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Local:

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KH 4007

60,000 cc

**Letters, Memoranda
and Agreements**

**2003 Production, Maintenance
and Parts Agreement**

between

Vol 2.

DAIMLERCHRYSLER

and the

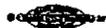
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228*	Equipment Training.....
229*	Clarification of Letter 34 – Utilization of Skilled Trades Manpower and Facilities.....
230	Product Development and Product Transformation.....
231*	V-Cap Contributions.....
232*	Conversion of Cost-of-Living Calculation to New Reference Index.....
233*	Retiree Vehicle Purchase Certificate.....
234*	B.E.S.T. II.....
235*	Lockout Validations.....
236	Early Warning Program.....
237	KTP Pilot.....
238	NPG Mist Suppressant Pilot.....
239*	SPEEDLINK to Injury Reduction.....
240	Flexible Operating Patterns.....

<u>Memorandum</u>	<u>Subject</u>	<u>Page No.</u>
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M-2	Overtime - U.S. Plants.....	319
M-3	Health & Safety.....	329
M-4*	Plant Closings.....	366
M-5*	Union Dues Deductions.....	369
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S-1*	Temporary Part-Time Employees.....	433
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*Indicates Letter also applies to Parts.

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1A	Grievance Procedure.....
3A	Skilled Trades Seniority Parts Depot.....
4A	Memorandum of Understanding on Overtime U.S. Plants.....
6A	Health & Safety.....
7A	Uniform Tardiness Procedure Parts Depot.....
8A	Benefit Plans Representatives Parts Distribution Centers.....
9A	Attendance Counselor / Employee Assistance Program Representative.....

<u>Parts Memorandums</u>	<u>Page No.</u>
MOU1	Dedicated Delivery Service.....
MOU2	Communication and Joint Efforts to Achieve World Class Quality and Efficiency.....
MOU3	Lean Operating Principles.....

**2003 DaimlerChrysler-UAW Agreement
Amended, Deleted and New Letters, Memoranda
and Supplemental Agreements**

The following Letters, Memoranda and Supplemental Agreement of the 1999 DaimlerChrysler-UAW Agreements have been changed:

1	55	104	138	175	210	M-1
5	57	106	144	180	215	M-3
11	63	109	150	181	217	M-6
23	66	110	151	183	223	M-7
31	71	119	152	189	224	M-8
40	78	124	155	191	225	
46	85	127	159	194	1A	
50	92	129	162	199	6A	
51	96	130	169	201	7A	
53	97	136	170	206	9A	

The following Letters/Memoranda of the 1999 DaimlerChrysler-UAW Agreements have been deleted:

153	197	200
2A		

The following new Letters are included in the 1999 DaimlerChrysler-UAW Agreement. (Note: Numbers from deleted Letters have been assigned to new Letters.)

153	233	238
197	234	239
200	234	240
231	236	
232	237	

September 29, 2003

(1) Wage Progression-Employees
Returning to Non-Skilled Classifications

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the Union expressed concern about the application of Section (114) Wage Progression to certain employees returning to non-skilled classifications.

This will confirm our understanding that a seniority employee who did not complete wage progression to the full base rate of the job classification pursuant to the provisions of Section (114) (a) and

i) entered into the apprenticeship program but returned to a non-skilled classification before completing said apprenticeship shall be given credit for non-skilled wage progression purposes for the weeks worked while in the apprenticeship program, or

ii) accepted and worked a temporary salaried bargaining unit job and returned to an hourly non-skilled classification shall be given credit for non-skilled wage progression purposes for the weeks worked as a temporary salaried bargaining unit employee, or

iii) beginning on or after September 29, 2003, commenced work pursuant to the Supplemental Agreement pertaining to skilled trades employees as a temporary employee in an apprenticeable or non-apprenticeable skilled trades classification but returned to a non-skilled classification shall be given credit for non-skilled wage progression purposes for the weeks worked as such a temporary employee.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

May 16, 1988

(2) Benefit Plans Representative

International Union, UAW *

Attention: Mr. Marc Stepp

Dear Sirs:

The International Union, UAW, may designate a Benefit Plans Representative for each Corporation plant. The maximum number of hours per week in which each Benefit Plans Representative will be allowed to perform his functions shall be determined on the basis of the number of employees in his plant in accordance with the following schedule:

<u>Plant</u> <u>Number of Employees</u>	<u>Hours Per Week</u>
600 or more	40
250-599	8
Less than 250	4

Adjustments shall be made twice each calendar year in the maximum number of hours each Benefit Plans Representative will be allowed to perform his functions. Adjustments shall be effective (1) the second pay period in May, based on the number of hourly employees on the active roll in the plant on the third Wednesday of the preceding month of April, and (2) the second pay period in November, based on the number of hourly employees on the active roll in the plant on the third Wednesday of the preceding month of October.

1. The Benefit Plans Representative shall be selected by the International Union, UAW, from among those hourly employees who have seniority under the National Production and Maintenance or Parts Depot Agreements and who at the time of selection are at work in the Corporation plant in which he is to function. The Benefit Plans Representative shall represent all employees at the plant represented by the Local Union from which he is designated with respect to the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan.

2. Benefit Plans Representatives shall carry out the duties of Union representatives specified in the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan. Other Union representatives in the plant in which a Benefit Plans Representative has been designated shall not

participate in benefit plan matters except insofar as any one of them has been designated to act as the second member of local committee pursuant to the Supplemental Unemployment Benefit Plan.

Duties of the Benefit Plans Representatives are:

(a) To function in place of the Chairman of the Plant Shop Committee for the purposes of Section (13) of the Pension Plan for the plant for which he functions.

(b) To function as a member of the Local committee provided in Article VI Section (2) (b) of the SUB plan.

(c) To discuss with designated representatives of plant management those questions regarding a Benefit Plan or Program.

3. The Benefit Plans Representative shall not participate in the grievance procedure and those matters with which such Benefit Plans Representative deals shall not be subject to the grievance procedure but shall be subject to the review procedure specified in the appropriate Plan or Program.

4. Benefit Plans Representative shall not function as provided herein unless and until the International Union (a) sends written notice to the Corporation of the name of the employee, his plant, department and social security number, and (b) until the Corporation advises the plant of the designation and the effective date thereof.

5. A Benefit Plans Representative shall cease to function as provided herein upon receipt of written notice from the International Union to the Corporation. Such notice shall include the same identification information specified in 4. above.

6. Benefit Plans Representatives shall be subject to the following:

(a) When a Benefit Plans Representative is permitted time away from his work less than 40 hours a week the designation of the time away from work shall continue to be made by mutual agreement between the Local Union and Plant Management.

(b) The Benefit Plans Representative shall report to his Foreman or Supervisor at the start of his shift and shall advise his Foreman or Supervisor when he wishes to leave his work to

handle a benefit plan matter and shall report to his Foreman or Supervisor when he has disposed of that matter.

(c) If it is necessary for the Benefit Plans Representative to speak to an employee about a benefit plan matter, he will make prior arrangements with the employee's Foreman or Supervisor to do so.

(d) The privilege of a Benefit Plans Representative to leave his work during regular working hours without loss of pay is subject to the conditions (i) that the time be devoted to the prompt handling of matters, which are proper pursuant to the terms of this letter, (ii) that the privilege not be abused and (iii) that the Benefit Plans Representative will do the work to which he is assigned at all times except when it is necessary to leave his work to handle benefit plan matters.

(e) The Benefit Plans Representative will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in his department and when so scheduled shall not perform his functions as a Benefit Plans Representative; provided, however, when more than 50% of the regular hourly work force in a plant of 600 or more hourly employees are scheduled to work during hours for which they are entitled to receive premium pay under either Section (86) or Section (87) of the National Production and Maintenance Agreement, the Benefit Plans Representative for that plant will also be scheduled to work and function as a Benefit Plans Representative during such hours.

(f) During a temporary adjustment or a temporary layoff in a plant of 600 or more employees the Benefit Plans Representative shall be permitted to perform the functions of the Representative's office when fifty percent (50%) or more of the people on his shift are working.

7. The Benefit Plans Representative shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production and Maintenance and Parts Depot Agreements.

The International Union may designate in writing to the Corporation from among seniority employees at work on the first shift at a plant a permanent alternate to function when the Benefit Plans Representative is to be away from the plant for at least a full shift and plant management receives advance written notification of such absence or, if the expected absence is due to Union business, approval from the International Union.

The permanent alternate shall not be deemed to be included among Committeemen and Officers covered by Section (51) of the National Production and Maintenance and Parts Depot Agreement.

When replacing the Benefit Plans Representative, the permanent alternate shall be subject to all the provisions applicable to Benefit Plans Representative.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 27, 1999

(3) Employee Assistance
Program Representative

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

For each Corporation plant, including DaimlerChrysler Technology Center and Chelsea Proving Grounds, the Vice President and Director of the DaimlerChrysler Department of the International Union, UAW may appoint an Employee Assistance Program (EAP) Representative from among those employees who have seniority under the National Production and Maintenance, Office & Clerical, Engineering or Parts Depot Agreements and who at the time of the appointment are at work in the Corporation plant in which he is to function. The Vice President and Director of the Union's DaimlerChrysler Department will advise Corporate Union Relations in writing of the names of the appointees and the plant to which each is assigned. No EAP Representative shall function as such until the Corporation is so advised. The EAP Representative shall serve an indefinite term and shall be replaced only with the concurrence of the Joint Activities Board.

The maximum number of hours per week in which the EAP Representative of each plant will be allowed to perform his functions shall be determined on the basis of the number of UAW-represented employees in his plant in accordance with the following schedule:

<u>Number of Employees</u>	<u>Hours off Job Per Week</u>
600 or More	40
250 to 599	8
Less than 250	4

The Joint Activities Board will review the allocations of hours as set forth in the table above six (6) months from the effective date of the National Production and Maintenance Agreement and will make whatever adjustment in hours that is necessary.

1. The duties of the EAP Representative, working with a designated management representative, are to:

-- assist in the identification, education, referral and follow-up of employees with problems which adversely affect job performance and/or attendance relating to alcohol and drug dependencies, emotional disorders, personal, or family problems while assuring requisite confidentiality standards are observed;

-- maintain confidential records as defined by the National Training Center, and submit completed monthly reports within two weeks following the end of the month.

-- act as liaison with appropriate members of line supervision, labor relations, plant medical, other union representatives, and with the mental health/substance abuse managed care program;

-- assist in evaluating the effectiveness of various programs, plans and services;

-- participate in and conduct, as requested by the National Training Center, formal employee assistance, Critical Incident Response Procedure (CIRP), Workplace Violence Prevention training/ instruction programs and review and make recommendations to the management representative concerning program content;

-- assist in coordinating and implementing various local program applications and related services available under the Employee Assistance Program, including facilitation of Critical Incident Response Procedure, and membership on the Workplace Violence Prevention Local Response Team.

-- comply with all requirements as outlined in the UAW-DaimlerChrysler Employee Assistance Program Standards.

