  
Roanoke, VA  
Salisbury, MD  
Washington, DC  
Wheeling, WV

**Oregon-Washington-Idaho Area**

Bend, OR  
Bremerton, WA  
Eugene, OR  
Medford, OR  
Olympia, WA  
Pendleton, OR

Portland, OR  
Salem, OR  
Seattle, WA  
Spokane, WA  
Vancouver, WA  
Yakima, WA

**Wisconsin Area**

Appleton, WI  
Eau Claire, WI  
Fond du Lac, WI  
Green Bay, WI

Madison, WI  
Milwaukee, WI  
Stevens Pt., WI  
Watertown, WI

**CHANGE IN COMPUTATION POINT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our discussions during bargaining in which we agreed that notwithstanding the provisions of Article 13, Local Assignments and Transfers, Paragraph 2(g), Employees on the Company's active roll on both March 1, 2003 and the effective date of Contract CWA-23 shall, at their request once during the life of the Contract, have their Computation Point re-designated as a result of a bona fide change in living quarters.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart

Bargaining Chairman

**FOR THE COMPANY**

By: /s/ S. J. Muscat

Director Workforce Relations

**APPROVED:**

By: /s/ R. V. Maly

Vice President

Communications Workers of America

**COMPANY VEHICLE USAGE PROGRAM  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014 concerning the application of the Company Vehicle Usage Program to situations in the Installation organization where the Company determines that Company provided vehicles are necessary for the efficient operation of service work assignments.

1. The provisions of this agreement shall apply to an Employee who is assigned to drive a Company vehicle and who voluntarily stores such a vehicle at his/her residence. The travel time provision of Article 13, Paragraph 3(b)(1) and Paragraph 4(a)(5)(i) will not apply to such an Employee.
2. An Employee covered by this agreement shall begin and end his/her Scheduled daily Tour at an assigned Job Location.
3. Should the Company determine that a job assignment, between 50 and 90 miles from the Employee's Computation Point, requires the Employee to remain overnight at the Job Location, the Company shall provide such an Employee the lodging option per Article 13, Paragraph 4(c)(3). When an Employee is assigned to a Job Assignment over 90 miles from the Employee's Computation Point and he/she must return to the same Job Location the next day, the Lodging Option per Article 13, Paragraph 4(c)(3) will be provided if requested by the Employee or deemed appropriate by the Company.
4. If an Employee completes the normal tour beyond Local Assignment range from his/her home, works more than ten (10) hours on that day, and does not remain overnight at the Job Location, the Company will pay the Employee a meal allowance of \$8.00 for the day.
5. Tolls and parking fees in connection with such assignments will be reimbursed as reasonably incurred.
6. If a union local believes the terms of this agreement have been violated, it may notify the National CWA Staff Representative and the Company Workforce Relations Installation Manager, in writing, of the alleged violation(s). The Company has fifteen (15) days in which to correct any violation(s) and if they are not corrected in that time period, the National Union will provide the Company Workforce Relations Manager thirty (30) days' written notice of its desire to terminate the Agreement for the specific union local. If the violation(s) are not corrected by the requested termination date, this Agreement for the affected union local will terminate. The Agreement may be reinstated for that union local if the violation(s) are subsequently corrected.



## **HIRING BONUS**

May 31, 1998

R. G. Richhart  
Bargaining Chairman  
Communications Workers of America  
501 Third Street, NW  
Washington, DC 20001-2797

Dear Mr. Richhart:

This will confirm our understanding of May 31, 1998 regarding a hiring bonus to attract applicants for certain Installation job openings.

For Installer job openings the Company may, at its sole discretion, offer a bonus of up to \$5000, payable within six (6) months of hire, to attract qualified employees. If such a bonus is paid to an off-street hire, it will also be paid to qualified LTP applicants who are selected for job openings on the same job requisition.

Such a bonus, when paid, will be subject to 1.3% Union Dues and the withholding of applicable taxes. An employee receiving such a bonus will be required to sign a promissory note agreeing to reimburse the Company for the full amount if he/she does not remain on the payroll for a period not to exceed two (2) years.

Sincerely,  
/s/ J. W. Roth  
Workforce Relations  
District Manager

**HOME OWNER'S MORTGAGE ALLOWANCE PLAN  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998 concerning the treatment accorded Employees selected by the Company for Permanent Transfers.

**Home Owner's Mortgage Allowance Plan**

1. The Company, in recognition of the current high mortgage interest rates, has established the Home Owner's Mortgage Allowance Plan as a temporary supplement which will be made available to Employees permanently transferred by the Company on the following basis:
  - (a) Eligibility - All of the following conditions must be met for an Employee to be eligible for the Home Owner's Mortgage Allowance:
    - (1) Employee's Permanent Transfer shall be initiated by the Company under the provisions of Article 13, Paragraphs 2(f) and 5.
    - (2) Employee shall own a home at the original location and must sell such property. The Employee must also purchase a home at the new location. Both such homes must meet the requirements specified in Article 13, Paragraph 5(d).
    - (3) Employee shall be eligible to this Allowance only once.
    - (4) The interest rate on the Employee's mortgage for the new home must be greater than the rate on the mortgage for the former home.
  - (b) Computation and Payment of Allowance - Employees who meet the eligibility requirements prescribed in Paragraph 1(a) above will be paid an allowance derived by multiplying the mortgage balance on the Employee's former home or the mortgage on the new home, whichever is lower, by the difference between the old and new interest rates for a three (3) year period subject to the following:
    - (1) In computing the allowance, the mortgage interest rate differential is based on the basic rate for both the old and new mortgage.
    - (2) The Employee shall provide the Company with the necessary documentation from the mortgage lending Institutions verifying the old and new mortgage balances.
    - (3) Payment will be made to the Employee in a lump sum. The payment is taxable income and subject to withholding by the Company. No tax loan will be made to Employees on this payment.

**Treatment of Certain Taxable Relocation Expenses**

2. Certain payments made to or on behalf of Employees to cover Permanent Transfer expenses incurred in connection with such transfers are considered additional compensation by the Internal Revenue Service and are subject to Federal Income Tax and Social Security Taxes. The Company is required to withhold taxes on some expenses in their entirety. In addition, certain states and localities which impose Income Taxes and provide for withholding from an Employee's pay also require withholding for taxes on this type of payment. The Company will take the necessary steps to pay directly to the appropriate authorities the withholding tax liability covering certain Permanent Transfer expense reimbursements and payments. The applicable tax payments made on behalf of such Employees shall be determined by the Company.

This Agreement shall be effective as of May 31, 1998 and shall continue in effect until terminated by thirty (30) days written notice from either party to the other.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**MODE OF OPERATIONS AGREEMENT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1992 concerning the treatment of Employees assigned by the Company to installation work outside of Switching Systems, Toll Carrier and Radio Systems, and associated Power equipment performed in Central Offices. Such assignments would include work such as service and maintenance contracts, Installation Test Center Operations, operation support systems, central office maintenance, and customer premise equipment associated with maintenance and service.

1. The Company and Union agree that the character of the work on such assignments will make it necessary for Employees to move to and from job sites to meet customer service needs and it will generally not be possible to give notice on Local Assignment and Temporary Transfer in accordance with Article 13, Paragraph 2.6. However the Company will give as much notice as possible. It is further recognized that the demand of the customer may also require overtime and needs and conditions may arise which will prevent giving Employees notice as specified in Article 11, Paragraph 1.2.
2. Employees shall be required to wear appropriate attire in keeping with the work environment of the operations being performed. Employees on service and maintenance assignments involving direct contact with the customer may be required to wear a button-up dress shirt with a necktie, dress slacks, and dress shoes. Sport or suit type jackets may be required based on local customary business and climatic conditions. Female Employees on such assignments shall wear comparable suitable dress attire.
3. Company-provided vehicles shall ordinarily be used in the performance of such operations in accordance with provisions of Article 13, Paragraph 2.3. Notwithstanding the limitations on air travel in Article 13 Paragraph 4.12, travel by airplane may be used on temporary transfers of less than 800 road miles where, in the judgment of the Company, time, distance and customer demands so dictate.
4. The Company may require such Employees to carry paging devices during scheduled working time.
5. Employees shall exercise reasonable and responsible care with respect to Company provided vehicle, tools, and equipment.
6. To the extent consistent with business needs, the Company shall assign Employees who, in its judgment, are qualified for the work to be done in accordance with their preference for such assignments, however the Company retains the right to make selections based on its business needs.
7. It is agreed that the Seven Day Coverage provisions specified in Contract CWA-20 shall be limited to Employees and job assignments covered by this agreement.

In all other respects, the provisions of Contract CWA-20 will apply to Employees on such assignments.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

FOR THE COMPANY

By: /s/ J.W. Roth  
Labor Relations Manager  
Installation

**PERMANENT TRANSFERS FOR SKILL  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of November 1, 2004 that with respect to Article 13, LOCAL ASSIGNMENTS AND TRANSFERS, Paragraph 2(i)(1)(i) selections for Permanent Transfers to destination locations requiring specific skill categories shall be made first from qualified volunteers, as determined by the Company. If it is necessary to select Employees on an involuntary basis, such selections shall be made from Communication Services Installer, Associate Communication Services Technician and the following communications systems skill categories for Communication Services Technicians and Senior Communication Services Technicians:

**Communication  
Services Technician**

Electronic Surveillance Center  
Maintenance Operations-  
(Transmission, Power, 4ESS,  
5ESS, Non-Lucent Switch, OSS  
Electronic Adjunct, Wireless)

Maintenance Operations-Data  
Networking Systems

5ESS

Wireless Systems

GTD-5

Data Networking Systems

4ESS

Power

Transmission Systems

OSS Electronic Adjunct

Outside Plant - BDS/PDS

**Senior Communication  
Services Technician**

Electronic Surveillance Center  
Maintenance Operations-  
(Transmission, Power, 4ESS,  
5ESS, Non-Lucent Switch, OSS  
Electronic Adjunct, Wireless)

Maintenance Operations-Data  
Networking Systems

5ESS

Wireless Systems

GTD-5

Data Networking Systems

1AESS

4ESS

Power

Transmission Systems

Outside Plant - BDS/PDS

Notwithstanding the above, as to Communication Services Technicians, the Company agrees that it shall not Permanently Transfer such Employees out of an Area (as defined for the provision of Article 13, Paragraph 2(i)(2) in our Memorandum of Understanding dated May 31, 1992) at a time when there are Employees on the Company's active roll within that same Area who have a Term of Employment of less than two (2) years.

Notwithstanding the above, as to Senior Communication Services Technicians, the Company agrees that it shall not Permanently Transfer such Employees out of a Region at a time when there are Employees on the Company's active roll within the affected Base who have a Term of Employment of less than three (3) years.

AGREED:

FOR THE UNION

FOR THE COMPANY

By: /s/ M. J. Sherman  
CWA Representative  
Communications Workers of America

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ R. V. Maly, Jr.  
Vice President  
Communications Workers of America

By: /s/ W. L. Schecter  
Workforce Relations  
Vice President

**PTH MILEAGE IN LIEU OF AIRPLANE TICKET  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will confirm our agreement regarding mileage payments in lieu of actual airplane fare for Periodic Trips Home.

1. This agreement shall apply to Employees on Temporary Transfers of at least 250 road miles up to and including 400 road miles.
2. Employees eligible for a Periodic Trip Home in accordance with Article 13, Paragraph 4(e) will have the option of selecting the transportation expense allowance of \$.55 per mile or the IRS allowable rate, whichever is less, in lieu of actual airplane fare at an amount obtained by the Company if the total round trip transportation expense allowance is less than or equal to the actual airplane fare.
3. The Company shall have the sole responsibility for determining the road mileage measurement for the distance between the applicable Computation Points of the starting and destination work locations.
4. The Company will have the sole responsibility for obtaining the actual airplane fare from the starting location to the destination location and return in accordance with Article 13, Paragraph 4(e)(5).
5. Upon satisfaction of Paragraphs 1 and 2 above and after the Employee provides notice to the Company that he/she wishes to exercise the transportation expense allowance option, the Company will inform the Employee whether he/she qualifies for such option. At that time the Employee must immediately select an option, which is irrevocable. The Company will then make appropriate arrangements for the Employee's trip home.
6. The provisions of Article 13, Paragraph 4(e) shall apply in accordance with their terms except that payment under this option shall be limited to the allowance specified in Paragraph 2 above.
7. If the Union alleges there has been a violation of the provisions of this agreement, the Local President, or his/her designee, may present a grievance to the Operations Director. Grievances not settled by the Operations Director may be transferred to the National. It is agreed that the provisions of this agreement or its administration will not be arbitrable.

## **RECOGNITION PROGRAMS**

Under this Agreement, newly created Recognition Programs will be available to occupational employees covered by the Installation Agreement. These Programs may provide cash, gift certificates, gifts, or other means of compensation to employees in recognition of individual or group performance. Recognizing that wages and monetary compensation provided under these programs may be considered mandatory subjects of bargaining, such programs shall be discussed by representatives of the Company and the CWA in accordance with the terms contained herein. This Agreement shall not impact practices, programs, or procedures currently in effect except as provided under "Program Termination" below.

## **APPROVAL**

Prior to their implementation the National CWA and Workforce Relations shall review and approve Recognition Programs that will result in equivalent compensation of more than \$100 (or equivalent value) for any employee at the time he/she is recognized.

## **PROGRAM ELEMENTS**

Programs submitted for review and approval should include the following elements: Program Objective, Accomplishment Criteria, Time Frames, Employee Eligibility, Program Structure, Submission Process, Approval Process, Award Publication, Award Presentation.

## **PARTICIPATION**

Where such Recognition Programs are offered, all occupational employees in the group will be eligible to participate.

## **TAX LIABILITY**

Programs must be reviewed with the Business Line financial representative to ensure all Company and employee income tax laws and regulations are addressed.

## **PROGRAM TERMINATION**

The signing parties to this Agreement may terminate any individual Recognition Program established pursuant to this Agreement, any such pre-existing Program, or this Recognition Program Agreement by giving a 45 day written notice of termination. During that 45 day period either party may initiate negotiations and, if no agreement is reached during the 45 day period, the Program or this Agreement, whichever is being negotiated, will no longer be effective and binding upon either the Company or the Union.

## **NON-DISCRIMINATION**

In the negotiation and administration of Recognition Programs, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, national origin, sex, age, disability or handicap, sexual preference, gender identity, marital status, citizenship, union membership, or status as a special disabled veteran or veteran of the Vietnam era.



**RESOLUTION OF MEDICAL DISAGREEMENTS**

September 16, 1993

Mr. R. G. Richhart  
CWA Staff Representative  
Communications Workers of America  
Communications and Technologies  
501 Third Street, NW  
Washington, DC 20001-2797

Dear Mr. Richhart,

This will confirm the Company's intent regarding medical disagreements over an employee's ability to return to work.

The following administrative procedure will be followed where a difference in professional medical opinion exists between an employee's doctor and the Company Medical Organization, involving an employee's fitness to return to work, which cannot be reconciled by the two parties involved.

While the Company Medical Organization's recommendation is final, the Company nevertheless will endeavor to reconcile such differences through contact with the employee's attending physician. If, in the Company's judgment, the opinion of a doctor specializing in the field of the employee's ailment may be of value in resolving the difference, a third doctor may be selected by the Company to examine the employee.

Sincerely,

/s/ J. W. Roth  
District Manager  
Labor Relations

**ROTATION ON TEMPORARY TRANSFERS**

December 1, 1966

Mr. P. J. MORGAN, National Director  
Communications Workers of America  
Installation Bargaining Unit  
85 Worth Street  
New York, New York 10013

Dear Mr. Morgan:

This is to reconfirm the Company's intent in regards to rotating certain Installers on Temporary Transfers.

Although the Company is not prepared to assume any fixed contractual obligations on this matter, we do want to assure you of our intention to do the following.

We will try to rotate Installers who have been on Temporary Transfers long distances from their assigned Base Locations for extended periods of time to the extent that job and work-load requirements and other business conditions permit.

Very truly yours,

/s/ J. F. GRIGGS  
Manager, Labor Relations (Service)

**SAFETY ADVISORY COMMITTEE  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1992, whereby it was agreed that safety is a concern to the Company and the Union. The Company and the Union mutually recognize the need for a work environment in which safe operations can be achieved in accomplishing all phases of work, and the need to promote better understanding and acceptance of the principles of safety on the part of all Employees to provide for their own safety and that of their fellow Employees, customers and the general public.

To achieve the above principles, the Company and Union agree to establish an advisory committee on safety principles at the Company headquarters level. The committee shall consist of not more than three (3) representatives each from the Company and the Union (to be appointed by the Company and the National Union respectively). This committee shall meet from time to time as required but at least three (3) times per year.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**SKILL REVIEW AND REASSIGNMENT PROCESS**

May 28, 1995

Mr. R. G. Richhart  
Bargaining Chairman  
Communications Workers of America  
Communications and Technologies  
501 Third Street, Northwest  
Second Floor  
Washington, DC 20001

Dear Mr. Richhart:

This letter will reflect our understanding regarding the implementation of an annual review and reassignment process. All assignments and reassignments of personnel to approved job titles shall be made solely at the discretion of the Company, in accordance with Article 12 , Paragraph 3(a)(1) and 3(a)(3). All past practices which may have existed regarding the assignment and reassignment of personnel to approved job titles are hereby terminated and no longer operative. In their place the Company will create an Installation Resource Planning Board which will administer this process. The Board's membership will include the Customer Services Vice Presidents or their designees.

The Board will also have the authority to waive the service interval requirements when the Company's skill requirements warrant special considerations. Recommendations for reassignment to higher level job titles shall be forwarded to the Board by local management. All reassignments to higher job titles will be effective in accordance with Article 12, Paragraph 3(a)(1). Additionally, the form SD-11-1421-2 (Work Operation Codes and Skill Classification Plan Requirements) will be changed to reflect the implementation of this system.

Sincerely,

/s/ J. W. Roth  
Labor Relations Manager  
Installation

**SPECIAL SKILL REVIEW  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998 concerning the implementation of a Special Skill Review to supplement the skill review set forth in Article 12, paragraph 3 of the Contract.

At the discretion of the Installation Resource Planning Board a Special Skill Review may be conducted. This Special Skill Review may be initiated once during each year of the Contract.

The Special Skill Review will be governed by the established review procedure and approval requirement provided for in Article 12, paragraph 3.

It is expressly agreed by the parties that this agreement applies only for the life of this Contract.

AGREED:

FOR THE UNION

FOR THE COMPANY

By: /s/ R. G. Richhart  
Bargaining Chairman

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America

**TRANSPORTING OF TOOLS AND MATERIALS  
MEMORANDUM OF UNDERSTANDING**

This will confirm the intent of the Union and the Company that in recognition of the competitive environment, it is in the best interest of both parties that Employees may transport (1) one closed tool case (similar to R-3471) containing Company provided tools and/or material, and material of a reasonable size, weight and quantity which can be easily handled by the Employee.

In connection with this endeavor, both parties pledge their cooperation and to bring to the attention of all Employees their mutual interest in conducting themselves in a manner characterized by mutual responsibility and respect.

AGREED:

FOR THE UNION

By: /s/ P. C. Padgett  
Administrative Assistant

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

APPROVED:

By: /s/ Morton Bahr  
President,  
Communications Workers of America

**WAGE TREATMENT AGREEMENT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014 regarding additional flexibility to hire employees above the entry level start rate and in the title of ACST. It was agreed:

- (a) Notwithstanding the provisions of Article 12, Paragraphs 2(e) and 2(f), the Company may, at its discretion, place new hires in the ACST title based on labor market conditions or in recognition of its education and work experience needs in accordance with the following wage progression step ranges:

**Condition**

**ACST Progression Step  
Credit Range**

Labor Market Conditions

Step 2 - Step 7

Recognized Educational Achievement

Step 7 - Step 11

(Degree or non-degree education or training involving electrical, electronics, telecommunications, radio/TV repair or computer disciplines) and/or (4 year degree in electrical engineering or any business degree)

Recognized Work Experience and/or Skill Achievement

Step 7 - Step 15

- (b) An employee hired in the ACST title and granted wage progression step credit for education or work experience shown above shall not be eligible for reassignment to a higher title for a period of 12 months from date of employment in the Installation Bargaining Unit.
- (c) An on-roll employee will be eligible for education or work experience wage progression step credit consideration by the Company when such credit is granted to new hires in his/her assigned Base or Hiring Location in a subsequent hiring program provided the employee:
- possesses an equal or greater educational or work experience and/or skill achievement level (gained other than in their current work assignment) in the applicable degree/certificate or skill discipline specified as determined by the Company and
  - has not previously received credit for such background and
  - has a current rate of pay below the applicable wage progression step range being granted and
  - has produced evidence acceptable to the Company in support of such credit consideration.
- (d) Wage progression step credit granted in this situation shall be effective with the date of such determination.
- (e) For the purposes of Paragraph 1(c), one or several Base Locations will be considered as one Base Location when the distance between the applicable Computation Points of those Base Locations is less than thirty-three (33) road miles, and provided that such Base Locations are within the same Area.

**OUT OF HOURS PAGING DEVICE ASSIGNMENT, ON-CALL  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014 regarding an on-call pager allowance provision for Employees who are assigned to the On-Site Technical Service (OTS) Organization and who perform maintenance operations.

- Company may, based on its business needs, assign certain Employee(s) as described herein, to carry a communication device (e.g. pager, cell phone, etc.) as a method to contact an Employee(s) for "on-call" assignment situations.
- Employees with the necessary skills will be solicited on a voluntary basis. However, if there is an insufficient number of volunteers, the company will select Employee(s) for the on-call assignment. Employees cannot be assigned on-call assignment if on paid time off or Company designated day unless the Employee volunteers to do so.
- An Employee selected for an on-call assignment will be paid an allowance for each scheduled daily off tour (i.e. end of a shift to beginning of next shift) during the scheduled weekly tour or Saturday, Sunday or Holidays as follows:

Associate Communications Services Technician	\$19.00
Communications Services Technician	\$22.00
Senior Communication Services Technician	\$26.00

- The call-in provisions set forth in Article 11 of Contract CWA – 25 shall apply in accordance with its terms if the Employee(s) is called-in.
- A rotational on-call assignment procedure will be established by the Company in connection with the administration of assignments under this agreement.
- The failure of an Employee to respond to a page while so assigned will result in the forfeiture of the allowance for the applicable period involved.
- When, because of illness or other absence, another Employee is required to substitute for the Employee assigned on-call responsibility, the substituting Employee will receive the allowance payment for each such occasion. Employees must make a reasonable attempt to notify the Company if a replacement is needed.
- Communication devices will not be required out-of-tour unless the Employee is selected for an on-call assignment.

This Memorandum of Understanding is effective May 25, 2014 and shall remain in effect through May 26, 2018.



**SPECIAL CONDITION TRANSFER REQUESTS AFTER A PERMANENT TRANSFER**

March 1, 2003

Mr. R.G. Richhart  
Administrative Assistant to the Vice President  
Communications Workers of America  
Communications and Technologies  
501 Third Street, Northwest  
Second Floor  
Washington, DC 20001

Dear Mr. Richhart:

This letter will confirm the Company's intent to consider an Installer's request for a Special Condition Transfer to his or her original Base Location, when they previously accepted a Permanent Transfer to their current Base Location.

An employee who accepted a Permanent Transfer and established a permanent residence in the locale of the destination Base Location, may request a return to his or her original Base Location under the conditions of Article 13, paragraph 2(m), Special Condition Transfer, if the Company is hiring to fill permanent Installer positions in the employee's original Base Location. The Operations Director (C level) of the original Base Location will review the Special Condition Transfer request and render a decision within 10 days of the job advertisement.

Sincerely,

/s/ S. J. Muscat  
Director  
Workforce Relations

**ALLOWANCE CHANGES**

May 25, 2014

Laura Unger  
Assistant to the Vice President  
Telecommunication & Technologies  
Communications Workers of America  
501 Third Street, NW  
Washington, DC 20001

Dear Ms. Unger

This letter will confirm our understanding and agreement reached during negotiations for Installation Contract CWA-25 regarding the continuation of allowances that will be eliminated or consolidated effective January 1, 2015.

The following allowances will continue as otherwise contained in Installation Contract CWA-24 for the period May 25, 2014 thru December 31, 2014. Effective January 1, 2015 they shall be terminated, and any allowances will be provided as reflected in Installation Contract CWA-25 and a special lump sum payment of \$350 shall be paid to active employees on roll as of January 1, 2015.

Special City  
Split or Change in Tour  
Change in Starting Time  
ATM Reimbursement  
Three types of lead installer Daily Allowance  
Local Assignment Daily Miscellaneous Allowance  
Temporary Transfer Per Diems

In addition, the current mileage allowance of \$0.39 per mile, including the Daily Transportation Expense Allowance, contained in Installation Contract CWA-24 shall remain unchanged for all applicable contract provisions for the period May 25, 2014 thru December 31, 2014. Effective January 1, 2015 the mileage allowance shall change to \$0.55 per mile or the IRS allowable, whichever is less, as reflected in Installation Contract CWA-25.

Sincerely,

/s/ Stephen J. Muscat  
U.S. Workforce Relations  
Alcatel-Lucent

**COMMON INTEREST GROUP  
MEMORANDUM OF UNDERSTANDING**

The Company and the Union agree to continue the joint committee, known as the Common Interest Group (CIG), to discuss common issues of importance. The committee shall consist of up to four (4) representatives each from the Company and the Union (to be appointed by the Company and the National Union respectively). The committee shall normally meet once a quarter or as otherwise required.

**SKILL CERTIFICATION PLAN COMMITTEE  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 25, 2014 regarding the formation of a joint committee to explore replacing the current Skill Classification Plan with a new Skill Certification Plan.

The members of the joint committee shall be equal in number, appointed by the CWA and Alcatel-Lucent USA Inc. (the "Company") respectively and shall not exceed three each from the CWA and from the Company. The start date and conclusion date of the committee's efforts shall be mutually agreed upon.

The joint committee shall have the responsibility to explore issues that impact employees related to any change in the current Skill Classification Plan. Discussions may include, but are not limited to, certifications, recertification, titles, movement between titles, training and compensation. The committee shall not formulate policy or arrive at binding decisions or agreements, but rather shall be charged with the responsibility to develop facts and recommendations regarding the matters covered by this memorandum.

While it is the intent of the Company to seriously explore the creation of a new Skill Certification Plan, any recommendation by the committee is non-binding unless mutually agreed to by the designated bargaining representatives of the CWA and the Company.

Nothing contained herein is subject to the Grievance and Arbitration provisions of Installation Contract CWA-25.

**2014 INSTALLATION EFFECTS AGREEMENT  
MEMORANDUM OF UNDERSTANDING**

The Company will implement a workforce transformation in support of The Shift Plan in accordance with this 2014 Installation Effects Agreement.

**A. Enhanced Special Voluntary Pension Program**

Prior to notifying Employees of the Company's intention to depopulate any base location(s) pursuant to paragraph B below, the Company will first offer to all ACST's, CST's and SCST's nationwide ("Eligible Employees") an Enhanced Special Voluntary Pension Program ("Enhanced SVTP"), as defined below, on a voluntary basis. This offer will be made no earlier than October 1, 2014.

- 1) The Enhanced SVTP shall consist of all of the provisions of paragraph 7(c) of the 2013 Collective Bargaining Agreement Extension Agreement Memorandum of Agreement (the 2013 Special Voluntary Termination Program ("2013 SVTP")), except that (i) the reference to "2004 Agreements" shall be changed to the "2014 Agreements", and (ii) the Enhanced Pension Benefit (EPB) provision shall be increased by \$10,000.
- 2) Eligible Employees who are not eligible for a service pension (and therefore not eligible for retiree health care) shall be provided with access to twelve (12) months of COBRA coverage at their expense, at the active employee rate.
- 3) Active Eligible Employees who retire during the term of the 2014 collective bargaining agreement will be treated as "Eligible Participants" within the meaning of the Postretirement Medical and Dental Memorandum of Understanding upon their retirement.

**B. Depopulating Base Locations**

The Company may decide, in its sole discretion, to depopulate one or more base locations. If the Company decides to depopulate one or more base locations, the following procedures will be followed in lieu of Article 13 and the Permanent Transfers for Skill Memorandum of Understanding, or any other provisions:

- 1) The Company shall provide the Union with at least 60 days notice before it depopulates the specified base location(s).
- 2) After the Company provides notice to the Union, the Company will then provide the Employees who are regularly assigned to the base location(s) being depopulated with at least 60 days notice before the base is depopulated. Notice to the Employees by the Company may be made at any time after notice is given to the Union pursuant to B. 1).
- 3) All notices required pursuant to B. 1) and B. 2) shall be made no later than December 31, 2015.
- 4) The Company shall provide all Eligible Employees regularly assigned to the base location(s) being depopulated with the choice between one of the two following options only:
  - a) Electing the Enhanced SVTP provisions and terminating from the Company; or
  - b) Electing to relocate to another base location (a "Receiving Location"), selected by the Company.
    - (1) The Company shall identify Receiving Locations that will not be depopulated as part of the Company's workforce transformation during the life of CWA-25.
    - (2) Eligible Employees will be given at least 30 days to make an irrevocable election in writing as to whether they wish to elect option 4 a) or 4 b). Any Eligible Employee who does not make a timely election will be deemed to have selected option 4 a). However, Eligible Employees who are on a leave of absence will be given at least 30 days from the date they return to work from their leave, if they do return, to make their election.
      - (i) During the election period the Company will, upon the Employee's request, Temporary Transfer the Employee to the Receiving Location, provided he/she has

not been on Temporary Transfer to that location more than thirty (30) days in the past twelve months, for a short duration during which he/she can assess the decision to relocate.

- (3) Eligible Employees who elect option 4 b) shall be entitled to (i) a one-time lump sum payment, less applicable taxes, of \$20,000 if they actually sell their home within 180 days of their election, or \$10,000 if they do not sell their home, to assist with relocation. Eligible Employees shall promptly reimburse the lump sum payment if the Eligible Employee does not actually relocate to the new base location, and (ii) one paid visit to the Receiving Location, which shall not exceed three (3) scheduled days, adjacent to a weekend, for the employee and one other person. Airfare (if necessary) and lodging shall be arranged by the Company. In lieu of airfare, round trip mileage shall be reimbursed at \$0.55 per mile if such cost is equal to or less than the airfare. In addition a per diem of \$25 per person, per day shall be paid.
- 5) CSI Employees impacted by the Company's decision to depopulate any base location(s), or who are laid off from any populated base location(s) before December 31, 2015, will be handled in accordance with Article 26 except that upon termination they shall also be entitled to three (3) weeks of pay as severance (based on a 40-hour work-week).
- 6) For the purposes of this 2014 Installation Effects Agreement, the term "regularly assigned" excludes Employees working at the base location to-be-depopulated on a Temporary Transfer.

C. Reorganization at the Receiving Locations

If an Eligible Employee elects to relocate under B. 4) b), then, on a one-for-one basis, the Company may displace and involuntarily terminate a junior Employee in the Receiving Location after all subcontracting in that base has ended. Junior Eligible Employee(s) so impacted will receive the provisions of the Enhanced SVTP, and junior CSI Employees will be handled in accordance with paragraph B. 5).

- 1) However, before any junior Employee is impacted by this paragraph C. the Company may offer to all Eligible Employees at a Receiving Location an opportunity to voluntarily accept the provisions of the Enhanced SVTP prior to a junior Employee at that base location being terminated.

D. Post Depopulation Enhanced SVTP

Upon completion of paragraphs A, B, and C, the Company may, in its discretion, offer a nationwide Enhanced SVTP to all remaining Eligible Employees. Such offer will be made no later than March 31, 2016.

E. Job Security Provisions

- 1) Upon completion of the Company's workforce transformation, Eligible Employees with ten or more years of service who are on the active roll shall not be involuntarily laid off for the remaining life of CWA-25.
- 2) During the Company's workforce transformation, Eligible Employees will not be permanently transferred from any base location that will remain populated.
- 3) Upon completion of the Company's workforce transformation, Eligible Employees shall not be Permanently Transferred (other than Special Condition Transfers) for the remaining life of CWA-25.
- 4) The Company also agrees that the provisions of Article 20, paragraph 6 (short-timing), shall not be implemented in a base location(s) if subcontracting is occurring within 90 miles of the base location, for the life of CWA-25.
- 5) After April 1, 2016, the Company may, if necessary to relieve a surplus condition in one or more base location(s), offer the Enhanced SVTP to Eligible Employees in the base location(s) after all subcontracting in the base location(s) have ended.

F. General Provisions

- 1) Eligible Employees who are terminated under this MOU shall be eligible only for the Enhanced SVTP benefits, and no other layoff allowances, pay or benefits. In order for terminated Eligible Employees to receive the benefits of the Enhanced SVTP, they must satisfy all of the conditions of that program, including the timely completion and submission of all required paperwork. Eligible CSIs who are terminated under this MOU shall be eligible for the applicable provisions of Article 26 and paragraph B. 5) in this MOU, and no other benefits, pay or allowances.
- 2) This MOU shall be the sole provision governing the depopulation of base locations. In the event there is a conflict between this MOU and another provision of CWA-25, this MOU shall control.
- 3) The sole remedy for disputes involving this Workforce Transformation memorandum of understanding shall be the grievance and arbitration provisions of Article 7 – Grievance Procedure and Article 8 – Arbitration.

2014 CWA/ALCATEL-LUCENT NATIONAL  
**MEMORANDUM OF UNDERSTANDING**

This Memorandum is executed by the Communications Workers of America (hereinafter "CWA"), and Alcatel-Lucent USA Inc. (hereinafter "Alcatel-Lucent" or "the Company") in the bargaining units listed below, to set forth the understandings reached as to wages, hours, terms and conditions of employment that have application to all such bargaining units.

Upon ratification and execution of this Memorandum, this Memorandum binds the CWA and its local labor unions, and Alcatel-Lucent to amend and extend the collective bargaining agreements covering the bargaining units listed below so as to incorporate the items hereinafter set forth, where applicable.

This Memorandum shall become effective at 12:01 a.m. on May 25, 2014, but only if it is ratified by the Union's membership and the Company is so notified on or before August 8, 2014. When so effective, it shall continue in effect in accordance with its own terms until 11:59 p.m. on May 26, 2018, even if certain provisions terminate prior to the expiration of this Memorandum. Upon the termination of this Memorandum, the Company shall have no obligations under any of the terms of this Memorandum beyond the expiration date, except as required by law.

**CWA BARGAINING UNITS**

INSTALLATION CWA-25

INSTALLATION CWA-25 – APPENDIX 2

This 2014 National Memorandum of Understanding is agreed to this 7th day of June, 2014.

AGREED:

**FOR THE UNION**

By: /s/ Laura Unger  
Assistant to the Vice President  
Telecommunications & Technologies  
Communications Workers of America

By: /s/ Martha Flagge  
Staff Representative  
Telecommunications & Technologies  
Communications Workers of America

By: /s/ Mike Klein  
Local 4050/4090  
Communications Workers of America

By: /s/ Rick Mulledy  
Local 4390  
Communications Workers of America

**FOR THE COMPANY**

By: /s/ Stephen J. Muscat  
Senior Director  
U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.

By: /s/ Philip Stewart  
Senior Director  
NAR Benefits Policy  
Alcatel-Lucent USA, Inc.

By: /s/ David Birdsong  
Senior Manager  
U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.

By: /s/ Theresa Andrechick  
Manager  
U.S. Workforce Relations  
Alcatel-Lucent USA, Inc.



**MEMORANDUM OF UNDERSTANDING REGARDING  
APPLICABILITY OF LOCAL AGREEMENT  
INSTALLATION CONTRACT CWA-25**

This will confirm our understanding that the provisions of local Installation Contract CWA-24 (including any appendices and letters of agreement) will continue in accordance with their terms to the extent that such provisions are not modified or terminated by the successor local agreement, Installation Contract CWA-25, and only insofar as they do not conflict with the terms of the 2014 National Memorandum of Understanding entered into between the CWA and Alcatel-Lucent. To the extent that any local agreement conflicts with the 2014 National Memorandum of Understanding, the 2014 National Memorandum of Understanding shall control.

**WAGES****General Wage Increases 2014-2017**

- a) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.
- b) An employee's increase in Standard Rate shall be based on Wage Progression Step to which an employee is assigned on the effective date of the following General Wage Increases.
- c) General Wage Increase – 2014  
Effective May 25, 2014, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 24, 2014.
- d) General Wage Increase – 2015  
Effective May 24, 2015, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 23, 2015.
- e) General Wage Increase – 2016  
Effective May 22, 2016, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 21, 2016.
- f) General Wage Increase – 2017  
Effective May 21, 2017, wage schedules shall be increased by 2.00% on the Minimum Rates and by 2.00% on the Maximum Rates in effect on May 20, 2017.

**SIGNING BONUS**

1. Effective May 25, 2014, all eligible regular, active occupational employees will be granted a Signing Bonus of \$1,000 in the form of a cash payment in accordance with the provisions specified herein.