2. The UAW/DaimlerChrysler National Training Center will provide training or instruction deemed necessary to qualify the EAP Representative to satisfactorily perform their duties relating to the Employee Assistance Program.

3. EAP Representatives shall be subject to the following:

(a) It is understood that the EAP Representative for each plant who does not qualify under the schedule herein to perform his functions forty (40) hours per week, has a regular job to perform and that he will advise his Supervisor on each occasion when it is necessary for him to leave his regular job in order to function as an EAP Representative.

(b) It is understood that the EAP Representative will be paid only for such time spent in performing his functions as occurs during the time when he is otherwise scheduled to work.

(c) When the EAP Representative is permitted less than forty (40) hours a week away from work, the designation of such time shall be made by mutual agreement between the Labor Relations Supervisor or his designated representative and the EAP Representative.

(d) The EAP Representative will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in his department and when so scheduled shall not perform his function as an EAP Representative.

(e) The privilege of the EAP Representative to perform his duties during regular working hours without loss of pay is subject to the conditions (i) that hours off the regular job are to be preplanned and mutually agreed upon with the Labor Relations Supervisor or his designated representative, (ii) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of the Employee Assistance Program and the privilege shall not be abused, (iii) that if it is necessary for an EAP Representative to speak to an employee, prior arrangements will be made with the employee's Supervisor to do

so, and (iv) that the EAP Representative will do the work to which he is assigned at all times except when it is necessary to leave his work to handle his duties as the EAP Representative.

(f) The EAP Representative shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production and Maintenance Agreement or the appropriate applicable section of the Office & Clerical, Engineering or Parts Depot Agreement. By mutual agreement with the Labor Relations Supervisor or his/her designated representative, the EAP Representative may adjust his starting time to be available to perform his/her duties on the second or third shift, in which case Sections (86) and (87) or the appropriate applicable Section of the Office & Clerical, Engineering or Parts Depot Agreement shall not be applicable to him.

(g) Each plant will make available to the EAP Representative an office and related equipment which allows for the conduct of confidential matters relating to the Program.

The parties agree to require all EAP Representatives to participate in appropriate Training and Skill Development activities leading to certification.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 28, 1985

(4) Seniority of Financial Secretary,
Recording Secretary and Treasurer

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During these negotiations the Corporation proposed amendments to Section (51) of the Production and Maintenance Agreement and comparable sections of the Parts Depot, Office and Clerical and Engineering Agreements as they apply to Financial Secretaries, Recording Secretaries, and Treasurers. The Union declined on the ground the National Labor Relations Board (NLRB) has not sufficiently clarified its position on superseniority regarding Financial Secretaries, Recording Secretaries, and Treasurers. Recognizing the legitimacy of the Corporation's concern, however, the Union agrees as follows:

(1) If and when the NLRB clarifies its position on superseniority regarding Financial Secretaries, Recording Secretaries, and Treasurers, the parties will review Section (51) and comparable sections of the other Agreements in the light of the NLRB's action and make any amendment(s) they agree are appropriate, pursuant to Section (115)(b)(ii) of the Production and Maintenance Agreement and comparable sections of the other Agreements.

(2) If a complaint is issued by the NLRB challenging the exercise of superseniority by a Financial Secretary, Recording Secretary, and Treasurer the superseniority provisions will be deemed suspended pending the NLRB's final decision in order to toll possible back pay.

(3) Any final NLRB back pay order against the Union and the Corporation or against the Corporation alone will be shared equally.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(5) Grievance Procedure

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Both parties to the Production and Maintenance Agreement signed today acknowledge the desirability of ensuring prompt and fair resolution of employee grievances. The parties also acknowledge the importance of the requirements set forth in Sections (40) Notice of Suspension, Disciplinary Layoff or Discharge and (41) Union Representation. The attached flow chart illustrates the proper sequence of procedural steps to be used in processing employee grievances.

The Corporation assures the Union that it is interested in seeing that all grievances receive prompt and objective consideration on their merits. The Union assures the Corporation that it will make a sincere and determined effort to keep the procedure free of unmeritorious grievances.

Also, during our recent contract negotiations the Corporation pointed out that Special Conferences, as provided for in Section (21), are in some instances being used to circumvent the Grievance Procedure. Such action hinders the expeditious handling of grievances. The parties agree Section (21) was not intended to provide the means for circumvention and abuse of the Grievance Procedure and will put forth their best efforts to eliminate any such abuse.

To further assist in expediting the handling of a grievance, it is understood if a grievance has not been resolved in Step 2 or Step 3 of the grievance procedure within forty-five (45) days after its appeal from the previous Step, unless held over by mutual agreement between the parties for further discussion, the representative of Management at that Step may answer the grievance in writing without a meeting.

The parties also discussed problems created as a result of the submission of written grievances containing insufficient information. It is agreed that each grievance submitted in writing shall set forth in reasonable detail the date and nature of the grievance, identity of the employee or employees involved by name, seniority date, classification or location, insofar as diligent

effort will allow, and the provisions of the applicable agreement, if any, that the Union claims the Corporation has violated. Management's answers will set forth facts taken into account in answering the grievance.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

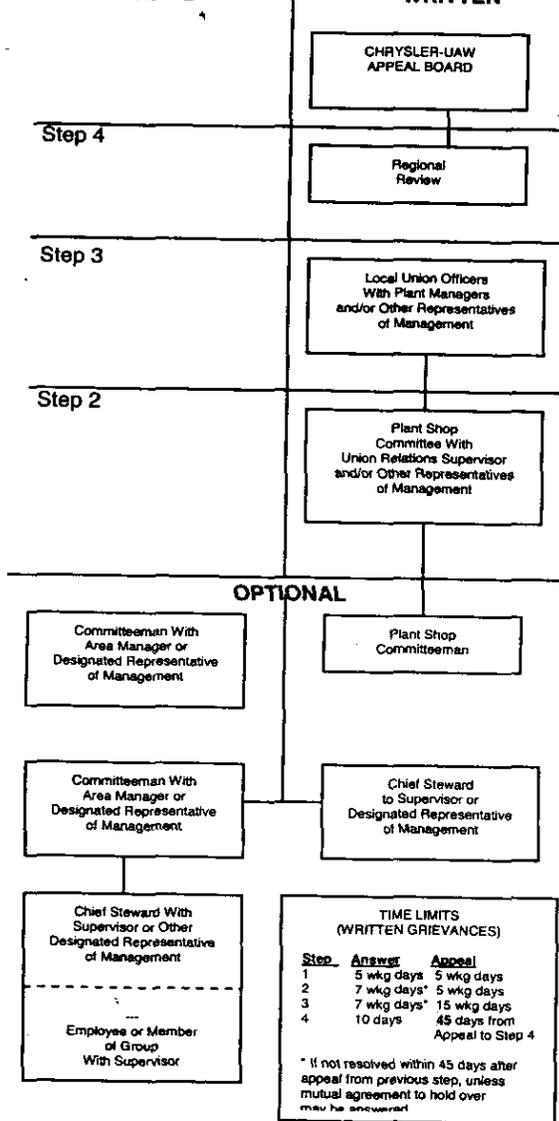
Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

GRIEVANCE PROCEDURE FLOW CHART

VERBAL

WRITTEN



November 19, 1990

(6) Special Arbitration Program

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the negotiations of the Production and Maintenance Agreement and Parts Depot Agreement dated today, the parties agreed to extend the application of the Special Arbitration Program to each of the Corporation plants covered by this Agreement.

The agreement to extend the Special Arbitration Program is based on the understanding of the parties that the program is designed to provide an expeditious way of submitting to arbitration a limited number of certain discharge and discipline grievances and other arbitrable grievances that involve only credibility issues. The parties agree that grievances which involve any contract interpretation or involve discipline for violation of Section (5) of the Production and Maintenance Agreement or Parts Depot Agreement shall not be subject to the Special Arbitration Program. Further, only grievances filed in writing not more than forty-five (45) calendar days prior to the third step answer, as provided in Section (26) of the Production and Maintenance Agreement or Parts Depot Agreement, will be subject to the Special Arbitration Program, except as provided in Appendix A.

The standards and guidelines for the Special Arbitration Program are attached hereto as Appendix A.

Very truly yours,
CHRYSLER CORPORATION
 By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
 By Stan Marshall

APPENDIX A

Arbitrators

Arbitrators shall be designated by agreement between the Corporation and the International Union, UAW. The expenses and fees of the arbitrator shall be borne equally by the International Union and the Corporation. Fee schedules and cancellation charges shall be established by the National parties.

Guidelines

When a grievance is to be submitted to the procedure, the following guidelines will apply:

(a) Within two days of receipt of the answer to Step 3 as provided in Section (26) of the National Agreement, the Local Union and the Plant Management must agree, in writing, to submit the grievance to the special arbitration procedure.

(b) The Local Union will notify the Chrysler Department of the International Union and the Plant Management will notify the Corporate Union Relations Staff of its intention to submit the grievance to special arbitration. Within five days of the receipt of the request, the Corporate Union Relations Staff and the Chrysler Department of the International Union will notify the Plant Management and Local Union if the grievance may be submitted to special arbitration. Notwithstanding the forty-five (45) day time limit specified in the letter to which this Appendix is attached, the Corporate Union Relations Staff and the Chrysler Department of the International Union may also agree in proper cases to submit to special arbitration a qualified grievance that is at the Regional Review or Appeal Board Step of the Grievance Procedure. If within two days of such agreement between the Corporation and the International Union, the Local Union does not agree, in writing, to submit the grievance to the special arbitration procedure, the grievance shall be withdrawn either without prejudice or without precedent at the Regional Review or Appeal Board Step of the Grievance Procedure, whichever is appropriate, on terms consistent with present practice.

(c) As soon as a grievance is approved for submission to special arbitration, the parties will arrange to notify the appropriate arbitrator. The arbitrator will arrange a time and date for the hearing to be held at the plant within ten days of his designation.

Conduct of Hearing

The hearing will be conducted in accordance with the following guidelines:

(a) The hearing will be informal.

(b) No briefs will be filed or transcripts made.

(c) There will be no formal rules of evidence.

(d) The case of each party will be presented by representatives previously designated by the Local Union and Plant Management. The UAW Regional Representative and the Group Human Resources Representative may participate.

(e) In the interest of narrowing the issues in dispute and to preclude the introduction of new evidence or information not previously brought to the attention of either party the parties shall (i) meet at least twenty-four (24) hours prior to the scheduled hearing to exchange the names of witnesses to be called, citations to be used in connection with the hearing and review the respective positions of the parties, and (ii) jointly prepare and present to the arbitrator at the beginning of the hearing a stipulation of those facts which are not in dispute.

(f) The arbitrator will assure that all necessary witnesses and pertinent facts and evidence are presented to him by the representatives of the parties. In all respects, he shall assure a fair and complete hearing.

(g) If the arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration, the case shall be referred to the Appeal Board and it shall be processed as though appealed on such date in accordance with the regular procedure.