Payment of the Signing Bonus is subject to the ratification of the 2014 collective bargaining agreement within sixty (60) days. Payment of the Signing Bonus shall be made no later than four (4) weeks following such date of ratification.

2. Eligibility Criteria for Signing Bonus

- (a) Employees on the active roll on the date of notice to the Company that ratification of the collective bargaining agreement in accordance with the preamble to the National Memorandum of Understanding has taken place, shall be eligible to receive a Signing Bonus.

- (b) An eligible part-time employee shall receive a proportionate amount of the applicable full-time Signing Bonus based on the part-time employee's Equivalent Work Week as of May 25, 2014.

3. Application of the Signing Bonus to Payments, Benefits, Allowances or Allotments

- (a) The Signing Bonus shall be considered as eligible compensation subject to pre-tax deferrals and employer match under the LTSSP.

- (b) The Signing Bonus shall be subject to Federal, State and Local tax and FICA withholding.

- (c) Where appropriate, the Signing Bonus will be used in determining deductions for Union Dues.

- (d) The Signing Bonus will not be part of the employee's Standard Rate of Pay or Basic wages for the computation of any payments made under any pension or benefit plan, fringe benefit, allowance or differential; however, an overtime adjustment will be calculated based upon the period covered by the award.

### ALCATEL-LUCENT PERFORMANCE PLAN

#### 1. Overview

- (a) Alcatel-Lucent is committed to delivering superior, sustained increases in shareholder value. To achieve our goal, every member of the Alcatel-Lucent team should be linked to the business objectives. When we are committed to the values of simplicity, accountability, speed and trust we can achieve superior results.
- (b) Pay for performance means that those who contribute to the Company's results can share financially in that success.
- (c) The amount of the Alcatel-Lucent Performance Plan awards for CWA - represented Employees (hereafter referred to as the "Plan"), if earned, is based on the performance results of Alcatel-Lucent at the end of each fiscal year compared against business goals which are established at the beginning of each fiscal year.
- (d) When the Company exceeds the business goals, there is an opportunity for even greater awards.

#### 2. Alcatel-Lucent Performance Award

- (a) The Alcatel-Lucent award for eligible CWA - represented employees (the "Performance Award") will be based on overall Alcatel-Lucent-wide performance against fiscal business goals.
- (b) The performance measure(s) for the Performance Award will be the same Corporate key performance indicators ("KPI's") used for the Achievement Bonus Plan for U.S. based non-represented employees, or any successor plan(s) created by Alcatel-Lucent.
- (c) Performance Awards will be based on performance during the Alcatel-Lucent fiscal year periods hereafter referred to as "Performance Years."
- (d) The first such Performance Year will be January 1, 2014 - December 31, 2014.
- (e) Eligible employees will be eligible for the following target Performance Award, subject to adjustment based on the Company's performance, as described in paragraph 2(f) below:

Performance Year	Performance Amount at Target
2014	\$750
2015	\$775
2016	\$800
2017	\$825

- (f) The Performance Award at the target level will be increased if the Company's Corporate KPI performance exceeds the target(s), or decreased if the Company's Corporate KPI performance does not meet the target(s) in accordance with the Achievement Bonus Plan or successor plans. The rate of adjustment for eligible CWA-represented employees will be the same rate as is applied for U.S. non-represented employees.
- (g) There will be no limitation on the maximum payouts.
- (h) There will be no guarantee of any minimum payout.

#### 3. Eligibility and Proration

- (a) Eligibility for the Performance Award described above is based on the number of days on the active payroll as a Regular Employee during the Performance Year.

- (b) The Performance Award shall be prorated for employees who were employed for less than the full Performance Year as a result of hiring, retirement, death or who were on a formal Leave Of Absence during the Performance Year. Such employee will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Year.
- (c) For the purposes of the Plan, the following shall be considered as being on the active payroll during the Performance Year:

Type of Leave	Counted as "Active"
Military (More than 30 Days)	Paid military absence plus a 30-day grace period
All other Leaves of Absence	Absence period attributable to actual disability (if applicable) plus a 30-day grace period
Family Medical Leave	Absence period attributable if required by law.

- (d) Employees who leave under a force management plan during the Performance Year will receive a prorated Performance Award based upon the number of days the employee was on the active payroll during the applicable Performance Year.
- (e) Employees who resign or are terminated for cause during the Performance Year are not eligible to receive any award.
- (f) Employees who are assigned as Management employees for a portion of the Performance Year shall receive a proportionate amount of the applicable awards under this Plan based upon the number of days the employee was assigned as a CWA-represented employee.
4. Application of the Performance Awards to Payments for Overtime Worked and Other Benefits
- (a) Performance Awards shall be included in the calculation of annual pay for the purposes of calculating Group Life Insurance benefits.
- (b) Performance Awards shall be subject to federal, state and local tax and FICA withholding.
- (c) Allotments for the following shall be deducted from Performance Awards:
- (1) Union dues as specified by the Union
  - (2) Long Term Savings and Security Plan
- (d) The Performance Award will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall they enter into the computation of any payments made under any other pension or benefits plan, fringe benefit, allowance or differential.
5. General
- (a) The Performance Award will be paid no later than ninety (90) days after the end of the Performance Year.
- (b) The Union may present grievances related to matters covered by the Plan. Any such grievance shall be filed at the final step of the grievance procedure provided for in the applicable local contract.
- (c) Nothing herein shall be construed to subject the Plan to arbitration.
- (d) Alcatel-Lucent USA Inc. reserves the right to adjust payment levels upward or downward to offset the effects of significant and unusual events such as the purchase or sale of a Group, etc.

## 6. Ethical and Legal Standards

It is the policy of Alcatel-Lucent to conduct business with the highest standards of business integrity and ethics. The policies in force are generally available as published on the Alcatel-Lucent intranet, including but not limited to, Alcatel-Lucent's Code of Conduct, the Code of Conduct supplement, known as the *Guiding Principles*, and other applicable policies. For more information Employees can contact the Office of Business Integrity and Compliance. Any Employee may not engage in any conduct that violates the law, the Code of Conduct, the *Guiding Principles*, or our other policies. Notwithstanding anything to the contrary, any such violation(s) will subject the Employee to being ineligible for incentives or bonuses, forfeiture and/or reimbursement of incentives or bonuses earned, and/or other disciplinary measures as applicable.

**PAYROLL ISSUES COMMITTEE**

A committee to be appointed by the bargaining chairs shall be identified to continue to review wage and compensation issues as well as payroll maintenance and delivery issues. The committee shall consist of 2 representatives from the CWA and 2 representatives from the Company. The committee shall meet at the request of the members to discuss problems or other issues identified by the parties, to seek solutions to said problems, and, where appropriate, make recommendations to the bargaining chairs.

**PENSION BAND INCREASE**

The Company agrees to amend the Lucent Technologies Inc. Retirement Plan as follows:

For employees who retire or who leave the Company on or after October 1, 2014, the applicable Monthly Pension Benefit Table shall be increased by 3% as set forth below.

<b>Pension Band</b>	<b>On or After 10/01/2014</b>
103	\$38.04
104	\$39.50
105	\$40.98
106	\$42.48
107	\$43.98
108	\$45.43
109	\$46.94
110	\$48.41
111	\$49.89
112	\$51.36
113	\$52.86
114	\$54.30
115	\$55.81
116	\$57.29
117	\$58.75
118	\$60.22
119	\$61.73
120	\$63.19
121	\$64.67
122	\$66.16
123	\$67.62
124	\$69.09
125	\$70.61
126	\$72.03
127	\$73.54
128	\$75.01
129	\$76.52
130	\$77.96
131	\$79.49
132	\$80.93
133	\$82.41
134	\$83.95
135	\$85.36



**MEDICAL EXPENSE PLAN**

Effective January 1, 2015, Medical Expense Plan benefits for active represented employees under the Alcatel-Lucent Medical Expense Plan shall be modified as per Attachment A. The dollar amounts shown in Attachment A describe the participant's costs.

Active employees who retire during the term of this Agreement will be treated as "Eligible Participants" within the meaning of the Postretirement Medical and Dental Memorandum upon their retirement.

Monthly premiums for active employees in the Point of Service (POS) Plan and the Traditional Indemnity Plan will be as follows:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Single	\$50	\$60	\$70
Family	\$80	\$100	\$120

In the event that the Company determines, prior to 2018, that the Alcatel-Lucent Medical Expense Plan For Occupational Employees for plan year 2018 and/or the Alcatel-Lucent Health Care Reimbursement Account Plan for plan year 2018 will exceed the thresholds that would trigger an excise tax under the Affordable Care Act, then the Company's obligations with respect to the Medical Expense Plan for Occupational Employees and/or the Alcatel-Lucent Health Care Reimbursement Account Plan, as the case may be, for the 2018 plan year shall be limited to thresholds that do not trigger an excise tax under the Affordable Care Act. In this event, the Company and the CWA agree to open negotiations concerning contributions and/or plan design changes necessary to bring the value of the plan(s) under the thresholds. If the Company and the Union are unable to agree on such contributions and plan design changes by April 15, 2017, the Company and Union plan designs will be promptly submitted to a major actuarial/benefit consulting firm, selected by the CWA and the Company. The consulting firm's authority shall be to review both plan designs and to select the plan design, or offer an alternative plan design, which will not trigger an excise tax. The consulting firm shall provide its decision no later than June 1, 2017. The consulting firm's decision shall not exceed its authority set forth above.

If the Company determines that the contributions and plan design will not trigger an excise tax for plan year 2018, the contributions and plan design in effect for 2017 will continue in 2018.

**ACTIVE HEALTH BENEFITS****1. Annual Deductible**Point of Service Plan:

In-Network: Not Applicable

Out-of-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$750	\$775	\$775
Two-Person	\$1,500	\$1,550	\$1,550
Family	\$2,250	\$2,325	\$2,325

Traditional Indemnity Plan:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$350	\$375	\$375
Two-Person	\$700	\$750	\$750
Family	\$1,050	\$1,125	\$1,125

**2. Annual Out-of-Pocket Maximum:**Point of Service Plan:

In-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$1,550	\$1,600	\$1,600
Two-Person	\$3,100	\$3,200	\$3,200
Family	\$4,650	\$4,800	\$4,800

Out-of-Network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$4,350	\$4,450	\$4,450
Two-Person	\$8,700	\$8,900	\$8,900
Family	\$13,050	\$13,350	\$13,350

(Excludes Deductible)

Traditional Indemnity Plan:

	2015	2016	2017
Individual	\$1,850	\$1,900	\$1,900
Two-Person	\$3,700	\$3,800	\$3,800
Family	\$5,550	\$5,700	\$5,700

(Excludes Deductible)

**3. Copayment – Physician Office Visits:**Point of Service Plan:

In-network:

2015	2016	2017
\$35	\$35	\$35

Out-of-Network: Plan pays 75% after deductible is satisfied

Traditional Indemnity Plan:

Plan pays 80% after deductible is satisfied

**4. Emergency Room – Emergency Use:**

	2015	2016	2017
Point of Service - Copayment In and Out-of-Network (Copayment waived if admitted)	\$65	\$70	\$75
Traditional Indemnity Coinsurance after deductible is satisfied	95%	95%	95%

**5. Emergency Room - Non-Emergency Use**

	2015	2016	2017
Point of Service - Copayment In and Out-of-Network (Plan pays 75% after participant pays copayment)	\$65	\$70	\$75
Traditional Indemnity Coinsurance after deductible is satisfied	80%	80%	80%

**6. Inpatient Hospitalization / Surgery**Point of Service Plan:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
In-Network Copayment	\$125	\$125	\$125
In-Network Coinsurance*	95%	95%	95%
Out-of-Network Copayment	\$375	\$375	\$375
Out-of-Network Coinsurance**	75%	75%	75%

\*After copayment satisfied

\*\*After copayment and deductible satisfied

Traditional Indemnity Plan:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Coinsurance after deductible is satisfied	95%	95%	95%

**Prescription Drugs****1. Prescription Drug Annual Deductible**Point of Service Plan:

In-network: Not Applicable

Out-of-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$125	\$125	\$125
Two-Person	\$250	\$250	\$250
Family	\$375	\$375	\$375

Traditional Indemnity Plan:

In-network (retail and mail order): Not Applicable

Out-of-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Individual	\$125	\$125	\$125
Two-Person	\$250	\$250	\$250
Family	\$375	\$375	\$375

**2. Prescription Drug Annual Out-of-Pocket Maximum**Point of Service Plan:

In-network: Retail and Mail Order - Per Individual

2015	2016	2017
\$1,550	\$1,600	\$1,600

Out-of-network: Not Applicable

Traditional Indemnity Plan:

In-network: Retail and Mail Order: Per Individual

2015	2016	2017
\$1,550	\$1,600	\$1,600

Out-of-network: Not Applicable

**3. Copayments – Retail (up to 30-day supply)**Point of Service Plan:

In-network:

	2015	2016	2017
Generic	\$10	\$10	\$10
Brand Formulary	\$30	\$30	\$30
Brand Non-Formulary	\$50	\$50	\$50

Out-of-Network: Plan pays 70% after deductible is satisfied

Traditional Indemnity Plan:

In-Network:

	2015	2016	2017
Generic	\$10	\$10	\$10
Brand Formulary	\$30	\$30	\$30
Brand Non-Formulary	\$50	\$50	\$50

Out-of-Network: Plan pays 70% after deductible is satisfied

**4. Copayments – Mail-Order (up to 90-day supply)**Point of Service Plan:

In-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Generic	\$20	\$20	\$20
Brand Formulary	\$60	\$60	\$60
Brand Non-Formulary	\$100	\$100	\$100

Out-of-network: Not Applicable

Traditional Indemnity Plan:

In-network:

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Generic	\$20	\$20	\$20
Brand Formulary	\$60	\$60	\$60
Brand Non-Formulary	\$100	\$100	\$100

Out-of-network: Not Applicable

### **DENTAL EXPENSE PLAN**

The Dental Expense Plan for Active Employees will continue for the duration of the 2014 National Memorandum of Understanding with no changes to plan design and at no cost to eligible employees. Communication Services Installers have access to the dental plan on a contributory basis.

The Reasonable and Customary (R&C) tables for the Alcatel-Lucent Dental Expense Plan for Active Employees are updated on a semi-annual basis using applicable industry standards.

### **VISION CARE PROGRAM**

Effective January 1, 2015, the Lucent Technologies Inc. Vision Care Plan will be replaced with a voluntary vision care program offered to members of the bargaining unit through Added Benefits as a voluntary contributory program.

Employees who elect to participate in this voluntary vision care program will pay monthly premiums through payroll deduction.

The vendor and plan design and premium structure in effect may change in future years.



**SHORT TERM DISABILITY PLAN**

Effective December 31, 2014, the existing Sickness and Accident Disability Benefit Plan for Occupational Employees (SADBP) will be discontinued.

Effective January 1, 2015, members of the bargaining unit will be covered by the Alcatel-Lucent Short Term Disability Plan.

The Alcatel-Lucent Short Term Disability Plan includes the following plan features:

**Sickness and Accident**

Years of Plan Credited Service	Short Term Disability	
	90% Pay	70% Pay
Less than 15 years	13 weeks	13 weeks
15 years or more	26 weeks	0 weeks

**LONG TERM DISABILITY PLAN**

Effective December 31, 2014 the existing Long Term Disability Plan for Occupational Employees will be discontinued.

Effective January 1, 2015 members of the bargaining unit will be covered by the Alcatel-Lucent Long Term Disability Plan.

The Alcatel-Lucent Long Term Disability Plan includes the following plan features:

Eligibility	First day of active employment
Benefit Amount	60%
Minimum Monthly Benefit	10% of base pay or \$100
Pre-Existing Conditions	"3/12" - Benefits not payable for pre-existing condition for which participant received care within 3 months of most recent date of insurance/increased benefits. This does not apply if participant has been covered for at least 12 months from effective date of insurance/increased benefits.
Social Security Disability Insurance (SSDI) Integration	Full Family
Definition of Disability	24 Month Own Occupation
Limitations	Mental/Nervous: 24 months combined Drug/Alcohol: 24 months combined Self-Reported Symptoms: 24 months combined
Survivor Benefit	Three times the gross benefit

**LEAVES OF ABSENCE**

In order to simplify leave administration and reduce the number of distinct leaves of absence managed by the Company, the following changes will be made.

1. The following specific leaves of absence will be eliminated as distinct leaves. However, such leaves will continue to be permitted as part of leaves of absence identified in paragraph 2:
  - Care of Newborn/Newly Adopted Child
  - Educational
  - Family Care
2. Employees will have access to the following leaves of absence, subject to their terms as described in the applicable policy document. Such leaves shall include leaves for the reasons identified in paragraph 1, except that an Extended Personal Leave of Absence granted for Care of Newborn/Newly Adopted Child shall have a guaranteed reinstatement period of up to 1 year:
  - Personal Leave of Absence (leave duration of up to 90 days)
  - Extended Personal Leave of Absence (leave duration of 91 days up to 1 year)

**GROUP LEGAL SERVICES PROGRAM**

Effective January 1, 2015, the Lucent Technologies Inc. Occupational Group Legal Services Plan will be replaced with a voluntary legal services program offered to members of the bargaining unit through Added Benefits as a contributory program. Employees who elect to participate in this legal services program will pay monthly premiums through payroll deduction. The vendor and plan design and premium structure in effect may change in future years.

**UNPAID EXCUSED WORK DAY**

An employee will continue to be eligible to one (1) unpaid Excused Work Day each calendar year without regard to TERM OF EMPLOYMENT.

### **MILITARY LEAVES OF ABSENCE**

A regular employee (not temporary, term or occasional) who enters the United States Uniformed Services for Active Duty for Military Service shall be granted a Military Leave of Absence for the period of his/her necessary absence. Voluntary extension of military service beyond five (5) years shall not be construed as necessary absence. A regular employee (not temporary, term or occasional) who is a member of a reserve component or organized militia of the state and enters upon Military Training Duty will be granted a Military Leave of Absence for the period of the necessary absence for such training. The term "Uniformed Services" as used herein shall mean Uniformed Services of the United States as specified in the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

An employee, on a Military Leave of Absence for Active Duty Military Service, Military Emergency Service or Military Training Duty and who has re-employment rights under USERRA and who makes application for reinstatement within the period provided in the law, will receive upon reinstatement, full service credit for the period of absence for military service or training duty.

Military Leaves of Absence will be with eligibility to sickness disability benefits at the termination of the leave if the employee is then disabled but otherwise entitled to reinstatement in accordance with the terms of the Alcatel-Lucent Benefit Plans.

In death cases occurring during a Military Leave of Absence, sickness death benefits, where payable, shall be based upon the term of net credited service at the time the leave was granted, plus the elapsed time of Military Leave of Absence to the date of death, and shall be computed at the time the leave began.

Sickness disability benefits, where payable, shall be granted upon the net credited service at the time the leave was granted plus the elapsed time on Military Leave of Absence to the termination of such leave, and shall be computed on the basis of Alcatel-Lucent pay in effect at the time of the employee's reinstatement.

It is the policy of Alcatel-Lucent to pay a Military Differential Pay to regular employees (not temporary, term or occasional) who receive and provide the Company with a copy of military orders for military service in the U. S. Armed Forces subject to conditions imposed by federal law up to a maximum of 260 scheduled work weeks, as more fully set forth below.

Military Differential Pay is the excess of Alcatel-Lucent pay over military pay received by an eligible employee while on a Military Leave of Absence.

Alcatel-Lucent pay is an employee's adjusted rate (excluding overtime) in effect at the time the Military Leave of Absence begins. Night work differentials, seven-day coverage and transition payments (non-lump sum) are included.

Military pay is an employee's military basic pay rate in effect when the Military Leave of Absence begins. All allowances and supplementary pay elements [i.e., BAS (Basic Allowance for Subsistence), BAQ (Basic Allowance for Quarters), Hazardous Duty Pay, Proficiency Pay, Special Duty Pay] are not included.

The Military Differential Pay shall be up to the limits prescribed in the following or the period of Military Service, whichever is shorter:

Type of Military Service	Length of Military Service	Then the duration of Military Differential Pay is...
<ul style="list-style-type: none"> <li>Active Duty</li> <li>Initial Active Duty for Training</li> </ul>	Up to 5 years	Up to 260 scheduled work weeks
<ul style="list-style-type: none"> <li>Annual Military Training Duty</li> <li>Emergency Service</li> </ul>	1 – 30 days	N/A  Note: Military Training Duty and Emergency Service lasting 1 to 30 days is company-paid time, and as a result, no military differential is paid

Regular employees who volunteer for Military Training Duty (including attendance at schools for special military courses or instruction) or Emergency Service without receiving military pay, will be authorized time off, but without Alcatel-Lucent pay or Military Differential Pay.

Upon furnishing official written documentation to his/her supervisor, a regular employee may be granted up to three (3) scheduled workdays off with pay to report for registration, testing and/or a physical examination for induction into Active Duty for Military Service or Initial Active Duty for Training.

An employee who receives a notice to report for Active Duty for Military Service or any Military Training Duty, shall immediately present such notice to his/her supervisor, unless the employee is not required to do so by law.

**THE ALLIANCE**

Alcatel-Lucent and the Communications Workers of America (CWA) agree to continue to provide the services of the Alliance for Employee Growth and Development (The Alliance) as described in Attachment A.

Alliance funding will continue to be \$550 per each active CWA represented employee per year based upon the number of such persons on the roll as of May 31st of the previous year, except that for the period May 25, 2014 to December 31, 2014 it shall be based on the number of such persons on the roll as of May 31, 2014.

It is further agreed that such funding shall be paid and drawn from existing Alcatel-Lucent reserves held by the Alliance on a quarterly basis, until the Alcatel-Lucent reserves drop below \$250,000.00. After which, funding will be provided by Alcatel-Lucent pursuant to paragraph two above.

Alcatel-Lucent and the CWA agree that the funds made available to the Alliance will be exclusively used to cover the cost and delivery of training programs for Alcatel-Lucent employees who are represented by the CWA.



## ATTACHMENTMENT A

**THE ALLIANCE FOR EMPLOYEE GROWTH AND DEVELOPMENT**

- 1 Alcatel-Lucent and the Communications Workers of America (CWA) mutually acknowledge their pride in the talents, abilities, creativity and commitment of Alcatel-Lucent's work force. The parties share a vision of the work environment in which all employees are encouraged to develop their skills, abilities and talents to the fullest extent possible and are furnished every opportunity to take the initiative to do so. Such an environment will not only offer the maximum opportunity to employees to attain their employment goals, but will also lead to increased commitment by employees to devote their maximum energies to improving Alcatel-Lucent's productivity and competitiveness. It is anticipated that this level of employee commitment will contribute significantly to marketplace success for Alcatel-Lucent and to the increased employment security for employees associated with such success.
  - (a) To help achieve this vision, a separate and distinct jointly administered entity, known as the Alliance for Employee Growth and Development (the Alliance), will continue to operate as a not-for-profit corporation. The mission of the Alliance is to make available learning experiences to employees which will enhance their occupational and work group skills; provide opportunities for personal and career development; stimulate and sustain their contributions to Alcatel-Lucent's success through improved communication skills, motivation, improved work habits and enhanced interpersonal skills; familiarize them with state-of-the-art technology, based on the present or anticipated needs of the business; and increase the probability that if they face displacement or dislocation, they will find alternative employment, either in Alcatel-Lucent or in the outside job market.
  - (b) The Alliance focuses on both Personal/Career Development and Job Displacement Training curricula. It is envisioned that the Alliance will generally arrange and/or underwrite these curricula by contracting with accredited outside parties for delivery. In some cases, it may provide the curricula directly.
  - (c) It is understood that the Alliance is not intended to replace Alcatel-Lucent's existing job-specific training, nor does it limit the right of the parties to provide educational and training programs on the same, similar or other subjects as they may deem appropriate.
  - (d) The Grievance and Arbitration procedures of this Agreement have no application to, or jurisdiction over, any matter relating to the Alliance.

**Personal/Career Development Curriculum**

- 2 The types of programs which the Alliance will underwrite to enhance the personal/career development of regular employees will include, but not be limited to:
  - (a) career counseling
  - (b) skills inventory and aptitude assessment
  - (c) career training
  - (d) personal growth training
  - (e) training associated with skill development programs, such as QWL, which may not be directly related to the performance of an employee's current job.

**Job Displacement Curriculum**

- 3 Alcatel-Lucent will seek to identify those types of occupational jobs in each of Alcatel-Lucent's major organizational units in which growth, as well as decline, are anticipated. From that information and other resources, the Alliance will recommend, arrange and/or underwrite training that will assist those employees who occupy jobs in which a decline is anticipated, or who may be displaced due to force surplus, to acquire new skills. The training will be designed to increase the probability that these employees will be in a position to compete successfully for new positions within Alcatel-Lucent, or to find alternative employment outside of Alcatel-Lucent.
  - (a) Where appropriate, successful completion of Personal/Career Development or Job Displacement curricula which are relevant to a job will be considered by Alcatel-Lucent when selecting employees for job opportunities.

**Curricula Development, Implementation and Delivery**

- 4 In identifying areas on which Alliance activities should focus, the Alliance will consult with Alcatel-Lucent and CWA officials, as well as with professionals in such fields as higher education, industrial psychology and vocational training. In addition, the Alliance will confer with, advise and offer professional and financial assistance to local training/retraining committees, in such areas as:
  - (a) identifying educational, training and retraining needs, as well as the resources available to meet those needs
  - (b) developing programs designed to meet identified employee needs
  - (c) publicizing and encouraging employee participation in Alliance **Error! Bookmark not defined.** activities
  - (d) undertaking to review, evaluate, and make recommendations on proposals for the use of Alliance funds by the local training/retraining committees
  - (e) coordinating forums, seminars, and workshops for the exchange of ideas and concepts among the local committees
  - (f) commissioning research into, and evaluation of, alternative approaches to training, retraining, and job placement.
  - (g) The Alliance will also contact appropriate governmental agencies - federal, state and local - to obtain other types of governmental assistance that may be available for Alliance activities.

**Eligibility for Participation in Alliance **Error! Bookmark not defined.** Programs**

- 5 Regular full and part time employees will be eligible to participate in all Alliance activities. In addition, employees who have been displaced or who are on LAYOFF will be eligible to participate in Alliance activities provided that they commence such participation within six months of LAYOFF. A LAID OFF employee may continue participation in Alliance **Error! Bookmark not defined.** activities for a period extending one year beyond the number of weeks' Termination Allowance the employee is entitled to receive in accordance with the Termination Allowance Article of the applicable local agreement, or until they find alternative employment, whichever occurs first. The Alliance will continue to underwrite any activity that a participant commences

within that period, provided that the Alliance initially committed to underwrite it.

- (a) Participation in either the Personal/Career Development or the Job Displacement curricula is voluntary and will be made available at convenient times and locations, such as after hours at the work site, local community colleges, or CWA offices. Time spent by participants in Alliance **Error! Bookmark not defined.** activities will be outside scheduled working hours, and not paid or considered as time worked. In selected instances, Alcatel-Lucent, at its discretion, may permit active employees to receive such training during working hours.

### **Reports**

- 6 The Alliance will publish an Annual Report, detailing the training that was made available to Alcatel-Lucent employees, the number of participants who received such training, the funds expended and the manner in which funds were utilized.

**TRAINING ELIGIBILITY**

Regular full-time employees will be provided the opportunity for a minimum of 40 hours of education and training that is skill based or job-related during each calendar year. Examples of applicable education and training include, but are not limited to, corporate training, Business Line training, personal development, and on-the-job and/or career related training. The 40 hour minimum will be prorated for mid-year hires and employees who work less than a full year.

It is understood that the provisions of this memorandum and its administration are not grievable or arbitrable.

**EMPLOYEE RESOURCE / MANAGED CARE PROGRAM COORDINATOR**

One (1) Employee Resource / Managed Care Program Coordinator position will continue during the term of this agreement. The CWA will select the person to fill the Coordinator position. Job responsibilities for the position are set forth in Attachment A.

The hourly rate associated with this position will be as follows:

Effective 5/25/14	Effective 5/24/15	Effective 5/22/16	Effective 5/21/17
\$37.43	\$38.18	\$38.94	\$39.72

The pension band for this position will continue to be 125.

When the incumbent Coordinator vacates the position, the parties may agree to a period of overlap between such Coordinator and his/her replacement, if necessary, to ensure continuity and the appropriate transfer of knowledge.

Other terms and conditions are as follows:

- Eligibility for the title is limited to Alcatel-Lucent regular full-time employees;
- The CWA will recommend the employee to be assigned to this position;
- The employee who performs this function will be temporarily assigned to the title of Employee Resource / Managed Care Program Coordinator;
- If a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to his/her regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the Coordinator title;
- Coordinator will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except that he/she will not be entitled to differentials, allowances, or reimbursement provisions. In addition, he/she will not be authorized to work overtime or holidays without the prior written agreement of the Senior Director - Workforce Relations or his/her designee;
- Coordinator will be eligible for reimbursement of reasonable business expenses associated with the performance of their Coordinator function as outlined in the appropriate Company practices with prior written approval from the Senior Director - Workforce Relations;
- The standard General Wage Increase formula will apply;
- Coordinator will be an eligible participant in any bonus plan available to bargaining unit employees.

## Attachment A

**EMPLOYEE RESOURCE / MANAGED CARE PROGRAM COORDINATOR**

Job Duties generally include, but are not limited to, the following:

- Serve as a liaison between employees and Workforce Relations and the CWA on the resolution of issues.
- Assist bargaining unit employees leaving the active payroll (both voluntarily and involuntarily) with the following items:
  - Force adjustment programs
  - Various features of benefit plans
  - Transition from active employee benefits to retiree benefits
  - COBRA
- May provide assistance to local and national union officials in the resolution of employee force adjustment and benefit issues.
- At the request of the Company or the CWA, make presentations to employees who are part of a force adjustment.
- Develop and maintain a working knowledge of the applicable health care plans.
- Acts as a liaison between plan participants and the applicable health care plan providers in the resolution of participant issues.
- Assist the Joint Health Care Committee (JHCC) with the following:
  - Identify and recommend areas to improve the delivery, quality of care and service provided to bargaining unit employees under the Managed Care Programs.
  - At the direction of the JHCC, participate in various ad-hoc sub-committees to provide perspective and input into issues confronting plan participants and the JHCC.
- Assist plan participants in assembling information needed for appeals under the medical plan.

**FUNDS FOR THE ALLIANCE/ETOP DISTRIBUTION (FAED) PROGRAM**

Regular full-time and regular part-time employees (not term or temporary employees) who have been involuntarily terminated pursuant to the force adjustment procedures of the applicable collective bargaining agreement and have a minimum of one (1) year net credited service as of the date of termination are eligible for up to \$2,500 in funds for certain education, training, out placement and relocation expenses. These funds will be available through the Funds for the Alliance/ETOP Distribution (FAED) program.

Of the \$2,500 available for each eligible employee, a maximum of \$1,000 may be used for equipment, tools and supplies required for training, upon proof of enrollment in a program in a regionally accredited institution.

### **JOINT HEALTH CARE COMMITTEE**

The Company and CWA agree to continue their efforts to provide access to quality health care for bargaining unit members and to manage the cost of Alcatel-Lucent's medical benefits through the maintenance of cost effective health care programs. The Joint Health Care Committee (JHCC) will be continued, and will be responsible for overseeing the on-going monitoring of the Managed Care Programs (Point of Service and Prescription Drug Networks) of the Medical Expense Plan for Occupational Employees with respect to members of the bargaining units covered by the 2014 National Memorandum.

A major focus of the JHCC will be to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers.

#### **JHCC Members**

The JHCC will contain three (3) appointees from the Union and three (3) from the Company, including members with benefits, health, and labor expertise. The JHCC members will analyze issues which arise concerning the managed care programs of the Medical Expense Plan and using consensus, will develop solutions to the issues.

#### **JHCC Responsibilities**

The JHCC is responsible for assuring successful operation of a quality health care program for current bargaining unit members.

The JHCC will be a forum for addressing and resolving issues involved in the ongoing monitoring and evaluation of the managed care programs of the Medical Expense Plan for Occupational Employees. To accomplish these objectives the JHCC will:

- review and evaluate carriers' critical indicators, such as demographics, financial measures and utilization, on a regular basis in order to monitor plan performance.
- provide input on bid specifications for the Managed Care Programs of the Medical Expense Plan for Occupational Employees, provide input on who should be invited to bid, meet with various vendors as they make clarifying presentations on their programs and capabilities, attend briefings on the outcome of the bid analysis, and make recommendations on the selection of the carrier. In addition, the JHCC will have access to the Master Contracts between Alcatel-Lucent and the carrier that administers the POS network covering the occupational employees. Such access is contingent upon each JHCC member executing a confidentiality agreement. It is understood that such access will encompass all information that Alcatel-Lucent is legally permitted to disclose.
- recommend changes in administrative procedures in order to improve the quality, efficiency and effectiveness of the Managed Care Programs.
- review evaluations and reports relating to the POS programs of the Medical Expense Plan for Occupational Employees. The purpose of the reviews and evaluations is to identify problem areas, to support educational efforts, to determine the quality and cost effectiveness of the plans and programs, and to make recommendations to the Company and to the bargainers on policies and procedures to improve the plans and programs.
- recommend administrative guidelines to support methods of interventions to reduce risk factors associated with chronic disease. Monitor and evaluate the success of such interventions. All information and records of a personal and confidential nature related to these administrative



guidelines and procedures shall be kept confidential by those responsible for the guidelines and shall not be shared with anyone other than those with a need to know for a purpose related to the administration of the guidelines and related procedures.

- recommend strategies to improve the delivery, quality of care and service provided to bargaining unit employees under the Managed Care Programs.
- develop a consumer information strategy to include POS networks and HMOs under the Medical Expense Plan for Occupational Employees.
- monitor the overall activity of the Third Party Medical Claims Process which will include receipt of periodic reports on the results of this process.
- The parties acknowledge that a major focus of the JHCC is to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers. As part of this focus, the JHCC will:
  - continue to discuss and sponsor educational efforts for active employees with respect to the use of the mail order plan and generic drugs.
  - discuss and sponsor educational efforts whereby the JHCC will work with the prescription drug vendor to foster communication with physicians about the use of the mail order plan and generic drugs.
- The parties agree that one of the responsibilities of the JHCC is to foster continued cooperation between Alcatel-Lucent and CWA in the provision of assistance to those experiencing medical and/or behavioral problems. In addition, the JHCC will periodically review the effectiveness of the Employee Assistance Program and make appropriate recommendations to improve the program.

### **Consultants and Advisors**

The parties will continue to elicit the best professional advice both from medical and benefit specialists within the Company and Unions and from recognized outside independent experts, to assist in interpreting the data on Alcatel-Lucent's health costs.

**EMPLOYEE ASSISTANCE PROGRAM (EAP)**

The Company agrees to continue for the duration of the 2014 Memorandum of Understanding, a Company-wide Employee Assistance Program (EAP) which will provide assistance in dealing with alcoholism, drug abuse, emotional illness and other medical/behavioral problems. The Program will continue to utilize qualified professionals.

The Joint Health Care Committee (JHCC) will serve to foster continued cooperation between Alcatel-Lucent and the CWA in the provision of assistance to those in need.

**ACADEMIC AWARDS PROGRAM**

The Academic Award Program will continue for the duration of Installation Contract CWA 25. Up to five (5) new scholarships to be awarded annually to children of represented Alcatel-Lucent employees. If selected as a recipient, the student will receive up to \$6,500 for one academic year of full-time study. Awards may be renewed for up to three additional years or until an undergraduate degree is earned, whichever occurs first. New scholarships and renewals are contingent upon the recipient meeting all program eligibility criteria.

A child of a former employee previously awarded scholarship support will continue to be eligible for scholarship renewals under the program, subject to program eligibility criteria, when the employee leaves the active payroll under a force adjustment program. Voluntary resignation (not covered under a force adjustment program), or dismissal for cause of the sponsoring parent, will disqualify the child from future participation in the program.

In those situations where the union has grieved the Company's action in dismissing an employee for cause, and a child of that employee has been previously awarded a scholarship under this program, the Company agrees to continue to provide such scholarship support for a period not to exceed six months from the date of the employee's dismissal.

Any grievance and/or arbitration relating to the dismissal shall be processed as expeditiously as possible and shall be concluded within six (6) months from the date of the dismissal. If the former employee is reinstated as a result of such dispute, then the dependent will continue to participate in the program. Otherwise, the dependent will be disqualified from further participation in the Academic Awards Program.

The Joint Academic Award Program Steering Committee, with one representative from the CWA and one representative from Workforce Relations, will provide administrative guidance for the program.

It is understood that the provisions of this memorandum and its administration are not grievable or arbitrable.

**TUITION ASSISTANCE**

The Company and the Union agree that tuition assistance for occupational employees is an integral and important aspect of the overall Alcatel-Lucent employee developmental process.

Alcatel-Lucent, as it continues to seek ways to make tuition assistance more responsive to individual employee needs and to conform to government regulations, may at times find it necessary to alter certain aspects of the Tuition Assistance Plan. Where it becomes necessary to change the Plan to conform with applicable government regulations, the Company shall notify the Union in writing. Negotiations shall then take place if requested by the Union. In the event of such negotiations, the changes proposed by the Company shall not be implemented until (a) agreement is reached, or (b) the Company determines that timely action is required by law, regulation, order, determination or ruling whichever occurs sooner.