Format of the Hearing

(a) Introductory remarks by the Corporation and Union setting forth their respective positions.

(b) Presentation of testimony by witnesses, through direct and cross examination.

(c) Questions or call of witnesses by the arbitrator.

(d) Short summation by the parties.

The Decision

The arbitrator may issue a summary decision at the hearing. However, in each case he shall issue his decision in writing within seventy-two (72) hours after conclusion of the hearing. His decision shall be based on the record developed and presented by the parties at the hearing and shall include a brief explanation of the basis for his conclusion. The decision shall not form a precedent for any future cases. The decision shall be final and binding upon both parties and shall not be subject to appeal under Section (36) of the Production and Maintenance Agreement dated November 19, 1990.

Authority

The arbitrator shall have the authority that Section (29)(c) of the Production and Maintenance Agreement grants the Appeal Board.

October 28, 1985

(7) Reinstated Grievances

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During negotiations of the National Production and Maintenance, Office and Clerical, Engineering and Parts Depot Agreements, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its (i) Executive Board, (ii) Public Review Board, or (iii) Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union representative involved, the UAW Chrysler Department may

inform the Corporate Labor Relations Staff in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Corporation will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either (i) are already barred under the provisions of the aforementioned National Agreements at the time of reinstatement of the grievance or (ii) that relate to the period between the time of the original disposition and the time of reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Corporation in the grievance procedure, or in any court or before any Federal, provincial, state, or municipal agency.

Notwithstanding the foregoing, a decision of the Impartial Chairman of the Appeal Board or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved and the Corporation and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the aforementioned National Agreements, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any Appeal Board decisions or other grievance resolutions.

It is understood this letter agreement and the Corporation's obligation to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(8) Grievance - Disciplinary Action

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

In response to your demand made during the current negotiations, we have agreed that during discussions as early as Step 2 of the grievance procedure of grievances over discipline, discharge and other terminations from employment, each party will present a statement of position reciting facts then known on which it relies, and a copy of a document or statement on which the party relies to support its position.

In the case of a document covering, or statement by, an employee who is not the grievant, the party relying on it may excise, block out, or otherwise remove, information on it that is not relevant or that would disclose the identity of the person who made the statement or concerning whom the document refers.

In cases where a prior disciplinary record is involved, the Corporation may present a written summary of the grievant's disciplinary record.

The statement of position and other statements and documents that a party has provided the other shall become part of the grievance file and may be referred to in subsequent steps of the grievance procedure, including the Appeal Board.

The failure or refusal of the Union to present a full oral explanation of its position shall relieve the Corporation from presenting any statement or document on which it relies. The failure or refusal of a party to make available to the other a copy of a document or statement which it has in its possession and on which the party relies shall preclude the party from using it before the Appeal Board.

The Corporation expressed its concern that its providing to Local Union representatives involved in processing grievances copies of employee statements and corporate documents relating to employees may lead to abuses unless the statements and documents (i) are used solely in connection with the proper processing of a grievance, (ii) are otherwise kept confidential, and (iii) are not in any way used by any member of the

bargaining unit to attempt to harass or intimidate an employee giving a statement or providing a document. The Union assured the Corporation that it will instruct its Local and International Representatives of these restrictions on the use of such material and the need to maintain confidentiality. The Union further represents that if a copy of a statement or document provided it in accordance with this Letter Agreement is used by its representatives or those under their control for any purpose other than the proper processing of a grievance or is publicized outside of the grievance procedure, the Corporation would be relieved of any obligation under this Letter Agreement at the plant where the abuse occurred.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(9) Time Limit On Claims

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

In the past there have been limited situations in which the Corporation and the International Union have mutually agreed that, notwithstanding the provisions of Section (31) Time Limit on Claims, equity and fairness dictated that the time limits be waived regarding (a) claims by an employee or by the Union, including claims for back wages, and (b) deductions from an employee's wages to recover overpayments.

This letter will confirm that in such instances of mutual agreement between the Corporate Labor Relations Department and the Chrysler Department of the International Union, the limitations set forth in Section (31) may continue to be waived in order to provide equitable and fair resolution of such matters.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(10) Payments to or Recovery of
Overpayments may be Settled
without Grievance

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the negotiations (of the 1985 National Production and Maintenance Agreement - Representation and Grievance Procedure Subcommittee), the Union requested the parties extend Letter (9) Time Limit On Claims to the local level, citing a question of Payment In Lieu Of Vacation for a number of former Mack Avenue employees presently receiving Workers Compensation payments.

While Letter (9) is silent as to the mechanics for dealing with these or other matters, the practice has been for the Corporate Labor Relations Department and the Chrysler Department of the International Union to deal only with grievances that have been appealed to the Appeal Board. The Union's position was that this practice, in cases like those cited, creates an unnecessary delay in payments to employees when both the Corporation and the Union clearly agree that these payments would be proper.

As a result, the Corporation and the Union did agree that cases where the Corporate Labor Relations Department and the Chrysler Department of the International Union clearly agree that payments to or deductions from an employee's wages to recover overpayments would be proper that the local parties would be given the authority to settle the matter without a grievance having to be appealed to the Appeal Board. In cases where the Corporate Labor Relations Department and the Chrysler

20

Department of the International Union do not clearly agree that payments to or deductions from an employee's wages to recover overpayments would be proper, the present practice of requiring grievances to be appealed to the Appeal Board shall be continued by the parties.

Very truly yours,
CHRYSLER CORPORATION
By John M. Penberthy

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Joan Patterson

September 29, 2003

(11) National Attendance
Council Understandings

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Pursuant to the Memorandum of Understanding -- Absenteeism, the National Attendance Council reached mutually satisfactory agreements during the term of the 1996 National Production and Maintenance Agreement resolving issues which emerged in the course of the implementation and on-going administration of the Absenteeism Procedure provided for in MOU-8, Absenteeism. Moreover, additional mutually satisfactory agreements were reached during the term of the 1999 National Production, Maintenance and Parts Agreement that similarly resolved issues. Those agreements (set forth below) shall continue during the term of the 2003 National Production, Maintenance and Parts Agreement unless terminated or modified by the National Attendance Council:

i) Doctor's Excuse Policy -- The Understanding between the parties dated April 24, 1998 and distributed to all P&M and Parts locations:

SUBSTANTIATION OF ILLNESS-RELATED ABSENCES --
Employees absent due to medical reasons are not required to provide a diagnosis if they were seen and treated by a physician

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on the first day of an absence. Employees absent due to medical reasons, who are not treated and seen by a physician on the first day of absence, may be required to provide a diagnosis.

This agreement will be communicated with Corporation HR staffs by the following:

"In order to receive excused absence reason coding,

An employee absent for medical reasons for one (1) day is no longer required to submit a diagnosis on the doctor's letter substantiating the absence if treated by a physician. All other information as noted in the Corporation's policy regarding medical substantiation remains required.

An employee absent for medical reasons for two (2) to four (4) days must treat no later than the second day of absence. If treated on the first day of absence, no diagnosis is required. If treated on the second day, the employee must provide a diagnosis (if requested), and the substantiation must cover the employee's first day of absence. All other information as noted in the Corporation's policy regarding medical substantiation remains required.

Note: The Americans with Disabilities Act of 1990 (ADA) requires that information obtained regarding the medical condition of an employee/bargaining unit member be treated as a confidential medical record. Consequently, a bargaining unit member's medical condition must be accorded the highest level of privacy possible. It should only be discussed on a need to know basis.

Diagnoses remain required for leaves of five (5) or more days. In addition, a diagnosis would continue to be required if employee seeks FMLA (FML1, FML2, and FML3) or Workers' Comp (WRKC) coding, or if the employee seeks a PQX restriction."

ii) Dental Benefits While on an Absenteeism-Related DLO -- The following Understanding dated April 24, 1998 and distributed to all P&M and Parts locations (with an effective date of June 1, 1998):

DENTAL BENEFITS AFFECTED BY DLO -- Benefit provisions as contained in Exhibit B of the National Production and Maintenance Agreement will be modified so that dental benefits cease at the end of the month following the month the

temporary separation (Code 50, ~~Action Reason: DIS~~ and 5Z, ~~Action Reason: UAP~~) begins, consistent with other medical-surgical benefits.

iii) Plant Shutdowns -- At locations which announce and take a vacation shutdown period, and where vacation leave of absence entitlements are reduced by the terms of the appropriate national or local agreement(s), such time will be considered active, on-roll time for the purposes of calculating both the "rolling" nine (9) month and "locked" twelve (12) month periods of active, on-roll employment referred to in the MOU-Absenteeism.

iv) Definition of One (1) Week -- For the purposes of calculating the "rolling" nine (9) month and "locked" twelve (12) month periods of active, on-roll employment, a layoff period of one (1) week means seven (7) consecutive calendar days.

v) Holidays -- Days designated as holidays pursuant to Section (95) of the National P&M Agreement shall be considered to be active, on-roll days of employment.

vi) Timeliness of Discipline After S&A Application Period -
- Where the assessment of discipline hinges on whether an employee has or will be applying for Sickness and Accident benefits, Management will determine no later than the end of the S&A application period whether the discipline shall be served. The discipline shall not be considered untimely in any context, notwithstanding any local agreement provisions to the contrary.

~~vii) An employee who is on an approved and scheduled full week of vacation and is subsequently called in to work by Management, as a result of an emergency situation shall not be penalized for doing so in the attendance procedure.~~

The Corporation will periodically advise the Union of the progress of such computer programming efforts to implement the above understandings, where such efforts are required.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

January 20, 1971

(12) Discipline On Standards

Gabriel N. Alexander, Esquire
21910 Greenfield
Oak Park, MI 48237

Dear Mr. Alexander:

In Appeal Board Case No. 1664 the Impartial Chairman said that "the mere presence of proof of failure to meet a rate of production requires the Chairman to approve the propriety of discipline unless, by some means other than a showing of non-compliance with Sections (46)-(48) (now Section (44)) it is established that the fault did not lie with the employee." Nevertheless, the undersigned agree that the provisions of Section (44)(c) of the National Production and Maintenance Agreement dated November 2, 1961, give the Appeal Board power and authority to determine the propriety of the penalty imposed by management in disciplinary discharges and layoffs for violation of Section (59), Work Standards, of said Agreement, and that the mere presence of proof of an employee's failure to meet a disputed work standard does not require the Appeal Board or the Chairman to approve the propriety of the discipline assessed to an employee.

The disposition of any such case shall be on the merits but shall not involve the propriety of any disputed work standard or work load assignment performed by the grievant or grievants.

In any such determination, the Appeal Board will take into consideration any relevant facts occurring prior and subsequent to the time the penalty in question was imposed.

This letter shall not be construed to limit or otherwise impair any right Section (2) reserves to the Corporation, including the right to establish and maintain work standards or rates of production and to discipline employees.