In all other cases, the Company agrees that it will not make any changes in the Tuition Assistance Plan which would reduce or diminish the benefits or privileges provided by such Plan for employees represented by the Unions without negotiating such changes with the Unions.

Neither the Tuition Assistance Plan nor its administration shall be subject to the grievance and arbitration provisions of the applicable collective bargaining agreements.

**MEMORANDUM OF UNDERSTANDING REGARDING  
NEUTRALITY AND CONSENT ELECTION**

This agreement between CWA and Alcatel-Lucent USA Inc. ("Alcatel-Lucent" or "the Company") addresses Union organizing and consent elections in job titles and occupations in Alcatel-Lucent organizations.

The Union and the Company recognize that it is in their mutual interest to operate in the spirit of partnership and common vision. The parties also share the mutual goals of building a world class, high performance enterprise and addressing employment security through business success and employee development.

The parties also recognize the Union's goal of growing membership. In order to maintain this perspective and to also avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and consent election will be applicable to all wholly owned Alcatel-Lucent Business Lines and Central Functions throughout the country and shall be the exclusive means by which the Union, their locals, or individuals acting on their behalf, will conduct an effort to organize non-management employees in the covered Alcatel-Lucent Business Lines or Central Functions.

**1. Employee Choice**

Both the Union and the Company support and agree with the principle that the decision as to whether or not to become represented by a Union is one that does not belong to either the Union or to the Company. Rather, it is an individual decision that belongs to the employee. With the parties' mutual recognition of this fundamental tenet, the following provisions are intended to establish, encourage, and nurture an environment during a Union organizing drive that will allow employees to choose whether or not to become represented in a fully informed and uncoerced manner. All negotiations concerning appropriate unit, access, conduct, and voting will be performed by local management and local Union officials, i.e., those directly impacted by these discussions. The local Union and management officials may request a meeting with the appropriate Union and Company headquarters representatives at the beginning of this process.

**2. Neutrality**

The Company and the Union agree that an organizing drive should be and will be met by Company conduct that neither helps nor hinders organizing efforts. This statement is consistent with and reinforces the previously established principle of employee choice. The environment is intended to foster employee choice and information communicated by either party should be fact based and not misleading, distorted or disparaging. Neutrality means the following:

- (a) Management will not be anti-Union nor will the Union be anti-management.
- (b) Management will not advocate that employees should vote against Union representation.
- (c) The Union will be afforded reasonable opportunities for access to communicate with employees.
- (d) Management may respond to individual employee questions, and may correct inaccurate or misunderstood information by employees.
- (e) The Union will be referred to by name and will not be characterized as a "third party" or "outsider".
- (f) Any written information distributed to employees by either party relative to the organizing campaign will be simultaneously shared with the other. The parties' communications with employees will be in accordance with this agreement.

- (g) Neither party will hire or seek the assistance of consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked, by name or by descriptive reference, in campaign literature or discussions.
- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct "captive" audience meetings.

Allegations of violations of these provisions will be handled via the dispute resolution process contained in this Agreement.

### 3. Election Procedures

The procedures to be followed are listed below:

- (a) The Union must show that a majority of employees in a unit appropriate for collective bargaining have signed show of interest cards indicating their desire for a representation election. The cards must be dated within three months of the date they are presented to the Third Party Neutral (TPN). Cards signed by persons who are no longer employed by Alcatel-Lucent at the time of submission to the TPN will not be valid.
- (b) If an election is conducted and the Union is not successful, another election will not be scheduled for twelve months. During this time, no Union organizing campaign for that unit will be permitted.
- (c) A majority of those who vote, validated by the TPN, will determine the outcome.
- (d) The TPN will resolve any issue concerning challenged ballots by following the NLRB's rules and decisions.

### 4. Time Bound

It is in the interest of both parties that the organizing campaign be conducted expeditiously. The Union is therefore obligated to notify management of its intention to conduct a formal organizing drive before it begins. The date of this notification will "start the clock". The entire campaign, including the consent election, will be concluded in 90 days. It is the intent of the parties that the 90 day time frame will include discussion and agreement on the unit. In the event the parties are unable to agree on the unit, the dispute resolution process set forth below will be utilized and the time period will be extended by the number of days required to reach agreement on the unit, but in no event will the total campaign, including resolution of the scope of the bargaining unit and the consent election process, exceed 120 days. If the employees vote not to be represented, the Union agrees not to initiate another campaign (nor continue the current campaign) in that same work group for 12 months from the date of the conclusion of the campaign. This would not preclude the local union from having contact with the workers in the group outside of the workplace. If the employees vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and any resulting collective bargaining agreement will apply only to the agreed upon unit.

## 5. Informed Decision

Both parties agree that employees should be fully informed about all aspects of Union representation. The Union will provide fact-based information to employees as it endeavors to convince prospective members of the merits of being represented by a labor union. Management's role during this process will include:

- (a) responding to individual employee inquiries
- (b) explaining the organizing process, including any obligations and responsibilities of the parties
- (c) correcting any inaccuracies or misstatements or any employee misunderstandings of information disseminated during the campaign process.

## 6. Free from Coercion

Consistent with the basic tenet of employee choice, the parties want to ensure that employees have expressed their choice from an informed position and are completely free from any coercion by the Company, the Union, or any other persons or entities during any part of this process. One way to ensure this objective is to have an NLRB conducted election.

In the alternative, the Company and the Union agree to use a process called "Consent Election". This process will work as follows:

- (a) The Union shall initiate the consent election process by providing to a third party neutral (TPN) proof of support by means of show of interest cards as described in Paragraph 3(a), above. The TPN will then notify Alcatel-Lucent and request a list of names, job titles and work addresses. The Company will furnish the list within three business days. The applicable Union will also be furnished with the list. The "show of interest" cards will clearly state their purpose and that a secret ballot consent election will be conducted to determine the will of the unit. If the TPN determines that the Union has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.
- (b) The election process will be supervised by a mutually selected TPN, whose role it is to ensure the integrity of the process itself, and will be conducted within two (2) weeks of the submission of the Union's show of interest to the TPN. Employees will be asked to express their individual preference in a secret ballot election. The TPN will count the votes and advise the parties of the outcome. Consistent with Paragraph 3(c) of this agreement, a majority of those who vote will control. Each party may have an observer present when the TPN counts the ballots.
- (c) In all cases, the election process shall take place within 14 days of receipt and verification of the Union's show of interest cards by the TPN. In those cases in which there is no dispute about the composition of the unit, the election process will be held within seven days. The election may be held at the Company location or at a neutral site as agreed by the parties. The cost of the TPN and/or of using a neutral site will be shared equally by the parties.

If there is a dispute as to the composition of the unit, the TPN shall either decide the issue within an additional seven days or order an election as described above with the decision as to the composition of the unit to follow the election within no more than seven days.

## 7. Access Agreement

As soon as reasonably practicable after a request by the Union for access, local management and Union representatives will meet to discuss the details related to reasonable access to the unit by

Union representatives. The Union will be allowed reasonable opportunities for access to Alcatel-Lucent facilities. It is the intent and commitment of the parties that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of Alcatel-Lucent generally and, specifically, the unit which is the subject of the organizing campaign. Access agreed upon will be in non-working areas and during employee non-working times.

If Alcatel-Lucent and the Union are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other Alcatel-Lucent units will be looked to for guidance as to what works and is reasonable. Alcatel-Lucent and the Union commit that they will negotiate an access agreement in an expeditious manner.

#### 8. Dispute Resolution

- (a) Questions or disputes arising during the course of an organizing effort within a particular unit of non-represented employees will, in all cases, be addressed first by and between the parties themselves and, in particular, local Alcatel-Lucent management and appropriate Union representatives. It is the intent and desire of Alcatel-Lucent and the Union that such matters be dealt with and are best dealt with by and between the parties themselves, particularly at the local level, without having to resort to the assistance of a third party. It is also agreed, however, that, if every good faith and reasonable effort has been made, but the matter still remains unresolved, the process described below will be utilized.
- (b) The TPN will resolve disputes in the manner set forth in this agreement. The TPN must be an active or retired attorney who has experience in, and is familiar with, NLRB procedures and precedents regarding unit determination issues. Either Alcatel-Lucent or the Union can refer a question or dispute, unresolved after good faith efforts have been made to resolve the dispute locally, to the chosen TPN by providing three business days' written notice to both the other party and the TPN. The notice will provide a complete statement of the question or dispute to be addressed and a statement that the parties have attempted in good faith but have been unable to resolve the matter by and between themselves.
- (c) If the question or dispute involves a matter related to access (i.e., the nature, event, time, location, individuals involved, etc.), the TPN will fully investigate all relevant facts surrounding the question or dispute. The TPN will then call the parties together and attempt to facilitate resolution of or otherwise mediate the matter.

If, after a good faith attempt at facilitated resolution or mediation, the access question or dispute is still not resolved, the TPN will attempt to render an immediate decision, which includes a method or alternative methods of resolving the perceived access problem. However, in no event will the TPN take longer than five (5) days thereafter to render a decision. The decision of the TPN will be final and binding and the parties agree to abide by his/her decision. This process, from the time the TPN is contacted to the time his or her opinion is issued, will not take more than 15 days unless the parties agree otherwise.



- (d) If the dispute involves the appropriateness of the bargaining unit the Union seeks to organize and the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to the TPN and an expeditious hearing shall be conducted. The TPN shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act and the decisions of the National Labor Relations Board and Appellate reviews of such Board decisions.
- (e) Regardless of the type of question or dispute that is submitted to the TPN, the parties will each be given a full opportunity to present their positions and supporting factual information prior to the issuance of any opinion. No written briefs will be submitted. There shall be no ex parte contact with the TPN without the concurrence of all parties. Alcatel-Lucent and the Unions believe that these matters are best handled by and between the parties themselves and resort to a TPN should be necessary in only a limited number of cases.

Alcatel-Lucent and the Union agree that the parties may distribute a decision of the TPN to employees in the selected unit but not outside to the public such as the press.

- (f) The parties agree that the process set forth herein shall be the exclusive means for resolving disputes covered by this dispute resolution process, and neither party will utilize any other forum (e.g. NLRB, federal court, etc.) to address issues subject to resolution pursuant to this process.
- (g) All expenses resulting from the use of the TPN process shall be shared equally by Alcatel-Lucent and the Union.

#### 9. Acquisitions And Ventures

The parties recognize the rapidly changing nature and structure of the communications equipment industry. Alcatel-Lucent may acquire another entity, it has and may in the future form joint ventures or strategic alliances, may license its brand or technology, or may be a financial investor in other entities. The employees in these entities may be unrepresented, represented in whole or in part by the CWA, or represented in whole or in part by some other labor organization. It is not possible to structure a single rule which will apply to all such circumstances and the Company cannot compel other entities to abide by this agreement. Nevertheless, Alcatel-Lucent will, after an initial transition period of one year following the closing on an acquisition, and subject to any contrary legal or contractual requirements, apply this Neutrality and Consent Election agreement to any wholly owned subsidiary.

#### 10. Annual Review

On an annual basis, the Alcatel-Lucent Senior Director of Workforce Relations, and the Vice President of CWA Telecommunications and Technologies, or their designee, may review whether there has been substantial compliance with the provisions of this Agreement and, if the parties find repeated instances of violations or repeated instances of interference during the period up to the review, may implement a process for recognition based on "card check" to replace elections in all cases or, if not, this Agreement shall continue in effect for the remaining term of the Agreement.

**DRUG TESTING**

This will confirm our agreement concerning drug testing of employees pursuant to current regulations of the Department of Defense (DOD) and Department of Transportation (DOT) and any current or future customer requirements that may apply. The Company shall inform the Local when it becomes aware of any such customer requirement.

The Company and the Unions recognize that, during the life of the agreement, certain of the Company's employees will be or may become subject to such laws, regulations or customer requirements that address drug testing. The Company and the Unions agree that drug testing including, but not limited to, random drug testing, of bargaining unit employees may be conducted as required by law, government regulation or customer requirement.

The Company and the Unions further recognize that current DOD and DOT regulations as well as customer requirements do not require the imposition of sanctions or disciplinary action against any employee to be found to be using drugs illegally.

Accordingly, the Company further agrees that it will take no adverse action against such an employee, as a direct and immediate result of information obtained in a test applied under DOD or DOT regulation or as a result of a customer requirement, other than to transfer the employee from a position that is subject to the regulations or requirements and recommend that the employee begin an appropriate treatment program.

In the event an employee sues the Union and/or the Company because of the enforcement or Company's compliance with such regulations, the Union shall be held harmless by the Company.

**STANDING JOINT SUBCOMMITTEE ON TESTING**

This will confirm our understanding reached during 2014 Bargaining that a standing joint subcommittee on testing will be formed. The subcommittee, to be appointed by the bargaining chairs, will consist of two (2) representatives from the CWA, and two (2) representatives from the Company.

Workforce Relations is the organization with sole responsibility for the development or selection, validation, and authorization of all tests and policy and procedures used in the selection of candidates for Alcatel-Lucent represented positions. Workforce Relations is responsible to ensure that such tests meet Federal and professional standards for relevance and non-discrimination.

If the committee identifies a test currently in use which has not been authorized by Workforce Relations, the test will be suspended pending the outcome of a review and report to the committee by Workforce Relations.

At least thirty days prior to implementation, Workforce Relations will notify the members of the committee of the intent to implement a new test or to revise a test or critical test score. Workforce Relations will communicate to members of the committee the following pertinent information concerning the test:

- the purpose
- the objective
- the need for the test or change
- the title(s) for which it will be a requirement
- the business groups which will use it

After receiving the information described above, if the committee so requests, a meeting will be held to explore appropriate ways for the Company and the Union to make available opportunities to assist employees in development of the new skills or job knowledge. The committee will also be expected to identify and recommend ways to maximize the many advantages and resources offered through the Alliance in meeting the goals described above.

In addition, the committee may explore other issues with Workforce Relations, including such matters as an apparent low percentage of employees qualifying on a specific test. Where the Committee agrees, a Third Party Neutral (TPN) may be selected to review any disputed new or revised test for relevancy and validity, applying appropriate legal standards. The TPN shall guarantee confidentiality of all tests under review and shall not release test items or scores to any person or entity. The TPN shall make recommendations to the Committee about the disputed test or score. Nothing herein shall prevent the implementation or use of a test during the TPN review.

The committee will meet upon request of the members.

### **EMERGENCY RESPONSE TEAM**

This will confirm our understanding concerning Emergency Response Teams. Members of Emergency Response Teams who are trained and certified in accordance with OSHA standards will receive \$100 per quarter (\$400 per year).

Guidelines associated with the payment of this allowance will continue to be developed locally by the Company/Union Emergency Response Team Committee at each facility.

**AGENCY TEMPORARIES**

May 30, 1989

Mr. J. E. Irvine  
Vice President - CWA  
Communications and Technologies  
Communications Workers of America  
Two Executive Square Drive  
Somerset, NJ 08873

Mr. A. Perry, Jr.  
Director - Telecommunications Department  
International Brotherhood of Electrical Workers  
1125 15th Street, NW  
Washington, DC 20005

Jim, Art,

This is to confirm our understanding, reached during 1989 collective bargaining, concerning Agency Temporaries. It is understood that Agency Temporaries who hold a position normally filled by a bargaining unit employee will be removed from the roll at the end of three months unless there is agreement otherwise between the Union and the Company.

Sincerely,

By: /s/ Charles S. Brumfield

**SUBCONTRACTING - NETWORK SYSTEMS & BELL LABS**

May 27, 1995

Mr. Ronald J. Allen  
Communications Workers of America  
501 3rd Street, NW  
Washington, DC 20001-2797

**Re: 1989 National Operations Agreement Item**

The attached Bahr letter dated May 27, 1989, concerning subcontracting, was a National item that was agreed to in 1989 for certain bargaining units represented at the National Operations Table, and which will continue in effect in accordance with its original terms for the following CWA bargaining units represented in 1995 at the Manufacturing and National Units Table:

- Network Systems - Installers (including Distribution Technicians)\*
- Network Systems - CARA
- Bell Laboratories
- Operations Support Center (OSC)

Very truly yours.

/s/ J.J. Breslin  
Labor Relations V.P.

\*The attached letter does not apply to Cockeysville

May 27, 1989

Mr. Morton Bahr, President  
Communications Workers of America  
1925 K Street, NW  
Washington, DC 20005

Dear Mr. Bahr:

I am writing to respond to the expressions of concern raised at the Operations bargaining table regarding the Company's contracting out of work, which have focused on situations in which a layoff is pending or has occurred (and ex-bargaining unit members retain recall rights) within the same force adjustment area where the work is to be contacted, and in job titles whose occupants would traditionally have performed such work.

I do not believe that CWA and AT&T have diverse views on this subject.

As to such work normally performed by our employees, we have always preferred not to contract such work out if it would otherwise be performed by bargaining unit employees in job titles in a geographical commuting area (1) where layoffs of such employees are pending; or (2) where a layoff has already occurred and such laid off bargaining unit members retain recall rights and are available to perform such work.

In the future, the Company will not contract out such work, under the conditions outlined above, except when it has no other reasonable alternative. Under such circumstances, the Company will discuss its decision with the Union.

Very truly yours,

/s/ RAYMOND E. WILLIAMS

### COPE PAC DEDUCTIONS

The Company will continue procedures to permit CWA-represented employees to contribute to the CWA-COPE Political Action Committee ("CWA-COPE PAC") through payroll deductions. Such procedures shall continue in effect during the term covered by this Memorandum of Understanding.

As provided for in the regulations of the Federal Election Commission, the Unions will reimburse the Company for the costs of development, implementation and administration of the payroll deduction system for CWA-COPE PAC. The parties agree that such costs, during the term of this Memorandum of Understanding, have been projected and included, as advance reimbursement, in the amount of the economic settlement contained in this Memorandum of Understanding, as a debit to the Unions and a credit to the Company.

Payroll deductions authorized pursuant to this Agreement will be transmitted to the Treasurer of CWA-COPE PAC on a monthly basis.

#### IMPLEMENTATION AND ADMINISTRATION COST SUMMARY

Union	Employees	Weekly Deductions	Annual Deductions
CWA	79	\$2027.78	\$105,444.56

Administrative support approximately 0.5 hour per month

1. 0.5 hour per month X 48 months = 24 hours
2. 24 hours X \$47 = \$1,128

Miscellaneous expenses in manpower and supplies in connection with data entry, problem resolution, remittance efforts to the Union, general maintenance of processes and documentation amount to approximately \$3,000 for the term of the MOU.