Very truly yours,
CHRYSLER CORPORATION
By Gervid Atkinson

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Douglas A. Fraser

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October 28, 1985

(13) Application of Section (40)

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This is to confirm our understanding concerning the application of Section (40) Notice of Suspension, Disciplinary Layoff or Discharge of the 1979 National Production and Maintenance Agreement as it relates to employees who are terminated for inability to perform assigned work.

When an employee, including a probationary employee who has worked for more than thirty (30) days, is terminated for inability to perform assigned work, plant management will provide written notice pursuant to Section (40).

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

February 9, 1968

(14) Relief Time - Cont. Oprs - Auto Mfg.

International Union, UAW

Attention: Mr. Douglas A. Fraser

Dear Sirs:

On those operations for which special relief was provided under the Relief Letter (No. 12) dated September 22, 1964, the Corporation will increase the relief allowance to twenty-three (23) minutes after lunch on a regular eight (8) hour shift, making a total of forty-six (46) minutes. The amount of such relief shall be modified accordingly for a shift other than a regular eight (8) hour shift. The plant management may, by mutual agreement with the Local Union, allocate the relief before and after lunch to not more than two (2) periods before lunch and two (2) periods after lunch.

Such relief time shall not be provided during the first forty-five (45) minutes of the shift or the first forty-five (45) minutes after the lunch period or during such other periods, not

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exceeding in the aggregate ninety (90) minutes per shift, as may be mutually satisfactory in the local plants. Where the lunch period is not in the middle of the shift, the relief allowance and the compression time shall be proportionately divided before and after the lunch period.

The additional relief provided herein shall become effective on March 4, 1968, if arrangements to implement such relief can be completed by that date. In any event, such relief shall be implemented no later than March 11, 1968.

Yours very truly,
CHRYSLER CORPORATION
By /s/W. F. Bavinger, Jr.

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Douglas A. Fraser

February 22, 1968

(15) Relief Time - Stamping Plants

International Union, UAW

Attention: Mr. Arthur Hughes

Dear Sir:

1. The relief time in the Twinsburg and Sterling Stamping Plants on operations on which the employees' manual operations are continuous and which cannot be left unattended shall be increased to thirty-six (36) minutes on a regular eight (8) hour shift, eighteen (18) minutes of which will be provided before lunch and eighteen (18) minutes after lunch. The plant management and the Local Union may mutually agree to allocate the eighteen (18) minutes before and after lunch to not more than two periods. The relief to eligible employees may be provided by relief operators, by shutting down the operation, or by other means to be determined by management.

2. The relief time in the Mack, Outer Drive, and Eight Mile Stamping Plants on operations on which the employees manual operations are continuous and which cannot be left unattended shall be increased to thirty-six (36) minutes on a

regular eight (8) hour shift. The thirty-six (36) minutes of relief to eligible employees engaged on such assembly operations may be provided by relief operators, by shutting down the operation, or other means to be determined by management, eighteen (18) minutes of which will be provided before and eighteen (18) minutes after lunch. The plant management and the Local Union may mutually agree to allocate the eighteen (18) minutes before and after lunch to not more than two periods. Twelve (12) of the thirty-six (36) minutes of relief to eligible employees engaged on such press operations may be provided by relief operators, by shutting down the operation, by increasing, on a pro rata basis, the present hourly relief by twelve (12) minutes on a regular eight (8) hour shift, or other means to be determined by management. The plant management and the Local Union may mutually agree that the relief time to eligible employees engaged on such press operations in excess of the twelve (12) minutes, but not exceeding thirty-six (36) minutes, be provided by relief operators, by shutting down the operation, or by other means.

3. The existing arrangements with respect to the amount of and the manner in which relief is granted employees at the Warren Stamping Plant shall continue in effect.

4. Relief for employees eligible to receive thirty-six (36) minutes of relief, as provided herein, except in emergencies, shall not be provided during the first forty-five (45) minutes of the shift or the first forty-five (45) minutes after the lunch period or during such other periods, not exceeding in the aggregate ninety (90) minutes per shift, as may be mutually satisfactory in the local plants. Where the lunch period is not in the middle of the shift, the relief allowance and the compression time shall be proportionately divided before and after the lunch period.

5. The Manager of Labor Relations of the Corporation will inform the Director of the Chrysler Department of the International Union of the operations to which the special relief provided herein will be applied, and such relief allowance provided herein shall become effective at the beginning of a pay period no later than April 1, 1968. The Chrysler Department will have forty-five (45) days thereafter in which it may dispute the Company's determination as to which the special relief will apply. Such differences will be made known by the Director of the Chrysler Department of the International Union to the Corporate Manager of Labor Relations, and the matter will be resolved between them.

Very truly yours,
CHRYSLER CORPORATION
By /s/ G. Atkinson

Accepted and Approved:

INTERNATIONAL UNION, UAW
By A. Hughes

October 18, 1993

(16) Furnishing Elemental Breakdown With
Supporting Data

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During current negotiations, the parties discussed the Union's charges that there were occasions when the elemental data requested by the Chief Steward pursuant to Section (44)(d)1. was not furnished to the Union in a timely manner and even when the information was furnished, a copy was not provided.

Accordingly, when a job is in dispute, upon request, the Corporation will provide the elemental breakdown with supporting data pursuant to Section (44)(d)1. The Corporation and the Union have reaffirmed their mutual determination to adhere to the spirit and intent of Section (44)(d)1. and acknowledged that an expeditious settlement of a dispute is more likely to be reached when there is prompt and full exchange of pertinent information without undue delay.

The parties agree there will be occasions when, due to production changes, volume of requests for elemental data, etc., the information requested by the Chief Steward cannot be furnished as promptly as under normal circumstances.

The Union is advised that an elemental breakdown with supporting data relative to a new time study will be furnished as soon as reasonably possible under circumstances existing at the time the request is made.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 28, 1985

(17) Notice of Overtime

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

It is the policy of the Corporation, when overtime work for Saturday and Sunday is scheduled in advance, to endeavor (i) to give notice on Thursday of overtime work on Saturday and (ii) to give notice on Friday of overtime work on Sunday. When the need for overtime is not anticipated or known and therefore is not so scheduled, notice will be given as far in advance as circumstances in each case permit. Failure to give such notice will not relieve an employee of the obligation to work overtime.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

October 28, 1985

(18) Preferential Hiring

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

When hiring new production and maintenance employees in a plant covered by the National P&M Agreement, the Corporation will give preference to former employees of the plant

who have lost their seniority by reason of layoff and who make application for employment, provided their former employment records are determined to have been satisfactory, and then to former employees of other plants in the same labor market area who have lost their seniority by reason of layoff and who make application and their former records are determined to have been satisfactory.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 18, 1993

(19) Vacation Replacement Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Pursuant to Section (79) of the National Production and Maintenance Agreement, the Corporation hires vacation replacement employees to replace seniority employees who take vacation leaves of absence beginning May 1 of each year and ending no later than the first Saturday following the Labor Day Holiday or during such other prime periods that have been mutually agreed upon when seniority employees schedule vacation leaves of absence. In that regard, the Union is assured that when hiring vacation replacement employees, it is not the Corporation's intent to hire more employees than are needed to replace the seniority employees expected to be on vacation from that plant during the succeeding weeks. However, both parties acknowledged that the number of seniority employees on vacation leaves of absence at a plant fluctuates from day to day and week to week and hence the number of vacation replacement employees at work may not coincide with the number of seniority employees on vacation at the plant.

The Union was also assured that vacation replacement employees will not be retained in that status solely for the

purpose of circumventing the ninety (90) day probationary period as set forth in Section (45)(a) which is applicable to a permanent employee.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 18, 1993

(20) Americans with Disabilities
Act of 1990, Vocational Rehabilitation
Assistance Act of 1973 and the Vietnam Era
Veteran's Readjustment Act of 1972 and 1974

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

The Corporation has a continuing policy of providing equal employment opportunity in conformance with the Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 and will make reasonable accommodations in accordance with these laws. The Union also has long recognized the practical and moral value of these policies. Accordingly, it is agreed that, notwithstanding the provisions of Section (57) of the National Production and Maintenance and Parts Depot Agreements, and any Local Supplemental Agreement negotiated pursuant thereto:

1. An employee who is approved for work by the Medical Department but with physical restrictions which limit the nature and type of the regular work he can do will be placed, in accordance with his seniority, on a job in his department or division that he can perform consistent with his assigned physical restrictions.

2. If there is no such job in his department or division and there is a job he can perform in the plant, consistent with his

assigned physical restrictions, he will be placed on that job in accordance with his seniority.

3. The Plant Management and the Local Union shall take appropriate action to insure that Local Supplemental Agreements conform herewith.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 28, 1985

(21) Temporary Employees

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During negotiations the Union expressed concern over the manner in which the Corporation was using temporary employees.

The Corporation assured the Union a temporary employee will not be retained in that status for the purpose of circumventing the ninety (90) days probationary period provided in Section (45)(a) for a permanent employee, nor will a temporary employee be hired when it is expected that the job for which such employee would be hired will last more than one hundred twenty (120) days. In addition, a temporary employee will not be hired at a plant when there are laid off seniority employees from that plant or laid off seniority employees at other Corporation plants in the same labor market area, established under the Supplemental Unemployment Benefit Plan, Exhibit "D".

The Corporation will afford a temporary employee the opportunity to become a permanent employee during the first one hundred nineteen (119) days of employment provided the temporary employee expresses the wish to become a

permanent employee, there is a permanent job opening in the plant and plant management agrees to make the employee's status permanent. If the employee's status changes from temporary to permanent after ninety (90) days of employment, his name shall be added to the seniority list in accordance with Section (45)(a) of the Agreement. Upon request, the local management will provide to each Plant Shop Committeeman the names of the temporary employees working in his district.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

May 16, 1988

(22) Work Opportunity - Indiana

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Notwithstanding the applicability of Section (64) to Corporation plants in the same labor market area, in employing new people in Corporation plants in the State of Indiana covered by the Production and Maintenance Agreement between Chrysler Corporation and the International Union, UAW, dated May 16, 1988, the plant will give work opportunity pursuant to Section (64) to employees covered by the same Agreement who are at the time on indefinite layoff from other Corporation plants in that State, provided they make application for such work within forty-five (45) days of the date of the indefinite layoff. Employees placed pursuant to this letter in a plant located more than fifty (50) miles from the plant pursuant from which they were laid off shall be recalled to the latter plant before it hires new employees unless such a recall would adversely affect the continuous, efficient, and orderly operation of either of the plants involved. If an employee is recalled to the plant from which he was laid off, he may elect not to return, in which case his seniority in that plant shall be terminated. If he elects to return to

his former plant, his seniority in the plant in which he was working when recalled shall be terminated.

Employees who elect not to return when recalled shall retain any rights accrued for purposes of holiday pay, payment in lieu of vacation, pensions, insurance and the Supplemental Unemployment Benefit Plan. Seniority rights of employees who are laid off from the plant in which they were placed pursuant to the first sentence of this letter shall at the time of such layoff be governed by the provisions of Section (64)(b) of the Production and Maintenance Agreement dated May 16, 1988.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(23) Personal Information Security

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

During the 2003 National Negotiations, the Corporation reaffirmed its commitment to protect the personal privacy of employees by restricting the availability of their social security numbers to unauthorized persons.

Accordingly, the Corporation successfully implemented a DCId program that provides all employees with personal ID numbers to be used in lieu of social security numbers. The Corporation will continue to maintain the DCId system and ensure that employee social security numbers are used only when required.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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October 28, 1985

(24) Walk-In Hires

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the recently concluded negotiations, the Union expressed great concern regarding employees who have been indefinitely laid off for an extended period of time and who are unlikely to be given job placement opportunities under the work opportunity provisions of the Production and Maintenance Agreement within their own labor market area because of the number of employees on layoff.

The Corporation stated it shared the Union's concern and advised the Union that during the term of the Agreement, it intends to continue the current practice of extending the work opportunity provisions of the Agreement to such employees who are hired at a plant outside their labor market area.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 14, 1996

(25) Section 61(d)

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations the Union claimed some plants utilized forty-five (45) days to displace lesser seniority employee pursuant to Section 61(d) of the 1993 P&M Agreement even when such displacements could have occurred sooner without adversely impacting operations.

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The Corporation pointed out there were instances where the excessive number of employees to be placed, the number of displacements in a particular department, the need to train employees, or anticipated layoffs or recalls, required the Corporation to utilize up to 45 days.

The parties agreed that displacements under Section 61(d) shall occur within thirty (30) days of an employee's layoff. The Union agreed, however, that where there are substantial numbers of employees to be placed pursuant to Section 61(d) or a large number of displacements will occur in a department or where training is required, the Corporation and International Union may agree to extend the time provided by up to two (2) weeks so that displacements can be made on a programmed basis to safeguard product quality and the efficiency of operations.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 28, 1985

(26) Inverse Seniority

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Notwithstanding the provisions of Section (60), Layoff Procedure - Temporary Layoffs, which set forth the implementation of the principle of inverse seniority during temporary layoffs for employees on each shift, we are agreeable that, prior to each temporary layoff affecting 50% or more of employees in each department, the Superintendent and Committeeman may agree to combine the existing shifts for the purpose of applying the inverse seniority concept. The parties recognize the number of employees which can be interchanged between shifts will vary between departments depending upon

the nature of operations, the skills and experience required, etc. Any such agreement must result in maintaining an experienced, qualified workforce capable of assuring the uninterrupted and efficient operation of the plant. If combining shifts prevents the 24 hour notice of layoff required by Section (59), such requirement is waived.

If the International Union believes that in a particular plant the agreements set forth above are being unfairly applied, they may take up any such requests which it believes meritorious with the Chrysler Labor Relations Staff.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(27) Notice - Temporary Layoffs

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

The Corporation agrees to notify the International Union when the duration of a temporary layoff at a given plant location will exceed thirty (30) working days.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

November 19, 1990

(28) Closed Plant Replacements

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

In discussions leading to the Production and Maintenance Agreement, the Union, while acknowledging that thousands of laid-off employees have been properly placed pursuant to the Memorandum of Understanding on Plant Closings nevertheless claimed that some plants have failed to fill attritional openings in accordance with the aforementioned Memorandum.

It was agreed, therefore, that when the International Union claims a plant is failing to properly implement the provisions of the Memorandum, the Union may make such claim to the Union Relations Department. The Union Relations Department will arrange for a joint investigation of the charge which may include a joint review of the pertinent employment records of the plant where the violation was alleged to have occurred.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 18, 1993

(29) Closed Plant Employees - PQX

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During negotiations leading to the Production and Maintenance Agreement, the parties held extensive discussions

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about a closed plant employee who is not placed at a plant to which he has been referred because of a medical restriction.

In this connection, the Corporation is willing, pursuant to Corporate Employment, Placement and Development Bulletin No. 82-4 dated July 7, 1982, to waive a medical examination for an employee who has been laid off from a closed plant for less than one year, provided the employee did not experience an illness or injury during that layoff period.

In addition, the Corporation agreed that in the case of an employee whose medical record from the closed plant shows a medical restriction and in the case of an employee subject to a medical examination, the Employment Department of the receiving plant will advise such an employee of the nature of any medical restriction which prevents the employee's hire at that plant. Furthermore, the employee will be advised that the Corporate Employment Department will review the employee's case and will make reasonable effort to place the employee at the receiving plant or at some other plant where there is an attritional opening, consistent with the employee's medical restriction.

In an appropriate case involving a medical restriction, the International Union may present conflicting medical evidence from an affected employee's physician and request a medical evaluation by the Corporate Medical Department. The findings of the Corporate Medical Department shall be final and binding. It is not intended, under ordinary circumstances, that employees with long-established medical restrictions will be so re-evaluated.

Notwithstanding the above, the Corporation recognizes and will comply with the American With Disabilities Act of 1990.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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October 28, 1985

(30) Closed Plant Attritional Openings

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Hereafter, upon the reinstatement of a discharged employee, the number of attritional openings in a plant's "bank" will be reduced by one.

The Corporation shall not incur any liability for claimed violations or errors in administration of this letter.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

~~September 29, 2003~~

(31) Section 66(c)

International Union, UAW

Attention: ~~Mr. Nate Gooden~~

Dear Sirs:

During these negotiations the parties discussed at length the problem concerning the inability of long service employees to transfer between departments when employees on indefinite layoff had recall rights to those departments pursuant to Section 61(e).

It was agreed an employee with 10 or more years of seniority may transfer, notwithstanding Section 61(e), to a department that has employees on indefinite layoff.

Accordingly, an employee with 10 or more years of seniority who desires to transfer to another department may make application as provided under Section 66(c) of this Agreement. When hiring, transferring or recalling to fill a permanent opening in a department, the Plant Employment Office will review and consider the applications of such long service employees subject to the conditions set forth in Section 66(c) and Letter (32) of the National Production and Maintenance Agreement.

Very truly yours,
CHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(32) Transfers - Critical Times

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During the negotiations concluded today, the parties held extensive discussions regarding the Corporation's contention that employee transfers under Section 66(c) would adversely affect product quality and the efficiency of plant operations during certain periods, such as model launch, line speed change, model mix, major production increases and the addition or elimination of a shift, when it is usually impractical to effectuate such transfers.

In view of the seriousness of the problems discussed, the parties agreed that employee transfers under Section 66 (c) may be suspended during the aforementioned periods. However, it is understood that Plant Management will allow employees who are denied transfers during such periods to later displace probationary employees hired in a department before such employees gain seniority provided the efficiency and product quality of the involved departments are not adversely affected.

In any event, it is understood the release of employees from any department shall be subject to the condition that the necessary skills required in that department are fully protected and maintained at all times.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 28, 1985

(33) Work by Supervisors

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

It is the express policy of the Corporation that supervisory personnel are for the purpose of carrying out supervisory functions and are not expected to displace employees covered by the Production and Maintenance Agreement and Parts Depot Agreement between our Corporation and the International Union, UAW, dated October 28, 1985.

However, both parties recognize that occasions will arise which require that supervisory personnel perform certain work in the interest of orderly and efficient operation. In the past there has been considerable misunderstanding under what circumstances supervisory personnel may properly perform such work.

Generally, this work would include cases of emergency, the failure, inability or refusal of employees to do the particular work, unforeseen circumstances that call for prompt action to avoid damage to plant or equipment or for purposes of instruction or training.

In order to reduce to a minimum any misunderstandings in this regard in the future, all alleged departures from this policy shall be immediately taken up in the following manner:

1. With the foreman involved.
2. With the Superintendent, if not satisfactorily disposed of.
3. With the labor relations department, if necessary.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

December 10, 1982

(34) Utilization of Skilled Trades
Manpower and Facilities

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the negotiations leading to the Production and Maintenance Agreement today, the Union raised its serious concerns over outside contracting of skilled trades work and the use of outside contractors to perform maintenance and construction work. The Corporation raised its equally serious concern with certain restrictive work practices.

The Union expressed an interest in establishing procedures to assure maximum utilization of the Corporation's manpower, machinery and facilities.

The Corporation expressed an interest in correcting certain work assignment practices which limit the efficient performance of some skilled trades work in the Corporation's plants.

Therefore, in the interest of resolving these inseparable mutual concerns, the parties have discussed various aspects of the problem and reached the following understandings.

Maintenance and Construction

1. It is the policy of Chrysler Corporation to perform maintenance work with its own employees, provided it has the manpower, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

2. The Corporation hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business practice, as in the past.

3. The Corporation is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with the needs of the Corporation. Therefore, in making these determinations, the Corporation intends always to keep the interest of Chrysler personnel in mind.

4. In applying the provisions of Paragraph (11)(f) of the Supplemental Agreement-Special Provisions Pertaining to Skilled Trades Employees it is our intention that, except where time and circumstances prevent it, any "advance discussion" held in accordance with those provisions take place before any final decision has been made as to whether the work should be contracted out.

5. In those cases when the work to be performed is not started by the contractor within forty-five (45) days following the approximate starting date given to the Union pursuant to Section (11)(f), and the Union believes the circumstances in the plant have changed sufficiently to warrant review of the initial decision to let the contract, the Union, upon request, will be given an opportunity to comment on the changed circumstances. To the extent practicable, the Corporation will give weight to such comments.

It is important that the Corporation advise the Union of any or all of the factors mentioned in the above provisions which it will take into consideration in determining whether a particular contract should be let out or not. Information provided in the course of the "advance discussion" will include, where applicable, cost data, blue prints and time constraints so that the Union will be given a better opportunity to make its comments

and the Corporation will also be given an opportunity "to give weight to those comments in the light of all attendant circumstances."

Equipment Rental

The Corporation further stated that when the lack of equipment is the only factor upon which the decision turns to let work to an outside contractor, the Corporation will first give proper consideration to renting or leasing such needed equipment provided it is readily available at a cost which, when added to other factors, does not exceed the cost of having the work performed by an outside contractor.

Warranty and Service Agreements

On the matters of warranty and service agreements, the Corporation cannot agree to any limitation or restriction on its right to enter into such agreements. However, in making decisions as to the need and duration of such agreements, the Corporation will give proper consideration to the operating needs of the business, the efficiencies and economies involved and all other relevant considerations, including the effect of the decisions on its skilled trades maintenance employees. Upon expiration of a warranty agreement, management will consider assigning such repair work to the plant skilled trades employees. In cases where management is contemplating placement of a service contract, the written notice and discussion provisions usually applicable to Outside Contracting shall be utilized.

Tool and Die Contracting

You have discussed with us at great length the possible effect on our skilled tool and die and model employees of decisions of the Corporation to buy some of its tools, dies, and models, rather than make them.

As we have pointed out to you in current negotiations, there are many and varied factors that may influence any particular decision to make or buy. We do not believe it is feasible to list general criteria. However, the Union has stated in our discussions that it recognizes a number of them, such as the need, among other things, to contract work that requires specialized tools and equipment and special skills and the necessity of meeting production schedules, model changes and rearrangement deadlines.