Total estimated cost from May 25, 2014 to May 26, 2018

**\$1,128 + \$3,000 = \$4,128**



**PENSION ASSET TRANSFER AND SPECIAL SOCIAL SECURITY SUPPLEMENT**

September 24, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA

Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Pension Plan Items – 2003 CWA/IBEW/Lucent National Memorandum of Understanding (MOU)**

This will confirm our understanding that the Pension Plan provisions, included in the 1998 CWA/IBEW/Lucent National Memorandum of Understanding and inserted below, shall continue in effect in accordance with their original terms during the life of the 2003 MOU.

**PENSION ASSET TRANSFER**

Effective January 1, 1999, the Company may transfer excess pension assets from the Lucent Technologies Inc. Pension Plan ("Plan") to a separate account which has been established as part of the Plan during each calendar year of the contract. The excess pension assets that are transferred are to be used only to pay qualified current retiree health liabilities (as defined in Section 420(e)(1) of the Internal Revenue Code) for eligible retired occupational employees (and their spouses and eligible dependents).

All transferred amounts will be used to pay retiree health liabilities on behalf of retired occupational employees (and their spouses and eligible dependents) directly or through the Lucent Technologies Inc. Represented Employees Postretirement Health Benefits Trust.

Following completion of a transfer of excess pension assets, the accrued pension benefits of any participant (including participants who terminated employment during the one-year period ending on the date of transfer) under the Plan shall become nonforfeitable (i.e., 100 percent vested).

The transfer of excess pension assets to the separate account and payments therefrom shall be subject to and in accordance with the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

**SPECIAL SOCIAL SECURITY SUPPLEMENT**

Effective May 31, 1998, Social Security Supplement payments, under the Lucent Technologies Inc. Pension Plan (the "Plan") that were made available to designated eligible employees who were involuntarily terminated under a force adjustment program during specified periods during the term of the 1995 Memorandum of Understanding shall be made available during the term of this Memorandum of Understanding, with the following changes:

1. Eligibility for the payments under this provision shall be limited to eligible employees who are involuntarily terminated (with less than 30 years of service and at an age under age 55) with

service pension eligibility under a force adjustment program at any time during the term of this Memorandum of Understanding.

2. Amount of Social Security Supplement

The amount of such Social Security Supplement payments shall equal the amount of the reduction in an employee's monthly annuity payment because of retirement prior to age 55 (but not in excess of an employee's projected Social Security benefit at age 65) and the duration of such payments shall end on the first to occur of the completion of twelve years of payments, the attainment of age 62 or the death of the retired employee.

Sincerely,

/s/ William L. Schechter

Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart

Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson

International Representative, IBEW

**POSTRETIREMENT MEDICAL AND DENTAL BENEFITS**

A. Postretirement medical benefits under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees (the "Retiree Medical Plan") and postretirement dental benefits under the Lucent Technologies Inc. Dental Expense Plan for Retired Employees (the "Retiree Dental Plan") will be provided solely in accordance with the provisions of this Section for employees who retired on or before the effective date of this agreement and who were represented by the CWA or IBEW (the "Unions") at the time of their retirement, and their eligible dependents. Such retired employees and their eligible dependents shall be referred to in this Section as "Eligible Participants".

B. Retiree Health Benefits Act. The parties agree to present to Congress and the Administration a proposed amendment to the Internal Revenue Code of 1986, as amended, (the "Code") to be known as the Retiree Health Benefits Act, substantially in the form attached as Exhibit A (the "Act"), and to use their best efforts, working cooperatively, to secure passage of the Act. As a condition to the Company's commitment to fund healthcare benefits as described in Section E below, the parties agree that the Act must contain the following provisions:

1. An employer may, from time to time, fund in a section 401(h) account collectively bargained retiree healthcare benefits, not only for current years but also for future years, by in its discretion either transferring to such account excess pension assets, as determined in accordance with section 420 of the Code, or by making supplemental contributions from operating cash as may be required to fund those benefits even if otherwise limited by the full funding limitation.
2. To take advantage of the provisions of the Act, an employer must make an enforceable commitment to fund or prefund retiree healthcare benefits, or set aside excess pension assets to fund or prefund retiree healthcare benefits, as described above, at a level of cost or subsidy negotiated with a union or unions.
3. At the time of a transfer, all pension plan participants would become fully vested in their accrued pension benefit.
4. The employer would not be subject to any maintenance of cost requirement as a result of prefunding, funding or setting aside amounts in accordance with the Act.
5. Transfers of excess pension assets will not be deductible to the employer, but any contributions to the 401(h) account from operating cash will be deductible.

C. Retiree Healthcare Caps for All Years. Solely for purposes of determining the amount of the Company's subsidy or cost each year for postretirement healthcare benefits for Eligible Participants, the Retiree Healthcare Cap shall be calculated as the sum of (a), (b), and (c) below determined for each individual projected to participate in the Retiree Medical Plan and/or the Retiree Dental Plan as of the beginning of such year, where:

"(a)" is equal to the following amounts, applied to each retiree who retired on or after March 1, 1990:

Under age 65 – single coverage:	\$4,225
Under age 65 – family coverage:	\$8,600
Age 65 and over – single coverage:	\$2,000
Age 65 and over – family coverage:	\$4,625

“(b)” is equal to Medicare Part B premiums calculated for those retirees who retired on or after March 1, 1990 in accordance with the following schedule:

<u>Retirement Date</u>	<u>Retiree premium</u>	<u>Spouse premium</u>
On or after 3/1/90 but prior to 5/31/98	\$46.00/month	\$33.00/month
On or after 5/31/98	\$46.00/month	\$0

and “(c)” is an amount, for enrolled pre-3/1/90 retirees, equal to the expected cost of the 2004 plan design for the year of determination.

The amount of the Company’s subsidy each year for postretirement healthcare benefits for Eligible Participants for 2005 and thereafter shall be equal to the Retiree Healthcare Cap.

The parties recognize that the actual costs of the Company in any year may differ from the Retiree Health Care cap for that year, and that the Company may make appropriate adjustments in that year or future years to substantially comply with the Retiree Healthcare Cap provisions.

D. Healthcare Benefits for 2005 and 2006

(1) 2005 Healthcare Benefits.

Postretirement medical benefits for Eligible Participants under the Retiree Medical Plan and the Retiree Dental Plan will continue from January 1, 2005 until the changes to such plans described in Exhibit B can be implemented. Such implementation date shall be on or before March 1, 2005 as determined by the Company. After such implementation date, such benefits will be provided in accordance with the provisions of Exhibit B. The Company will absorb the cost in excess of the Retiree Healthcare Caps for the period commencing October 1, 2004 and ending on such implementation date.

(2) 2006 Healthcare Benefits.

The Company’s subsidy for calendar year 2006 towards postretirement medical and dental benefits under the Retiree Medical Plan and the Retiree Dental Plan for Eligible Participants will be determined in accordance with the Retiree Healthcare Cap provisions. A Joint Retiree Healthcare Committee (the “Joint Committee”) will be established to determine the plan design and premium costs for 2006, working in conjunction with the Company and the Trustees of the Welfare Benefits Trust (as described in Section G) or their representatives. The Joint Committee shall make its initial findings and recommendation by May

15, 2005, with the deadline of finalizing such plan design and premium costs by June 15, 2005. If the Joint Committee is unable to make such a determination by June 15, 2005, the Company shall implement a plan design and premium costs consistent with the Retiree Healthcare Cap provisions of Section C. To the extent plan design reductions are necessary to achieve the Retiree Healthcare Caps, and to the extent legally permissible, they shall be made first to dental benefits, second to Medicare Part B reimbursements, and then to medical benefits.

The Joint Committee shall consist of two representatives appointed by each Union and four representatives appointed by the Company.

E. Healthcare Benefits and Funding for 2007 and All Later Years.

(1) Application of Section E.

This Section E applies if the Act is enacted into law before September 1, 2006. If the Act is not enacted into law before that date or it is enacted but is not consistent with the requirements of Subsection F(4) below, this Section E shall not apply and Section F shall apply.

(2) Healthcare Benefits for 2007 and Later.

For each calendar year commencing in 2007, the Company's subsidy towards retiree medical and dental plans for Eligible Participants will be determined in accordance with the Retiree Healthcare Cap provisions of Section C. The Joint Committee will determine the plan design and premium costs for each calendar year commencing in 2007, working in conjunction with the Company and the Trustees of the Welfare Benefits Trust or their representatives. For each calendar year commencing in 2007, the Joint Committee shall make its initial findings and recommendation by May 15 of the prior year, with the deadline of finalizing such plan design and premium costs by June 15 of the prior year. If the Joint Committee is unable to make such a determination by June 15 of the prior year, the Company shall implement a plan design and premium costs consistent with the Retiree Healthcare Cap provisions of Section C. To the extent plan design reductions are necessary to achieve the Retiree Healthcare Caps, and to the extent legally permissible, they shall be made first to dental benefits, second to Medicare Part B reimbursements, and then to medical benefits.

(3) Company Healthcare Funding for 2007 and Later.

The Company agrees that it shall cause the accumulated postretirement benefit obligation for Company-provided postretirement medical and dental plans for Eligible Participants, as determined by the Company in accordance with Financial Accounting Standard 106, to be funded commencing in 2007 by contributions to a section 401(h) account in the Lucent Technologies Pension Plan ("LTPP") in accordance with the Act. Such contributions shall be made either from transfers of pension assets in excess of 125% of plan liabilities (as determined under the Act) or from Company contributions, in either case as contemplated by the Act. The Company shall determine, in its sole discretion, for each year whether it shall fund such amount from Company contributions or from excess pension assets. The Company shall make the initial funding of the section 401(h) account in 2007 from excess pension assets or Company contributions in an amount at least sufficient (after considering available VEBA trust assets) to pay annual costs for retiree healthcare under this Section for that year. The Company shall continue to fund the 401(h) account on the same basis for each year thereafter until it determines there are sufficient

assets in the pension plan to fully fund the remaining FAS 106 liabilities for that year in accordance with the Act, in which event the Company may transfer excess pension assets to fully fund the remaining FAS 106 liabilities. At such time, should the Company choose not to fully fund the remaining FAS 106 liabilities, its commitment to continue to fund on an annual basis, either from excess pension assets or Company contributions, shall continue.

In years after such full funding transfer, the section 401(h) account shall be fully funded on an annual basis from excess pension assets or Company contributions as the FAS 106 liabilities are recalculated as a result of experience or changed assumptions.

For purposes of determining such accumulated postretirement benefit obligation for each year, the plans described in this Section shall be used and the actuarial methods and assumptions shall be the same as those used by the Company in the presentation of its financial statements under FAS 106 for the applicable fiscal year. Excluding Medicare Part D reimbursements, the cost impact of any government program that takes effect on or after November 1, 2004 that results in a reduction of costs shall be allocated between the Company and the retirees in an equitable manner. The cost of any benefit provided by another employer (such as through coordination of benefits) shall reduce the Company's obligation under this Section.

For purposes of determining the Company's funding levels under FAS 106 for Eligible Participants, the Retiree Medical Cap provisions of Section C shall apply.

F. Other Provisions.

(1) Upon the expiration of the 2003 CWA/IBEW/Lucent National Memorandum of Understanding ("2003 MOU"), the agreement in that MOU extending application of the retiree medical caps past the expiration of the 2003 MOU has been terminated and its obligations are no longer binding upon the Company or the Unions. The parties agree that this 2004 Memorandum of Understanding agreement on postretirement medical and dental benefits fully supersedes and replaces all prior oral or written agreements among the parties with respect to postretirement medical and dental benefits.

(2) Upon the expiration of the 2003 MOU, the January 9, 2003 letter agreement titled "VEBA Stock Proposal", printed as part of the 2003 MOU, has been terminated and its obligations are no longer binding upon the Company or the Unions. The January 9, 2003 letter provided a funding mechanism for the VEBA trust for the years 2005 and thereafter, providing that certain conditions had been met. This agreement extinguishes application of the January 9, 2003 letter to any period after the expiration of the 2003 MOU.

(3) The May 31, 1998 letter agreement, Attachment 6 of the 2003 MOU, is hereby cancelled and has no further force and effect. The May 31, 1998 letter committed Lucent to "negotiate the level of health care caps and company contributions for retiree medical coverage and vehicles for providing such contributions for those who retired after March 1, 1990 in all future bargaining sessions with the two unions." This agreement extinguishes application of the May 31, 1998 letter to any period after the expiration of the 2003 MOU.

(4) If the Retiree Health Benefits Act is not enacted into law by September 1, 2006, or if such Act is enacted but does not meet each of the basic requirements described in Subsection B above or, in the Company's sole discretion, imposes additional constraints that significantly impair the Company's ability to prefund retiree healthcare benefits in accordance with such Act as currently contemplated, Sections A through E of this agreement on Postretirement Medical and Dental Benefits shall terminate on such date, there shall be no further obligation to fund the Welfare Benefits Trust under Subsection G(3), and this Section F shall survive. No prior agreement reached among the parties or prior obligation of any party terminated by this Memorandum of Understanding shall be revived upon such termination. The parties understand that under such circumstances, the Company may exercise its discretion regarding the amount of a retiree healthcare subsidy on or after December 31, 2006. Under such circumstances, the parties may, consistent with their understanding of the permissive nature of the subject, but shall not be obligated to, enter into discussions with respect to retiree healthcare, but in no event shall any retiree healthcare subsidy the Company may provide exceed the Retiree Healthcare Cap funding level described in Section C above.

(5) The parties may agree at any time to discuss plan design changes that may reduce the premium costs or may otherwise benefit plan participants, including but not limited to changes that may be appropriate in light of significant changes to the United States healthcare system. However, nothing herein shall require the Company or the Union to bargain over postretirement medical and dental benefits, which the parties acknowledge is a permissive subject of bargaining.

#### G. Welfare Benefits Trust

(1) Establishment of Welfare Benefits Trust. The parties recognize that the actual cost of the postretirement healthcare benefits to be made available to Eligible Participants through the Retiree Medical Plan and the Retiree Dental Plan exceeds the level established by the Retiree Healthcare Caps and that the excess cost would, in the absence of further funding, have to be met by premium (or other) payments by Eligible Participants. The parties further recognize that the additional costs that the Eligible Participants would have to absorb may make further participation in the retiree healthcare program prohibitive for many.

Accordingly, the parties agree to establish a supplemental retiree healthcare benefit trust to pay a portion of the cost of healthcare benefits that the Eligible Participants (who may, for purposes of this Section G, include active employees who have retired from the Company) would otherwise be required to absorb through premiums or other payments. Such trust shall be a joint labor management employee benefit fund to be known as the Lucent Welfare Benefits Trust (the "Trust"). The obligations set forth in this Section G are in addition to any obligations set forth elsewhere in this Memorandum.

The Trust will be established by February 28, 2005. The Trust will be a voluntary employees' beneficiary association meeting the requirements of section 501(c)(9) of the Code, and will meet other applicable legal requirements, including Section 302 of the Labor Management Relations Act and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). All assets of the Trust shall be held for the exclusive purposes of (i) providing retiree healthcare benefits to Eligible Participants and their beneficiaries, and (ii) defraying the reasonable expenses of administering the Trust. The Trust may provide benefits to participants and beneficiaries by reimbursing the Company for benefit payments previously made under the Retiree Medical Plan or Retiree Dental Plan. Although contributions are

provided until fiscal year 2012, the parties anticipate that the Trust may continue to operate beyond that date.

(2) Trustees. The Trustees of the Trust shall be one individual appointed by each Union, and two individuals appointed by the Company, or their respective successors. The Trustees will have the exclusive authority to manage the Trust fund and invest its assets for the exclusive benefit of its participants consistent with the requirements of ERISA. The Trustees shall meet at least quarterly or on a different schedule as they may determine.

(3) Funding. The Trust will be funded by contributions by the Company or, if permitted by applicable law, may in the Company's discretion be funded by asset transfers from the LTPP. The Company will fund the Trust, or cause it to be funded, with assets of \$400 million. Such funding shall be completed by the end of fiscal year 2012. The Company shall determine the exact amount of each annual contribution and when such contributions shall be made; provided, however, that a minimum payment shall be made for each year of this agreement in the amount of \$25 million. The parties recognize that there is no obligation of the Company to fund the Trust in excess of the amount set forth in this paragraph. In addition, the Trust may be funded by contributions or premiums from Eligible Participants.

(4) Benefits. The Trustees will have the exclusive authority to determine the amount, manner and timing of benefit payments under the Trust. The Trustees shall appoint a Benefits Committee, which shall consist of two representatives nominated by each Union and four representatives nominated by the Company. A Trustee may serve on the Benefits Committee. The Benefits Committee shall represent the Trustees in carrying out the duties described in Subsections D(2) and E(2).

In conjunction with the establishment of the plan design and premiums as described in Subsections D(2) and E(2), the Trustees will determine what amount of benefits are appropriate to be paid from the Trust during the forthcoming year for Eligible Participants taking into consideration the amount of funds available and the need for those funds to provide benefits in accordance with the Trust Agreement.

No representations are made as to the taxability of any benefit provided under the Trust to any Eligible Participant.

(5) Administration. The parties will cooperate in developing guidelines governing the operations of the Trust, including but not limited to the function of the Trustees and the Benefits Committee and benefits to be funded by the Trust. The parties agree that the Trust shall be subject to periodic audit by a qualified independent accounting firm. The expenses of such audits and other reasonable expenses of administering the Trust shall be charged to the Trust.



**EXHIBIT A****S. \_\_\_\_\_/HR. \_\_\_\_\_****RETIREE HEALTH BENEFITS ACT OF 2005**

To amend the Internal Revenue Code of 1986 and make conforming changes to encourage the funding of collectively bargained retiree health benefits.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Retiree Health Benefits Act of 2005".

**SECTION 2. FUNDING OF RETIREE HEALTH BENEFITS.****(a) AMENDMENTS OF INTERNAL REVENUE CODE OF 1986 –**

(1) Subsection (b)(1) of section 420 of the Internal Revenue Code of 1986 is amended by adding the following flush language at the end thereof:

"A collectively bargained transfer (as defined in subsection (e)(5)) shall also be treated as a qualified transfer."

(2) Subsection (b)(2) of section 420 of such Code is amended by adding the following subparagraph immediately after subparagraph (B) thereof:

"(C) EXCEPTION FOR COLLECTIVELY BARGAINED TRANSFERS. A collectively bargained transfer shall not be taken into account for purposes of subparagraph (A)."

(3) Subsection (b)(3) of section 420 of such Code is amended to read as follows:

"(3) LIMITATION ON AMOUNT TRANSFERRED.