In view of the foregoing, we have advised you that the Corporation cannot agree to any limitation or restriction on its

right and responsibility to decide whether to make tools, dies, and models, or to buy them. However, we wish to make clear to you that it is our policy, in making such decisions, to give proper consideration to the operating needs of the business, the efficiencies and economics involved and all other relevant considerations, including the effect of the decisions on work opportunities of tool, die and model employees.

Where the Corporation considers that work practices or provisions of local agreements in its Tool, Die and Model Departments may be having an adverse effect in the Corporation's ability to compete in this field effectively, it will discuss such matters on a timely basis with the Local Union and explore with it fully the possibilities of taking practical steps with respect to such matters to the end of improving the employment opportunities of such employees. The Skilled Trades Representative of the Corporation is also willing to meet from time to time with the Skilled Trades Representative of the International Union to discuss, and provide information relative to plans the Corporation is formulating and decisions it is contemplating concerning tool and die contracting on a corporate-wide basis. A representative of an affected plant is willing to meet from time to time with the Skilled Trades Committeeman at the plant to discuss, and provide information relative to plans the plant is formulating and decisions it is contemplating concerning tool and die contracting by the plant.

In addition, the Corporation agrees to review the work load capacity of its Tool, Die and Model Departments against the operating needs of the business on a corporate-wide basis to the end of improving the employment opportunities of such skilled trades employees.

Work Assignment Practices

The International Union, UAW, recognizes that certain work assignment practices exist which limit the efficient performance of some skilled tradesmen and that such inefficient practices must be corrected. The International Union will assist local unions and plant management to achieve this objective.

In each plant, the skilled trades committeeman and the superintendent shall endeavor to correct these inefficient work assignment practices in a cooperative and non-adversarial manner. If, however, agreement cannot be reached, the matter may be referred to the Skilled Trades Representatives of the UAW Chrysler Department and of the Corporate Labor Relations Staff who shall jointly review the matter and assist in resolution of the issues in dispute.

In those cases where corrections are made, the Corporation will retain existing work or, where appropriate, return to the bargaining unit work which had previously been contracted out. Further, improvements in plant operations that may result from more efficient work assignments will not result in the indefinite layoff of affected Journeymen and Permanent Employees who the parties agree may, in such circumstances, be used on other work. It is understood this application shall not adversely affect the seniority provisions pertaining to skilled trades employees. However, factors such as schedule or volume changes, technological improvements and other changes not related to more efficient work assignments, may continue to result in reductions or increases in the number of employees required.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

December 10, 1982

(35) Tool and Die Contracting in General
Manufacturing Division and Engine and Casting
Division Plants

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

In our negotiations leading to the Production and Maintenance Agreement dated today we discussed in great detail tool and die contracting by the Corporation, some aspects of which are the subject of the Tool and Die Contracting Section of our Letter No. (34), Utilization of Skilled Trades Manpower and Facilities. In the course of these discussions we reiterated that the Corporation cannot agree to any limitation or restriction on its right and responsibility to decide whether to make tools, dies, models, jigs or fixtures or to buy them.

We assure you, however, that when Journeymen skilled trades employees in the toolmaking trades, including machine repair where applicable, of a plant of the General Manufacturing and Engine and Casting Divisions are on layoff for any reason or become laid off as a result of the plant's contracting out work involving the fabrication, maintenance or repair of tools and dies, and of the kind normally performed by such skilled trades employees in the plant, the Skilled Trades Representative of the Corporation, on request, will meet with the Skilled Trades Representative of the International Union to discuss, and provide information relative to, plans the Corporation is formulating and decisions it is contemplating concerning such contracting. A good faith effort will be extended by the parties to find solution to the problems discussed in these meetings.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(36) Skilled Trades Qualifications

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the current negotiations, the Union alleged that in certain instances employees had been hired and accorded status as Journeymen and Permanent employees without sufficient evidence or proof they were qualified for such status in accordance with Section (5) and (9) of the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees.

In response to this matter, the Corporation advised it would inform local plant managements that when the evidence or proof of Journeymen or Permanent status of a prospective new employee is not clearly established by proof of completion of an Apprenticeship Program in the trade or by documentation of the

requisite years of experience in work of the kind performed at Chrysler in the classification, the Skilled Trades Committeeman will be informed and will be afforded the opportunity to review the available documentation before the employee is hired. If a new skilled trades employee is hired and there is disagreement over the years of previous experience that should be credited, the matter may be promptly referred to the Skilled Trades Representatives of the UAW Chrysler Department and the Corporate Labor Relations staff who shall jointly review the documentation and determine the years of experience to be credited before the employee acquires the right to exercise seniority as a Journeyman or Permanent employee.

The parties agreed that both the local Management and the local Union must exercise fair, objective and reasonable judgment when considering such matters.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

October 28, 1985

(37) Utilization of In-Plant Journeymen
And Permanent Employees

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that production employees who possess the qualifications of a Journeymen or Permanent employee at the time of hire will be given appropriate consideration when a permanent opening becomes available in their skilled trades classification at the plant at which they are employed.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

November 19, 1990

(38) Skilled Trades Layoff and
Detroit Area Apprentice
Graduates Laid Off

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

This will confirm our understanding with respect to the layoff of certain skilled trades employees and apprentice graduates who formerly had seniority in a non-skilled classification on and after the effective date of the 1990 Production and Maintenance Agreement.

Notwithstanding the provisions of Section (4)(e)(i) and (ii), (8)(d) and (11)(b) of the Skilled Trades Supplement and Section (12) of the Supplemental Agreement - Provisions Pertaining to Apprentices, the following will apply:

1. Journeymen, Permanent Employees and Temporary Employees with Seniority who formerly had seniority in a non-skilled classification may, at the time of layoff and after exercising their seniority in the skilled trades, elect to return to their home plant and exercise their former non-skilled seniority.
2. Apprentice graduates who formerly had seniority in a non-skilled classification may, at the time of layoff and after exercising their seniority in the skilled trades, elect to return to their home plant and exercise their former non-skilled seniority.
3. A skilled trades employee who is working in a non-skilled classification under the provisions of this letter and who loses his seniority shall also lose seniority in his skilled trades classifications.
4. A skilled trades employee who is working in a non-skilled classification under the provisions of this letter shall be recalled to a skilled trades classification in line with his skilled trades seniority as if he had been laid off.
5. A skilled trades employee who, as a result of the application of this letter, is employed in a non-skilled classification shall not, while so employed, be eligible for placement in other plants of the Corporation pursuant to Section (64).

The Corporation shall not be liable for claims, including claims for back wages, resulting from implementation of this understanding and shall not incur any liability for claimed violations or errors in administration of this understanding.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(39) Training Bonus - Temporary Layoff

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Notwithstanding the provisions of Section (19), Related Training of the Supplemental Agreement--Special Provisions Pertaining to Apprentices with respect to affected employees while on temporary layoff, it was agreed, during the 1979 negotiations that a temporarily laid off apprentice, journeyman, permanent or temporary employee in the skilled trades would be paid a training bonus in recognition of satisfactory completion of any related training courses required pursuant to the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees, or such other courses that may be designated by the Corporation such as the Industrial Electronics Training Program, for each week the employee attends class while on temporary layoff as specified below. The Corporation reaffirmed that position during the current negotiations.

An employee will earn the training bonus by attending the specified training courses while on temporary layoff and satisfactorily completing the applicable training courses in which the employee was enrolled at the time of temporary layoff.

The amount of each week's bonus will be calculated by multiplying the employee's straight-time hourly rate on the last

day worked exclusive of shift and overtime premiums but including cost-of-living allowance then in effect by:

(a) The number of hours, not to exceed six (6), the employee attends class during a week for which an employee receives a Supplemental Unemployment Benefit; or

(b) The actual number of hours the employee attends class during a week for which an employee does not receive a Supplemental Unemployment Benefit.

The total training bonus will be an amount equal to the sum of the training bonus for each week the employee may earn it. It will be paid to the employee within a reasonable period of time after the employee has been recalled and reported back to work or within a reasonable period of time after the employee has satisfactorily completed the applicable training courses, whichever is later.

Section (19) of the Supplemental Agreement - Special Provisions Pertaining to Apprentices will continue to be applied as in the past with respect to affected employees while on the active roll.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(40) Temporary Layoff - Skilled Trades

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm our understanding that the principle of "inverse seniority" as set forth in Sections (58)(a) and (60) of the Production, Maintenance and Parts Agreement dated

September 29, 2003, shall apply to employees in skilled trades classifications.

Pursuant to agreements made in our discussions of the matter, it also understood that any system of sharing time off between Journeymen, Temporary Employees, and Temporary Employees With Seniority must take into consideration the relative numbers of such employees in each trade at the plant and the nature of the work to be performed during the period of each temporary layoff. On this basis therefore, we are in agreement that following the temporary layoff provisions of Section (60), the manner in which the principle of inverse seniority is thereafter implemented may be resolved on a mutually satisfactory basis between the Local Union and Management at each plant provided that in each instance of temporary layoff the number of Journeymen or Temporary Employees with Seniority who have the necessary skills to perform the available work will be retained.

In the event any such local system of implementation becomes unsatisfactory it may be terminated at any plant by either the Local Union or the Management, upon written notice to the other party, in which event the matter shall immediately be referred to the DaimlerChrysler Department of the International Union, UAW and the Corporate Union Relations Staff for resolution. If the matter is not resolved on a mutually satisfactory basis, temporary layoffs at the plant involved will be made in accordance with applicable provisions of the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees.

The Corporation shall not incur any liability for claimed violations or errors in the administration of this Letter Agreement.

Please indicate your concurrence below.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999

(41) Discontinued Classifications –
Classifications With Reduced Numbers of Employees

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

In the negotiations leading to the 1999 collective bargaining agreement dated today, the Union expressed its concern about the Journeymen or Permanent Employees whose classifications have either been discontinued, or the numbers of employees needed in a classification is being reduced due to technology.

When the discontinuance, or reduction of employees needed due to technology, of any skilled trades classification results in the elimination of work opportunity for the affected employees, at the request of the International Union, UAW, the Corporation will consider the experience acquired in the affected classification in determining the right of any such employee to exercise seniority in another skilled trades classification.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October, 1985

(42) Powerhouse Employees

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Notwithstanding Section (61)(d) of the 1985 Production and Maintenance Agreement and Section (11)(b) of the Special Provisions Pertaining to Skilled Trades, Powerhouse employees in non-apprenticeable skilled classifications shall exercise their seniority in Classification No. 4866, Fireman - Powerhouse & Crane and employees from other departments of the plant shall not displace Powerhouse employees on Classification No. 4866, Fireman - Powerhouse & Crane.

Please sign this letter to evidence your agreement with the foregoing.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

November 5, 1976

(43) Seniority - Twinsburg Stamping

International Union, UAW

Attention: Mr. Douglas A. Fraser

Dear Sirs:

During the negotiations of the 1976 Production and Maintenance Agreement dated today, the Union pointed out that two previous letter agreements are now, and have for some time been, in conflict with Section (68) (a) Transfer of Operations and the Memorandum of Understanding on Plant Closings as they

relate to the seniority of skilled tradesmen from other plants of the Corporation at the Twinsburg Stamping Plant.

In response to the Union's request, the two previous letter agreements dated September 10, 1957 and September 18, 1959 are hereby cancelled and shall not apply to any future transfer of skilled tradesmen between the Twinsburg Stamping Plant and another plant of the Corporation.

Notwithstanding any provision of Section (68)(a) of the National Production and Maintenance Agreement or of the Memorandum of Understanding on Plant Closings each dated today, to the contrary, the seniority date of skilled tradesmen who, pursuant to said Section (68)(a) or the Memorandum of Understanding on Plant Closings, are hereafter transferred between the Twinsburg Stamping Plant and another plant of the Corporation shall be the effective date of the 1976 National Production and Maintenance Agreement or the skilled tradesmen's seniority date at his former plant, whichever is the lesser.

The provisions of this letter shall become effective with ratification of the 1976 Production and Maintenance Agreement dated today.

The Corporation shall not incur any liability for claimed violations or errors in the administration of this letter agreement.

Very truly yours,
CHRYSLER CORPORATION
By W. F. Bavinger, Jr.

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Douglas A. Fraser

November 19, 1990

(44) MOA Plant Skilled Trades Tool
Requirements

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

The parties recognize and agree that the Modern Operating Agreements have presented new challenges to the skilled trades workforce by expanding skilled trades responsibilities and task requirements. In order to meet those expanded changes, skilled trades employees may be required to utilize tools applicable to another skilled trades classification.

To adequately assess the skilled trades tool requirements in MOA plants, the parties agree that a comprehensive local joint study should be undertaken in each such facility within ninety (90) days following ratification of the P&M Agreement. That study should assess and determine skilled trades tool requirements and indicate whether the tools required are of the nature that should be maintained for use as tool crib items or are tool items more appropriately kept by the skilled trades employee.

Results of the MOA tool study and the local parties joint recommendation regarding such findings will be forwarded to the International Union, UAW Skilled Trades Department Representative and the Corporation's Union Relations Skilled Trades Representative for review. Where deemed appropriate, the Corporation will fund the mutually agreed upon tools which will be maintained in the tool crib. It is understood that tools issued to a Skilled Tradesman must be returned if his employment is terminated or he does not fulfill the requirements of the Skilled Trades Rate Improvement Program (S.T.R.I.P.).

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 28, 1985

(45) Metric Tools

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During negotiations of the collective bargaining agreement dated today, the parties discussed the subject of conversion to the metric system and its effect on certain employee owned tools.

During these discussions the Corporation indicated its intention to make available during the transition period necessary metric tools and calibrated measuring instruments to skilled trades employees when required in the performance of their work. Such tools will be available in the tool cribs and charged out to skilled trades employees when they have need for them.

This policy does not preclude the use of conversion tables or any other alternate means of changing to the metric system in place of utilizing such tools or calibrated measuring instruments, nor does it alter the present requirement that skilled trades employees provide their own tools necessary to perform their duties, except as provided in the second paragraph hereof.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

September 29, 2003

(46) Skilled Trades - Broken or Damaged Tools

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the negotiations of the 2003 Production Maintenance and Parts Agreement, the Corporation reaffirmed

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its commitment for the replacement of personal tools of Skilled Trades employees broken or damaged on the job.

The Corporation informed the Union that the practice will continue during the term of the 2003 Production Maintenance and Parts Agreement whereby the Corporation will repair or replace tools broken on the job by hourly Skilled Trades employees provided there is no evidence of employee negligence, abuse or improper usage, with the following limitations:

- 1) The maximum amount expended for the repair or replacement of any one tool shall not exceed \$300.00, and
- 2) The maximum amount expended at each plant in each year of the 2003 Production Maintenance and Parts Agreement shall not exceed an amount equal to \$10.00 multiplied by the total number of hourly Skilled Trades employees on the active roll at the plant in the last pay period ending in the month of June preceding the beginning of each year of the Agreement.

The local plant will be required to establish a repair or replacement of broken tool procedure whereby skilled trades employees may arrange for the repair or replacement of broken tools through the plant tool crib system. Any costs above \$300.00 for the repair or replacement of a broken tool will be the responsibility of the skilled trades employee.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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November 19, 1990

(47) Skilled Trades MOA Classifications

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During negotiations leading to the current Agreement the Union requested clarification of the layoff and recall provisions applicable to skilled trades employees at Modern Operating Agreement plants where some new classifications encompass two (2) or more classifications in effect prior to the effective dates of said Agreements. The Union explained that it needed assurances that all Journeymen and Permanent Employees on one of the new classifications on the respective effective dates of the Modern Operating Agreements who may be laid off during the term of said Agreements will be recalled to work in the classification before new employees are hired in the new classification or in any of the former classifications encompassed by the new classification.

The Corporation informed the Union the above referenced Journeymen and Permanent Employees laid off from the classification would be recalled before new employees are hired in the classification.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(48) Skilled Trades Outside Contracting

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

During these negotiations the Union expressed its deep concern over outside contracting matters which are addressed in Letter 34, "Utilization of Skilled Trades Manpower and Facilities." In particular, the Union cited failure to follow the advance notice and discussion provisions of said letter.

In response to the Union's concern, the Corporation informed the Union a letter would be sent to Group and Plant Personnel Managers following negotiations which would read as follows:

"During the current agreement we have experienced many labor relations problems in the plants in handling contracting matters.

"In many of these instances the root cause of the problem is lack of communication. The Chrysler-UAW National P&M Agreement currently requires timely meetings in advance of the decision to contract work normally and historically performed by Chrysler Corporation skilled trades employees. You are advised that the advance notice and discussion provisions apply not only to maintenance contracting, but also to tool and die contracting at the plant level.

"We are informed that plant level meetings with local Union Representatives relative to contracting are often held after the contract has been let and insufficient useful information is provided to the Union for them to consider and make appropriate comments relative to Management's plans.

"The Corporation intends to achieve world-wide competitive status utilizing not only the skills of our employees, but also the suggestions and ideas of the people and the unions as to how work can best be accomplished at the lowest possible cost with the highest possible quality and on time.

"This approach to managing the business should be utilized throughout the Corporation at all levels: production, skilled and technical. Obviously such discussions should be held in a timely

manner with appropriate Management and Union personnel.

"Accordingly, please assure that an appropriate representative of Management in each Personnel Department is responsible for having adequate information about each contract for the performance of skilled trades work covered by the contracting provisions of the Agreement. Approval by the Personnel Representative, prior to the contract being let to an outside firm, but after determination that discussions have been satisfactorily completed, shall be required. This will require complete understanding and cooperation of our contractual requirements by the plant's Engineering and Purchasing personnel.

"There are numerous examples where complete, advance communications with the Union and the skilled trades employees has resulted in important projects being completed on a competitive basis in terms of quality, cost and timeliness. The result has been a feeling of pride of accomplishment shared by the Union, employees and the managers.

"Plant relationships can only be improved by open, frank communications in all areas, particularly in carrying out our contracting responsibilities."

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(49) Placement of Skilled
Trades Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During negotiations leading to the 1990 National Production and Maintenance Agreement, the Union expressed its concern over placement opportunities for laid off skilled trades employees. In response to this concern the Corporation informed the Union that laid off journeymen and permanent employees qualified to perform the available work would be given consideration for placement in an opening in a related skilled trades classification in a plant in the same labor market area before any new employees are hired.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(50) Outside Contracting Review Team

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these Negotiations the parties discussed at great length matters pertaining to outside contracting notification. Specifically, the Union expressed concern over the failure on the part of certain local managements to follow the advance notification and discussion provisions of Letter 34 - Utilization of Skilled Trades Manpower and Facilities, and Letter 48 - Skilled Trades Outside Contracting. In particular, the Union cited many

instances where "minor" in-house non-project work was performed by outside contractors and the local union was not afforded the opportunity to discuss with management outside contracting arrangements due to "time and circumstance" preventing advance notification.

The parties agree that meaningful discussions can only occur between Management and the Union when the outside contracting arrangement is known in a timely fashion. Likewise, it is understood by the parties that emergency situations will arise where time and circumstances may prevent advance notification and discussion.

The parties recognize there is a need for constructive progress in communication for a complete understanding and cooperation of our contractual requirements in this regard. Therefore the parties agree that an Outside Contracting Review Team be established on the local plant level consisting of the Plant Human Resources Manager, the Plant Manufacturing Engineering Manager, the Local Union President and the Local Skilled Trades Committee Representative. The Outside Contracting Review Team shall meet in person and on a regular and recurring basis to review current maintenance and construction programs and plans for the facility. Tool and Die plans will be reviewed at the plant level following program approval and announcement. The review process will be a positive approach for sharing information on manpower skills, equipment, and facilities available to do the work competitively in quality, cost and performance, and within the projected time limits. At the meeting the Local Union will be provided a copy of tentative appropriation requests. Recognizing the tentative and confidential nature of such appropriation requests, the members of the Outside Contracting Review Team will maintain the information contained in such appropriation requests in the strictest confidence. Furthermore, to address concerns at the Warren, Twinsburg and Sterling Stamping Plants, along with Mt. Elliott Tool & Die Manufacturing, tentative new model stamping tool and die construction plans will be shared at the local level by the Plant Manufacturing Engineering Manager or his/her designate with the skilled trades committee person.

In a further effort to ensure all relevant considerations have been reviewed by the Company and Union prior to letting an outside contract for the performance of skilled maintenance and construction work, the parties have prepared a Checklist (Exhibit) to guide the local review of potential outside contracting matters. The checklist is to be used in conjunction with the Outside Contracting Review Team Meetings and is intended to

assist in the advance discussion of projects other than those of an emergency nature and those projects otherwise covered by the Memorandum of Understanding M-1_(Sourcing). The Checklist should be utilized as a planning tool to ensure that those relevant factors related to outside contracting are fully considered prior to a decision to let work to an outside contractor.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
 By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
 By Nate Gooden

OUTSIDE CONTRACTING REVIEW TEAM
 TENTATIVE APPROPRIATION REQUEST CHECKLIST

PROJECT TITLE _____ PROJECT # & REQ# _____

The following Checklist has been developed by the parties for use during Outside Contracting Review Team meetings as a planning and communication tool to ensure that relevant factors related to outside contracting are fully considered prior to a contract being let to an outside contractor.