"(A) IN GENERAL. The amount of excess pension assets which may be transferred in a qualified transfer (other than a collectively bargained transfer) shall not exceed the amount which is reasonably estimated to be the amount the employer maintaining the plan will pay (whether directly or through reimbursement) out of such account during the taxable year of the transfer for qualified current retiree health liabilities.

"(B) EXCEPTION FOR COLLECTIVELY BARGAINED TRANSFERS. The amount of excess pension assets which may be transferred in a collectively bargained transfer shall not exceed the amount which is reasonably estimated, in accordance with the provisions of the applicable collective bargaining agreement and generally accepted accounting principles, to be the amount the employer maintaining the plan will pay (whether directly or through reimbursement) out of such account during the collectively bargained cost maintenance period for collectively bargained retiree health liabilities."

(4) Subsection (b)(5) of section 420 of such Code is amended to read as follows:

"(5) No transfer made after December 31, 2013, shall be treated as a qualified transfer unless the transfer is a collectively bargained transfer."

(5) Subsection (c)(1) of section 420 is amended to read as follows:

"(1) USE OF TRANSFERRED ASSETS.

“(A) IN GENERAL. Except in the case of a collectively bargained transfer, any assets transferred to a health benefits account in a qualified transfer (and any income allocable thereto) shall be used only to pay qualified current retiree health liabilities (other than liabilities of key employees not taken into account under subsection (e)(1)(D)) for the taxable year of the transfer (whether directly or through reimbursement).

“(B) COLLECTIVELY BARGAINED TRANSFER. Any assets transferred to a health benefits account in a collectively bargained transfer (and any income allocable thereto) shall be used only to pay collectively bargained retiree health liabilities (other than liabilities of key employees not taken into account under subsection (e)(6)(D)) for the taxable year of the transfer or for any subsequent taxable year during the collectively bargained cost maintenance period (whether directly or through reimbursement).

“(C) AMOUNTS NOT USED TO PAY FOR HEALTH BENEFITS.

“(i) IN GENERAL. Any assets transferred to a health benefits account in a qualified transfer (and any income allocable thereto) which

“(I) are not used as provided in subparagraph (A) (in the case of a qualified transfer other than a collectively bargained transfer), or

“(II) cannot be used as provided in subparagraph (B) (in the case of a collectively bargained transfer)

“shall be transferred out of the account to the transferor plan.

“(ii) TAX TREATMENT OF AMOUNTS. Any amount transferred out of an account under clause (i) –

“(I) shall not be includible in the gross income of the employer, but

“(II) shall be treated as an employer reversion for purposes of section 4980 (without regard to subsection (d) thereof).

“(D) ORDERING RULE.–For purposes of this section, any amount paid out of a health benefits account shall be treated as paid first out of the assets and income described in subparagraph (A) (in the case of a qualified transfer other than a collectively bargained transfer) or subparagraph (B) (in the case of a collectively bargained transfer).”

(6) Subsection (c)(3)(A) of section 420 of such Code is amended to read as follows:

“(A) IN GENERAL. The requirements of this paragraph are met if –

“(i) except as provided in clause (ii), each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer; and

“(ii) in the case of a collectively bargained transfer, each collectively bargained group health plan under which collectively bargained health benefits are provided provides that the collectively bargained employer cost for each taxable year during the collectively bargained cost maintenance period shall not be less than the amount specified by the applicable collective bargaining agreement.”

(7) Subsection (c)(3)(B) of section 420 of such Code is amended by striking “APPLICABLE” in the caption and by adding the following flush language at the end of subsection (c)(3)(B):

“For purposes of this paragraph, the term ‘collectively bargained employer cost’ means the average cost per covered individual of providing collectively bargained retiree health benefits as determined in accordance with the applicable collective bargaining agreement. Such agreement may provide for an appropriate reduction in the collectively bargained employer cost to take into account any portion of the collectively bargained retiree health benefits that is provided or financed by a government program or other source.”

(8) Subsection (c)(3)(D) of section 420 of such Code is amended to read as follows:

“(D) MAINTENANCE PERIOD.

“(i) COST MAINTENANCE PERIOD. For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A)(i) for such taxable year.

“(ii) COLLECTIVELY BARGAINED COST MAINTENANCE PERIOD. For purposes of this paragraph, the term ‘collectively bargained cost maintenance period’ means, with respect to each covered retiree and his covered spouse and dependents, the shorter of –

“(I) the remaining lifetime of such covered retiree and his covered spouse and dependents, or

“(II) the period of coverage provided by the collectively bargained health plan (determined as of the date of the collectively bargained transfer) with respect to such covered retiree and his covered spouse and dependents.”

(9) Subsection (d) of section 420 of such Code is amended to read as follows:

“(d) LIMITATIONS ON EMPLOYER. For purposes of this title –

“(1) DEDUCTION LIMITATIONS. No deduction shall be allowed –

“(A) for the transfer of any amount to a health benefits account in a qualified transfer (or any retransfer to the plan under subsection (c)(1)(C)),

“(B) for qualified current retiree health liabilities or collectively bargained retiree health liabilities paid out of the assets (and income) described in subsection (c)(1), or

“(C) except in the case of a collectively bargained transfer, for any amounts to which subparagraph (B) does not apply and which are paid for qualified current retiree health liabilities for the taxable year to the extent such amounts are not greater than the excess (if any) of –

“(i) the amount determined under subparagraph (A) (and income allocable thereto), over

“(ii) the amount determined under subparagraph (B).

“(2) OTHER LIMITATIONS.

“(A) Except as provided in subparagraph (B), an employer may not contribute after December 31, 1990, any amount to a health benefits account or welfare benefit fund (as defined in section 419(e)(1)) with respect to qualified current retiree health liabilities for which transferred assets are required to be used under subsection (c)(1)(A).

“(B) An employer may contribute an amount to a health benefits account or welfare benefit fund (as defined in section 419(e)(1)) with respect to collectively bargained retiree health liabilities for which transferred assets are required to be used under subsection (c)(1)(B), and the deductibility of any such contribution shall be governed by the limits applicable to the deductibility of contributions to a welfare benefit fund under a collective bargaining agreement (as determined under section 419A(f)(5)(A)) without regard to whether such contributions are made to a health benefits account or welfare benefit fund and without regard to the provisions of section 404 or the other provisions of this section.”

(10) Subsection (e) of section 420 of such Code is amended by adding the following immediately after paragraph (4):

“(5) COLLECTIVELY BARGAINED TRANSFER. The term ‘collectively bargained transfer’ means a transfer -

“(A) of excess pension assets to a health benefits account which is part of such plan in a taxable year beginning after **December 31, 200**\_,

“(B) which does not contravene any other provision of law,

“(C) with respect to which the following requirements are met in connection with the plan-

“(i) the use requirements of subsection (c)(1),

“(ii) the vesting requirements of subsection (c)(2), and

“(iii) the minimum cost requirements of subsection (c)(3),

“(D) which is made in accordance with a collective bargaining agreement, and

“(E) which, before the transfer, the employer designates, in a written notice delivered to each employee organization that is a party to the applicable collective bargaining agreement, as a collectively bargained transfer in accordance with this section.

“(6) COLLECTIVELY BARGAINED RETIREE HEALTH LIABILITIES.

“(A) IN GENERAL. The term ‘collectively bargained retiree health liabilities’ means the present value, as of the beginning of a taxable year and determined in accordance with the applicable collective bargaining agreement, of all collectively bargained health benefits (including administrative expenses) for such taxable year and all subsequent taxable years during the collectively bargained cost maintenance period.

“(B) REDUCTION FOR AMOUNTS PREVIOUSLY SET ASIDE. The amount determined under subparagraph (A) shall be reduced by the value (as of the close of the plan year preceding the year of the collectively bargained transfer) of the assets in all

health benefits accounts or welfare benefit funds (as defined in section 419(e)(1)) set aside to pay for the collectively bargained retiree health liabilities.

“(C) COLLECTIVELY BARGAINED HEALTH BENEFITS. The term ‘collectively bargained health benefits’ means health benefits or coverage which are provided to--

“(i)(I) retired employees who immediately before the collectively bargained transfer, are entitled to receive such benefits upon retirement and who are entitled to pension benefits under the plan, and

“(II) their spouses and dependents; and

“(ii)(I) if specified by the provisions of the applicable collective bargaining agreement governing the collectively bargained transfer, active employees who, following their retirement, are entitled to receive such benefits and who are entitled to pension benefits under the plan, and

“(II) their spouses and dependents.

“(D) KEY EMPLOYEES EXCLUDED. If an employee is a key employee (within the meaning of section 416(i)(1)) with respect to any plan year ending in a taxable year, such employee shall not be taken into account in computing collectively bargained retiree health liabilities for such taxable year or in calculating collectively bargained employer cost under subsection (c)(3)(B).

“(7) COLLECTIVELY BARGAINED HEALTH PLAN. The term ‘collectively bargained health plan’ means a group health plan or arrangement for retired employees and their spouses and dependents that is maintained pursuant to one or more collective bargaining agreements.”

(11) Subsection (h) of section 401 of such Code is amended so that the last sentence thereof reads as follows:

“In no event shall the requirements of paragraph (1) be treated as met if the aggregate actual contributions for medical benefits (other than contributions with respect to collectively bargained retiree health liabilities within the meaning of section 420(e)(6)), when added to actual contributions for life insurance protection under the plan, exceed 25 percent of the total actual contributions to the plan (other than contributions to fund past service credits) after the date on which the account is established.”

(b) CONFORMING AMENDMENTS –

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking “Pension Funding Equity Act of 2004” and inserting “Retiree Health Benefits Act of 2005.”

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking “Pension Funding Equity Act of 2004” and inserting “Retiree Health Benefits Act of 2005.”

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended

(A) by striking “before January 1, 2014” and inserting “in accordance with section 420 of title 26 (as in effect on the date of enactment of the Retiree Health Benefits Act of 2005)”; and

(B) by striking “Pension Funding Equity Act of 2004” and inserting “Retiree Health Benefits Act of 2005”.

(c) EFFECTIVE DATE. The amendments made by this section shall apply to years beginning after **December 31, 200\_**.

**EXHIBIT B**  
**POSTRETIREMENT HEALTH BENEFITS**  
**MEDICAL EXPENSE PLAN**

Postretirement medical benefits under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees ("the Retired Medical Plan") will continue with such changes as described below. The amounts and percentages shown below describe the participant's costs.

**Point of Service Plan**

- 1 In-network office visit copayment (including preventative care visits, but excluding Mental Health/Chemical Dependency) will be \$30 per visit.
- 2 Coinsurance for hospitalization, outpatient and inpatient surgery and other services will be:
  - (a) In-network: 5%
  - (b) Out-of-network: 25%
- 3 In-network hospital admission copayment will be \$100 per admission
- 4 Annual in-network out-of-pocket maximum will be:
  - (a) \$1,250 Individual
  - (b) \$2,500 Two Person
  - (c) \$3,750 Family
- 5 In-network and out-of-network emergency use of emergency room copayment will be \$60 (waived if admitted)
- 6 In-network and out-of-network non emergency use of emergency room copayment will be \$60 plus 25% coinsurance
- 7 Out-of-network hospital admission copayment will be \$300 per admission
- 8 Out-of-network annual deductible will be:
  - (a) \$600 Individual
  - (b) \$1,200 Two Person
  - (c) \$1,800 Family
- 9 Out-of-network annual out-of-pocket maximum will be:
  - (a) \$3,500 Individual
  - (b) \$7,000 Two Person
  - (c) \$10,500 Family
- 10 Annual Chiropractic visit limit will be 30 visits (in and out of network combined)

**Indemnity Plan**

- 1 Coinsurance after deductible will be 5% for hospitalization, out patient and inpatient surgery and other services
- 2 Annual deductible per individual will be \$150 plus 1% of annual pension not to exceed 3% of annual pension
- 3 Annual out of pocket maximum will be:
  - (a) \$1,500 Individual
  - (b) \$3,000 Two person
  - (c) \$4,500 Family
- 4 Annual Chiropractic visit limit will be 30 visits

**Prescription Drug Program**

- 1 4 Tier formulary with the following copayments:
  - (a) Retail: \$10/\$25/\$35/\$40
  - (b) Home delivery: \$20/\$50/\$70/\$80
  - (c) Annual out of pocket maximum will be \$1,250 per individual
  - (d) Maximum 30 day supply at retail
- 2 Out-of-network coinsurance will be 30% after annual deductible of:
  - (a) \$100 Individual
  - (b) \$200 Two person
  - (c) \$300 Family

**Mental Health and Chemical Dependency Program**

- 1 In-network annual out of pocket maximum will be \$1,250 per individual
- 2 In-network out patient visit copayment will be \$30
- 3 In-network inpatient copayment will be \$30 a day
- 4 In-network alternate treatment copayment will be \$30 a day
- 5 Out-of-network annual out of pocket maximum will be:
  - (a) \$3,500 Individual
  - (b) \$7,000 Two person
  - (c) \$10,500 Family
- 6 The number of annual free visits for in-network out patient care will be 3 visits
- 7 Eliminate the first 5 free days of in-network, inpatient care
- 8 Eliminate the first 5 free days of in-network alternate treatment



**Other Covered Charges Buy Up Provision**

Currently, retirees who are Medicare eligible or who are enrolled in the traditional indemnity medical plan have the opportunity to increase the \$50,000 maximum amount of company provided coverage for Other Covered Charges (OCC). The OCC buy up allows a retiree to elect an additional \$50,000, \$100,000 or \$200,000 of coverage for himself/herself and each covered dependent. The cost per covered individual is \$9.00, \$18.00, or \$27.00 annually. Election of this additional coverage has been required at the time of retirement.

The OCC buy up option will now be permitted to be exercised one time at retirement, during the annual open enrollment period or when a qualified status change occurs. Once a retiree has elected the OCC buy up, he/she can only decrease coverage thereafter. Decreases in coverage become effective the first day of the plan year following the plan year in which the election to cancel or decrease was made. No subsequent increases are permitted.

**Premiums for Post 3/1/90 Retirees**

- 1 Pre-65 retirees will be as follows:
  - (a) 2005 plan year will be 3% of monthly pension benefit for single
  - (b) 2005 plan year will be 5% of monthly pension benefit for family
- 2 Post-65 retirees will be as follows:
  - (a) 2005 plan year will be 2% of monthly pension benefit for single
  - (b) 2005 plan year will be 4% of monthly pension benefit for family

For 2006 and beyond, premiums for post 3/1/90 retirees will be increased on an annual basis 0.5% per year unless modified in accordance with the Postretirement Medical and Dental Benefits Memorandum.

**APRIL 19, 2001 MEMORANDUM OF AGREEMENT**

**MEMORANDUM OF AGREEMENT**

**Between**

**Lucent Technologies Inc.**

**and**

**The Communications Workers of America**

**April 19, 2001**

**MEMORANDUM OF AGREEMENT**

This Memorandum is entered into by and between Lucent Technologies Inc., [hereinafter referred to as "Lucent" or "the Company"], and the Communications Workers of America [hereinafter referred to as "the CWA" or "the Union"]. The commitments, understandings and agreements by and between the parties are:

1. This Memorandum of Agreement, and any supplements or attachments hereto, hereinafter referred to collectively as "Agreement," shall be binding on the parties hereto.
2. The parties agree that CWA MFG #7 and CWA MFG FT #3 shall be modified to incorporate the additional agreements and understandings set forth in this Memorandum of Agreement.
3. This Agreement sets forth the understandings reached as to the following:

- (a) the treatment to be afforded eligible employees in the production and maintenance and/or Five Tier bargaining units represented by the Union at the Company's Atlanta Works and Merrimack Valley Works when a decision by the Company to subcontract or outsource work performed by bargaining unit employees, or work that is or has been traditionally performed by bargaining unit employees, directly results in the layoff, termination or separation of employees in the bargaining unit.
- (b) a notification and information sharing process that shall apply with respect to the subcontracting or outsourcing of any production or Five Tier work performed by bargaining unit employees, or work that is, or has been traditionally performed by such bargaining unit employees.
- (c) a notification and information sharing process that shall apply with respect to the sale of a business or the spin off of a business which directly results in the layoff, involuntary termination or involuntary separation of employees in the bargaining unit.
- (d) The parties agree that a "Sale of the Business" shall not be construed as subcontracting or outsourcing for the purpose of triggering the benefits set forth in subparagraphs 5(a) through (g) herein. However it is understood that the rights and benefits set forth in subparagraphs 5(a) through 5(h) shall apply to Affected Employees at the Atlanta Works in the event of a sale of the Atlanta Works unless the purchaser agrees to assume the provisions of the Collective Bargaining Agreement applicable to such employees at the time of the closing of any such sale.

It is further understood by the parties that a "spinoff" by the Company shall not be construed as subcontracting or outsourcing within the meaning of this Memorandum of Agreement provided the "spinoff" company is fully bound and obligated by all provisions set forth in the applicable collective bargaining agreement(s) between the Company and the Union, as modified by this Memorandum of Agreement.

4. A new provision shall be added to the applicable collective bargaining agreement(s) titled "Application of LCTOP (or applicable successor plan) in the Event of Subcontracting or Outsourcing Directly Resulting in Surplus Conditions." The provision shall read:

"In the event the Company decides to subcontract or outsource any work performed by production and maintenance and/or Five Tier bargaining unit employees, or work that is, or has been traditionally performed by production and maintenance and/or Five Tier bargaining unit employees and such decision directly causes a surplus condition resulting in a layoff of employees with a term of employment of two or more years within the affected bargaining unit, the Company shall, to the extent necessary to relieve the surplus, offer to eligible employees in the affected universe the full range of options provided for under the parties' LCTOP Agreement. It is further agreed that, in the event the provision set forth herein is triggered, the \$30,500 limit set forth in paragraphs 2(d), Optional

Termination Pay in the Lucent Career Transition Option Program, and 3(b), Extended Compensation Option, of the 1998 National Memorandum shall be increased to \$40,000. The Company may, in its discretion, extend the application of this paragraph beyond the normal surplus universe.

It is understood and agreed by the parties that employees who elect to receive benefits described under this provision shall not be eligible for recall, termination allowances under the collective bargaining agreement or benefits otherwise provided by application of the provision titled "Treatment of Employees Directly Impacted by the Company's Decision to Subcontract or Outsource Bargaining Unit Work – Application of Certain Employee Benefit Plans and Programs."

5. A new provision shall be added to the applicable collective bargaining agreement(s) titled "Treatment of Employees Directly Impacted by the Company's Decision to Subcontract or Outsource Bargaining Unit Work – Application of Certain Employee Benefit Plans and Programs." The provision shall read:

"In the event the Company decides to subcontract or outsource bargaining unit work or to accomplish such subcontracting or outsourcing through any form of business transaction, including but not limited to lease arrangements or similar transactions, that effectively constitute subcontracting or outsourcing, each employee who is laid off, involuntarily terminated or involuntarily separated from the Company as a direct result of a decision by the Company to subcontract or outsource, and who has a term of employment of two (2) or more years (hereinafter "Affected Employees"), shall, in addition to any other rights or benefits set forth in the collective bargaining agreement (unless specifically stated to the contrary herein), receive the benefits set forth in this Paragraph 5.

"Affected Employees" include employees at the affected facilities with a term of employment of two (2) or more years who are on an approved leave of absence, disability benefits or accident/worker's compensation benefits on the date their employment would have ended had they been actively employed if and when they present themselves for employment at or before the end of the approved leave, or are certified as fit to return to work under the applicable plan and present themselves for employment, as applicable.

- (a) **Five Year Enhanced Transition Leave of Absence Under the Lucent Technologies Inc. Pension Plan.** The Pension Plan shall be amended to provide that Affected Employees who, as of the day their employment with the Company ends, have not met the eligibility requirements for a service pension and are within five (5) years of the age and/or service requirement for attaining service pension eligibility, shall, on the day their employment with the Company ends, be eligible for an enhanced eligibility provision (the "Enhanced TLA"). Under the Enhanced TLA, such employees will be credited with up to five (5) years of age and/or service, to the extent necessary to obtain service pension eligibility. Such credit shall be extended as of the Affected Employee's off-roll date and the pension benefit may be commenced immediately. The additional age and service credit will not be counted for the purposes of computing the employee's pension. The additional age and service credit will be counted and applied for purposes of reducing the discount for early retirement for all Affected Employees. It is the intent of the parties that the addition of five (5) years of age and/or service may be used by an Affected Employee not only to attain eligibility for a service pension as set forth above, but to reduce, to the maximum extent possible by adding five (5) years of age and/or service, any discount for early retirement that may have otherwise applied to such Affected Employee.

Neither the Company nor the applicable pension plan may reduce or eliminate an Affected Employee's entitlements to the rights set forth in Paragraph 5 (a).

- (b) **Expanded and Enhanced Social Security Supplement.** The Pension Plan shall be amended to extend a Social Security supplement to the Affected Employees who are service pension eligible when their employment with the Company ends (including those who are service pension eligible as a result of the Enhanced TLA), and whose service pension is subject to a discount for early retirement. The amount of the Social Security supplement shall equal the amount of the reduction in the employee's monthly pension annuity payment because of retirement prior to age 55. Social Security supplement payments will continue until the first to occur of the attainment of age 62 or death of the retired employee. All other provisions of the existing Social Security supplement provided under the Pension Plan apply.
- (c) **Special Pension Benefit.** The Pension Plan shall be amended to provide a special pension benefit ("SPB") for the Affected Employees in addition to any other accrued benefit. The SPB also applies to Affected Employees who have not yet reached age 21, even though they are not otherwise eligible to participate in the Pension Plan. The amount of the SPB shall be equal to a percentage of Eligible Annual Pay, computed in accordance with the Schedule of SPB Benefits below. The Affected Employee's service will be determined at the time the employee is no longer employed by the Company. Eligible Annual Pay shall be determined as of the first of the month in which the off-roll date occurs, unless Lucent elects a date one month earlier to facilitate the faster payment of the SPB. Eligible Annual Pay shall be determined in accordance with the description below.

With respect to Affected Employees who are service pension eligible (after application of the Enhanced TLA), or whose entire benefit under the Pension Plan is otherwise immediately distributable, the SPB shall be available in the form of a lump sum or in any other form of benefit so long as such other form is the same form selected for the immediately distributable benefit under the Pension Plan. With respect to other Affected Employees, the SPB shall be available in the form of a lump sum, a single life annuity or a joint and 50% surviving spouse annuity. In all cases, the form of benefit shall be subject to the normal spousal consent requirements of the Pension Plan. The SPB may be commenced, at the election of the employee, at any time beginning as soon as administratively practicable after employment with the Company ends, and until distribution is required to commence. However, if the present value of the SPB and all other accrued benefits under the Pension Plan (determined in accordance with Internal Revenue Code Section 417(e)) does not exceed the amount (currently \$5,000) permitted to be distributed without consent under Internal Revenue Code Section 411(a)(11), or any successor provision, such present value shall be distributed in a lump sum.

If distribution of the SPB is deferred, the amount of the SPB shall bear interest equal to the average yield on 10-year Treasury bills for August of the preceding calendar year, determined in accordance with IRS guidelines. Interest shall be credited at the end of each plan year except that in the case of a distribution during the year, interest shall be credited through the end of the month preceding the annuity starting date.

For purposes of the SPB, Eligible Annual Pay shall be equal to an employee's annualized weekly rate of pay, based on his or her Adjusted Rate plus applicable Night Work and 7-Day Coverage Bonuses in effect as of the date specified for the calculation of the Affected Employee's SPB with a minimum, for other than a part-time employee, equal to four (4) of the employee's Scheduled Daily Tours per week.

When an employee's Standard Rate has been reduced and the effective date of such reduction falls within the twenty-six (26) week period preceding the date specified for the calculation of the affected employee's SPB, the Standard Rate used shall be that in effect immediately

preceding the reduction from the highest standard rate which was effective within such twenty-six (26) week period, if it is higher than the Standard Rate in effect as of the date specified for the calculation of the affected Employee's SPB. Any decrease in an employee's Standard Rate immediately following a temporary increase which was in effect for a period not to exceed eight (8) weeks shall not be considered a "reduction" when applying this paragraph.

Neither the Company nor the applicable pension plan may reduce or eliminate the SPB of an Affected Employee.

Any term not defined in this Memorandum of Agreement shall have the meaning set forth in Article 3 of the applicable collective bargaining agreements dated as of May 31, 1998 between the Company and the Union.

It is understood that employees who receive the treatment described in this subparagraph 5(c) are not eligible for recall, termination allowances under the collective bargaining agreement, or any provisions of the Lucent Career Transition Option Program. Duplicate payments of the SPB and termination allowance are not intended or permitted.

The parties also agree that nothing in this Agreement or in this provision is intended to deprive an otherwise eligible employee of termination allowance that is otherwise payable under the collective bargaining agreement in circumstances where this Agreement does not apply.

**Special Pension Benefit (SPB) Schedule of Benefits\***

(Applicable to CWA Represented "Affected Employees")

<b>Completed Years of Service</b>	<b>SPB Is the Equivalent of the Applicable Termination Allowance To Which Eligible If Laid Off Multiplied by This Percentage</b>
2	133.60%
3	132.90%
4	132.20%
5	131.40%
6	130.70%
7	130.00%
8	129.30%
9	128.60%
10	127.80%
11	127.10%
12	126.40%
13	125.70%
14	124.90%
15	124.20%
16	123.50%
17	122.80%
18	122.10%
19	121.30%
20	120.60%
21	119.90%
22	119.20%
23	118.40%
24	117.70%
25 or more	117.00%

\*As amended April 19, 2001 to reflect the SPB as a percentage of termination allowance

- (d) **Special One-Time Lump Sum Transition Payment.** All Affected Employees with a term of employment of at least two (2) years as of the day their employment with the Company ends will be entitled to a special one-time lump sum transition payment in the amount of \$3,090.00, subject to applicable taxes (including payroll taxes) and tax withholding. Such payment is not part of the Employee's standard rate of pay or basic wages for any purpose, nor is it included in the computation of any payments or benefits under any pension or benefits plan, fringe benefit, allowance or differential. Such payment will be made as soon as administratively practicable after employment with the Company ends. The parties agree that such payment will normally be paid within 30 days of the employee's date of termination but in no event later than 60 days of such termination date.

Before making a decision to subcontract or outsource bargaining unit work at a manufacturing location(s), the Company may amend the Pension Plan to provide an enhanced pension benefit for Affected Employees at such manufacturing location(s), in addition to any other accrued benefit (including the Special Pension Benefit). Such enhanced pension benefit shall be payable, at the election of the Affected Employee, in a lump sum with an immediate present value equal to \$3,400.00, and shall be subject to terms and conditions otherwise identical to the Special Pension Benefit described under Paragraph 5(c) above. An Affected Employee who receives such enhanced pension benefit shall not be eligible to receive the special one-time lump sum transition payment, as described in the first subparagraph of this Paragraph 5(d).

- (e) **Extended Benefit Coverage for Affected Employees.** The Company's retiree medical, dental and life insurance plans shall be amended to the extent necessary to provide that an Affected Employee who becomes eligible for a service pension under the enhanced TLA will also become immediately eligible for retiree medical, dental and life insurance benefits. In addition:
- (1) In lieu of making the one time payments identified in Paragraph 5(e) (2) below directly to the eligible Affected Employees described therein, the Company agrees to deposit an equivalent amount (less applicable taxes, if any) in a designated CWA sponsored health trust fund provided there is a collective bargaining agreement in effect between the CWA and the company to which Lucent is subcontracting or outsourcing whose provisions provide for the payment of the employee's monthly premium under such company's medical, dental and vision plans through such trust fund.
  - (2) An Affected Employee who is not service pension eligible, who is offered employment by the company to which Lucent is subcontracting or outsourcing and who accepts such offer within 30 days and commences employment on the date designated by the new employer shall be eligible to receive a one-time payment in an amount equal to the employee's monthly premium under the other company's medical, dental and vision plans (on a family basis) at the time such employment commences multiplied by 12. Such payment shall be made as soon as administratively practicable after transfer of employment and shall be subject to applicable taxes, including payroll taxes, and tax withholding.
  - (3) An Affected Employee who is not eligible for a service pension, who refuses an offer of employment by the company to which Lucent is subcontracting or outsourcing, and the job being offered is in the same metropolitan area as the Lucent facility at which he or she was employed, shall be eligible to the same medical, dental, vision and other insurance benefits otherwise available to employees whose employment ends as a result of a layoff.
  - (4) An Affected Employee who is not eligible for a service pension and either (A) is not offered employment by the company to which Lucent is subcontracting or outsourcing or (B) refuses an offer of employment by the company to which Lucent is subcontracting or

outsourcing and the job being offered is outside the same metropolitan area as the Lucent facility at which he or she was employed, shall be entitled to continued company paid medical, dental and vision plan coverage for 12 months on the same basis as if actively employed. An additional six months of COBRA coverage will be available upon the employee's election.

- (5) Other benefit plans described below shall be available to an Affected Employee described in (4) immediately above, as follows:

- Basic Life Insurance and Accidental Death and Dismemberment coverage shall be available for all Affected Employees for six months on the same basis as if actively employed.
- Supplemental Life Insurance and Supplemental Accidental Death and Dismemberment coverage shall be available for six months at the expense of the Affected Employee (at active employee rates).
- Dependent Life and Dependent Accidental Loss coverage shall be available for 90 days at the expense of the Affected Employee (at active employee rates).

- (f) **Enhanced FAED Reimbursement Allowance.** With respect to Affected Employees, Section 5 of the description of the Lucent Career Transition Option Program in the 1998 MOU entitled "Involuntary Termination Due to Layoff," shall be amended to provide for an eligibility of up to \$5,000 (rather than \$2,500) in funds for certain education, training, out-placement and relocation expenses. All other provisions of such section apply.

- (g) **Long-Term Savings and Security Plan.** Under the Long Term Savings and Security Plan (the "LTSSP"), the account balances of all Affected Employees shall be fully vested as of the date their employment with the Company ends.

The Company and the Union acknowledge that, under current law, the subcontracting or outsourcing arrangement may not constitute a distribution event permitting distribution of the LTSSP account balances of those Affected Employees who are employed by a new company. As a result such account balances may continue to be held in the LTSSP. The Company agrees that such Affected Employees shall have access to in-service withdrawals and loans as if they remained employed by the Company, except that loan payments must be made by coupon payments rather than payroll deduction. If the Company determines that the law has changed so as to permit distribution of the LTSSP account balances, the Company shall take such steps as are necessary to permit Affected Employees to elect a distribution, unless such account balance does not exceed the amount (currently \$5,000) permitted to be distributed without consent under the Internal Revenue Code Section 411(a)(11), or any successor provision, in which event such account balances shall be distributed in a lump sum.

- (h) Issues that relate to the administration of the Plans through which the benefits described in this Paragraph 5 (except for subparagraph 5(f) are made available shall be subject to the claims and appeals process provided under each applicable Plan.

6. A new provision shall be added to the applicable collective bargaining agreements entitled "Successor Clause." The provision shall read:

"In the event the Company engages in negotiations for the sale of a Company business in which employees covered by this Agreement are employed, the Company shall make a good faith effort to have any purchaser of the Company business be bound by the provisions set forth in the applicable collective bargaining agreement(s) (including this Agreement) as a condition of the sale. The parties



agree, however, that the Company (or any spinoff thereof) shall not be required to be successful in such good faith efforts and that the Union shall have no right, under this paragraph, to require that any such sale of the Company business include a provision relating to the adoption of this Agreement as a condition of such sale except to the extent required by law.”

7. A new provision shall be added to the applicable collective bargaining agreements titled “Subcontracting and Outsourcing of Production or Five Tier Work – Notification to Union.” The provision shall read:

**“Subcontracting and Outsourcing of Production or Five Tier Work – Notification to the Union.**

The Company shall not subcontract or outsource any production or Five Tier work performed by the bargaining unit employees, or work that is, or has been, traditionally performed by bargaining unit employees, unless all of the following conditions have been satisfied.

- (1) Prior to any decision to subcontract or outsource bargaining unit work, the Company will provide the Union with written notice that it intends to consider the use of subcontracting and outsourcing. This notification by the Company will be given at an early stage of its consideration of any potential subcontracting or outsourcing but substantially before any final decision is made to subcontract or outsource bargaining unit work. The purpose of this notice will be to engage the Union in meaningful discussion concerning the possibility of such subcontracting or outsourcing, and to examine any proposals by the Union that will maintain the work and job security of bargaining unit members. The parties recognize that in a competitive environment the Company must have the ability to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Company employees.
- (2) The Company will share all information that is relevant to the subcontracting or outsourcing of production or Five Tier work. In addition, the Company agrees to meet with the Union on a regular basis to engage in dialogue prior to making a final decision to subcontract or outsource the production or Five Tier work.
- (3) No final decision by the Company to subcontract or outsource any production or Five Tier work performed by bargaining unit employees, or work that is, or has been, traditionally performed by bargaining unit employees, shall be made until after the Union has been notified in writing of the Company’s decision or, in any event, prior to the Company’s compliance with the provisions of subparagraphs (1) and (2).
- (4) The notification, commitment to dialogue and exchange of information provisions set forth in subparagraphs (1) through (3) above shall be in addition to, and not in limitation of, the responsibility and obligation of the Company under the parties’ Workplace of the Future Agreement (or its applicable successor agreement) and any other relevant provisions set forth in the collective bargaining agreement related to subcontracting or outsourcing of production work or Five Tier work. The commitments set forth in subparagraphs (1), (2) and (3) do not alter or otherwise modify the provisions in the collective bargaining agreement relating to subcontracting or outsourcing of work performed by Trades personnel.
- (5) The provisions of these subparagraphs (1) through (4) shall not be subject to the Grievance Procedure and the National Grievance Step outlined in Article 6, and will not be subject to the provisions of Article 7 (Arbitration) of the applicable collective bargaining agreement. Instead, when alleged violations of this “Notification to the Union” procedure occur, the dispute resolution process set forth below will apply:

- (a) The Union may file a grievance directly with the bargaining agent who shall have five (5) days to discuss and resolve the grievance. Should the grievance not be resolved within five (5) days, the Union may request, in writing, that the grievance be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties.
- (b) The parties shall schedule a hearing with the neutral third party within ten (10) days of the Union's request. At the hearing with the neutral third party, the Union shall present its case concerning why the "Notification to the Union" procedures set forth in this provision were violated, and the Company shall present its case in defense. In order to expedite the hearing and decisional process, no transcript of the hearing shall be required. Each party may be represented by legal counsel. Post-hearing briefs shall not be permitted. Each party shall present its entire case at the hearing.
- (c) The neutral third party shall issue a written decision within ten (10) days of the hearing. The written decision will settle the grievance at issue, but will not constitute a precedent in any other case. No written opinion will be prepared unless specifically requested by both parties, in which case such opinion will follow within thirty (30) days thereafter.
- (d) The parties agree that the issue to be determined by the neutral third party under this special resolution process is limited to whether the Company violated the "Notification to the Union" provisions set forth in this provision. The neutral third party shall not, under this process, be empowered to determine issues relating to whether the Company has a right to subcontract or outsource bargaining unit work. Any issues that arise between the parties relating to whether the Company has a right to subcontract or outsource bargaining unit work are reserved for resolution through the traditional grievance process set forth in the agreement under Articles 6 and 7, it being understood that each party is permitted to raise any appropriate claims or defenses, including arbitrability.

This limitation on the authority of the neutral third party under this special procedure shall not, however, limit the neutral third party, in any manner, from imposing any reasonable or traditional remedy, as part of his/her award, against the Company, in the event a violation of this Article is found to have occurred. Such remedies may include, but not be limited to, an order that all subcontracting or outsourcing at issue be stopped until the Company has complied with the provisions set forth in this article. Any back pay award shall be limited to a period not to exceed one hundred and twenty (120) days.

- 8. "Consultant Arrangement" by and between the Company and the Communications Workers of America. The parties agree that the terms, provisions and commitments set forth in Attachment A to this Memorandum of Agreement titled "Sale of a Business or Spin-off of a Business – Notification to the Union" are incorporated herein.
- 9. The parties agree that this Memorandum of Agreement will supplement the existing 1998 National Memorandum of Understanding between the parties, as well as the applicable local collective bargaining agreements, the terms of which shall remain in full force and effect, as supplemented by the provisions set forth herein.

The understandings set forth herein shall become effective as the date of the execution of this Agreement. Except as modified herein, the existing terms and conditions of the 1998 National Memorandum of Understanding and the applicable collective bargaining agreements shall remain in full force and effect in accordance with their original terms.

This Memorandum of Agreement is agreed to this 19<sup>th</sup> day of April, 2001.

**COMMUNICATIONS WORKERS OF AMERICA**

/s/ Robert G. Richhart  
Administrative Assistant to the Vice President

/s/ M. J. Sherman  
CWA Staff Representative

APPROVED:

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/s/ Ralph V. Maly, Jr.  
Vice President, CWA

**LUCENT TECHNOLOGIES INC.**

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/s/ Louis D. Hudson  
Vice President – Work Force Relations  
Lucent Technologies Inc.

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