Advance Notification and Clearance Procedure - Letters 34/48/50/209 - P & M		✓	Notes
1)	Has a tentative appropriation request been presented in person to the Local Union?		
2)	Has the Union been provided advance written notification prior to letting the contract?		
a)	Has the general nature and scope of the project been disclosed? Is the project CWO or plant expense?		
b)	Has an estimate of the trades and manpower required been discussed?		
c)	Have the approximate start and ending dates of the project been provided?		
d)	Has the Union been informed why the services of an outside contractor are being contemplated (cost, equipment, skills, manpower, etc)?		
3)	The conditions and limitations as set forth in all Agreements between the UAW and DaimlerChrysler.		
a)	Are there any specialized work skills needed?		
b)	Is specialized equipment required?		

c)	Taking into consideration the primary mission to support production, are there any early outside contracting project related opportunities available such as equipment removal, site preparation and new equipment training?		
d)	Have the provisions of Letter (34) - Utilization of Skilled Trades Manpower and facilities been taken into consideration specifically as it relates to tool and die contracting?		
e)	Have quality, cost and performance factors been considered?		
4)	Has the Union been afforded an opportunity to comment on the Company's plans and have the Union's comments been given consideration?		
5)	Has the DaimlerChrysler Advance Manufacturing Engineering Group been involved?		
6)	What part of the project will be performed by DaimlerChrysler workforce, if any?		
7)	Does the project include a cancellation clause?		
8)	Will the contemplated contractor be performing the work on overtime during the workweek?		
9)	Will the contemplated work be accomplished during the workweek or on the weekend?		
10)	Has the requisite number of plant skilled trades employees available and/or willing to work overtime which may be required to complete the project under review been considered?		
11)	Are the affected trades working overtime during the term of the project?		
12)	What number of affected trades will be assigned to work along with the outside contractor, if any?		
13)	Is a Skilled Trades Project Coordinator appropriate to oversee the contemplated project?		
Warranty and Service Contracts - Letter 212			
14)	Has a warranty been provided in association with the purchase of equipment and the length of the warranty discussed?		
15)	If extended warranty arrangements from the vendor are contemplated, has the Union been informed of the rationale for the extended warranty?		
16)	If a service contract is contemplated, has the service contract proposal been discussed in accordance with Letter (34)?		

Human Resources Representative _____ Date _____

Maintenance / Engineering Representative _____ Date _____

Union Representative* _____ Date _____

* Signature indicates acknowledgement of receipt.

September 29, 2003

(51) Warranties

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the current negotiations, the Union complained there has been inconsistent administration of the "Warranty and Service Agreements" provisions of Letter (34) - Utilization of Skilled Trades Manpower and Facilities. The Union indicated that plant managements insist on warranties beyond normal periods of time and that our skilled trades employees are not assigned to the new equipment or machinery until long after it has been in the plant. This does not provide the opportunity for our own skilled trades to learn how to keep such equipment operating effectively.

The Corporation informed the Union that good business practice includes the use of warranty arrangements sufficient to assure that the equipment purchased by the Corporation performs according to specifications required by the purchase contract.

The Corporation agreed to remind the purchasing representatives that the training and expertise that will be required of our own skilled trades must also be kept in mind as an important business consideration. The transition from vendor to our employees and the training and timing of the transition are important parts of that consideration.

In addition, the Corporation reaffirms its commitment that the written notification and discussion provisions applicable

under Letter (34) - Utilization of Skilled Trades Manpower and Facilities shall be utilized where placement of Warranty and Service Agreements are contemplated. The Corporation further agrees to inform the Group and Plant Human Resource Managers that notification criteria will include the relevant considerations in making decisions as to the need and duration of such agreements. Furthermore, upon request of the skilled trades committeeman the plant will make available the information regarding the duration of warranty agreements on new machinery and equipment.

Very truly yours
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

May 16, 1988

(52) Apprentice Wage Schedules

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Section (9), Wage Rates, of the Supplemental Agreement pertaining to apprentices in the 1985 P&M Agreement provided that apprentices would be paid a progressively increasing schedule of wages calculated using specified percentages and the trade classification midpoint wage rate. Further, this Section set forth wage data for seniority employees who enter into apprenticeship.

Where applicable, apprentice wage progression schedules include provisions for add-ons in amounts necessary to compensate apprentices for the full amount of cost-of-living allowances and other general wage increases that occur during apprenticeship. This complies with the 1976 understanding between the International Union, UAW and the Corporation.

In accordance with Section (112), Rate Book, in the 1985 P&M Agreement, the Corporation furnished the International

Union, UAW, with copies of rate classification books. These books included copies of Apprentice Wage Rate Schedules which showed the actual dollar amount of the base wage rates that were calculated using the applicable percentages and add-ons. The Corporation agreed in these negotiations to add to these schedules wage rate data for seniority employees who entered into apprenticeship prior to the effective date for the new Agreement and continue to include the schedules in the Rate Book.

In consideration of the foregoing, the parties also agreed during current negotiations that in lieu of adding another new apprentice wage schedule and revising existing apprentice wage schedules following this Collective Bargaining Agreement they would sanction the Rate Book as a single reference for apprentice rate provisions and delete from Section (9) all but the wage progression schedule for new hires and starting wage rate data for seniority employees who enter apprenticeship on and after the effective date of this Agreement. This understanding between the parties is consistent with the Corporation's practice of furnishing wage rate data to the Union for other categories of employees in the Rate Book and not including such data in the Agreement.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(53) Apprentice Program
Ranking of Candidates

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The parties agree to the following Ranking of Candidates for the Apprenticeship Program:

An internal list of applicants who are corporate service employees shall be identified as List A. The candidates on List A shall be ranked by trade and by total evaluation points, the highest number of evaluation points in priority descending order to the lowest number of evaluation points.

Locations where apprentice candidate testing has occurred after June 2001 shall have an internal list of employee applicants identified as List B. The candidates on List B shall be ranked by corporate service date. Where there is more than one (1) candidate with the same corporate service date the candidate with the highest test score shall be placed on the list in priority descending order. If more than one (1) candidate has the same corporate service date and test score, the candidate with the highest DaimlerChrysler identification number (DCid) shall be ranked on the list first in descending order to the lowest DCid number.

An external list of applicants who are not employees of the Corporation shall be identified as List C. The candidates on List C shall be ranked as candidates by total evaluation points, by trade, and the highest number of evaluation points in descending order to the lowest number of evaluation points.

Selection and Placement

On and after the effective date of the 2003 Production Maintenance and Parts Agreement when candidates are selected at locations where Apprentice Candidate Testing has occurred after June 2001, the selections shall be on the basis of two (2) candidates from List A and two (2) candidates from List B and one (1) candidate from List C. When List A has been exhausted, the selection shall be on the basis of four (4) candidates from List B on one (1) candidate from List C. At locations where Apprentice Candidate Testing occurred on or before June 2001, the selection shall be on the basis of four (4) candidates from List A and one (1) candidate from List C. All candidates shall be selected in accordance with their ranking on their respective lists.

When simultaneous selections are made from Lists A, B and C, employees from Lists A and B will be placed in the program at least one (1) day prior to the date the employee from List C is placed in the program.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooderi

October 28, 1985

(54) Minority Apprentice Selection

International Union, UAW

Attention Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that, notwithstanding the provisions of Section 15(b)(2) of the Supplemental Agreement Provisions Pertaining to Apprentices, the International Union and the Corporation may develop an Alternate Apprentice Selection Procedure for minority and women applicants in accordance with applicable federal and state laws.

This Alternate Selection Procedure will be reviewed with the Chrysler-UAW National Apprentice Committee.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

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September 29, 2003

(55) Apprentice Requirements

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm our understanding of certain apprentice candidate requirements:

-- All applicants must present proof of one year of algebra or geometry with a "C" grade or better and the minimum evaluation points required to qualify under the Uniform Apprentice Application and Selection Testing Procedure shall be 90.

-- Employee candidates must have, among other qualifications, a good work record with DaimlerChrysler.

-- Employees hired by the Corporation subsequent to September 14, 2003, interested in making application for the Apprentice Program must be a high school graduate or the equivalent.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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November 19, 1990

(56) Temporary Layoff - Apprentices

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

This will reaffirm our understanding that Letter (40), Temporary Layoff - Skilled Trades, is not applicable to Apprentices. However, when a temporary layoff in a trade does occur, Apprentices will be laid off in accordance with Section (13) - Ratio of Apprentices to Journeymen, with the last Apprentice hired being the first laid off. If the layoff is for a short duration, apprentices would not be permitted to return to their former plant nor allowed to exercise their production seniority.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(57) Apprentice Development

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations, the Corporation and the Union discussed at great length the current status of the Apprenticeship Program.

The Union and the Company acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the

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apprenticeable trades through training and retraining will permit the Union and the Corporation to pursue the critical objective of continuous improvement in quality, flexibility, operational effectiveness and, in turn, enhance job security.

The parties also discussed that in view of the fact that a number of skilled trades employees are currently on layoff and/or protected status the need for new apprentices during the term of the Agreement is diminished.

Consistent with these discussions and in response to current skilled trades demographics, potential future retirements, and attrition, the Corporation has agreed to review the need for additional apprentices, and during the term of the 2003 Agreement, business conditions permitting, place four hundred twenty-five (425) apprentices, in the program including twenty-five (25) apprentices at the New Process Gear Plant. The distribution of apprentices may be equally allocated on an annual basis beginning in 2005. The Corporation will place the new apprentices into the core trades that are representative of the skill sets present in world class automotive manufacturing operations in the United States. Additionally, any adjustments to the above allocation, require the approval of the Vice President and Director, UAW, DaimlerChrysler Department and the DaimlerChrysler Senior Vice President Employee Relations.

The Union and the Company further discussed the content and quality of the Apprentice Program in view of present and emerging technology. The Union and the Company agreed to continue a comprehensive study of the Program, which would include, but not be limited to salaried apprentice requirements and placement as part of the above-mentioned objectives, a review of the selection and placement entry requirements and procedures, course development of academic and work processes and related on-the-job training content.

The Union and the Corporation further agreed that the study would review the advisability of a mandatory Pre-Apprentice Assessment Program and the feasibility of a technological training center application, including recommendation for equipment investment.

To that end, the parties agree to continue to explore, study, and recommend methods to accomplish the goals set forth in this letter. It is anticipated that progress reports will be reviewed periodically in regular meetings of the DaimlerChrysler - UAW National Apprentice Committee. Progress will be reported annually to the International Union, UAW, Administrative Assistant, DaimlerChrysler Department and the Vice President

Union Relations, DaimlerChrysler Corporation, for review and adjustments where necessary.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

November 19, 1990

(58) SIP Related Training

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

This will confirm our understanding that temporary employees who entered the Skill Improvement Program prior to September 21, 1973 will not be required to complete the related training portion of the Schedule of Work Processes for temporary employees.

A temporary employee who satisfactorily completes his related training requirements will be credited with three (3) months experience toward acquiring seniority status in the applicable skilled trades classification.

All temporary employees and those hired, promoted or transferred into any skilled trades classification for which there is a Schedule of Work Processes shall be registered and required to sign a statement acknowledging their responsibilities with respect to the requirement of completing the related training in order to attain seniority in the skilled trades.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(59) Date of Entry -
Temporary Assignments

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During 1990 Negotiations, the parties discussed at great length the assignment of production employees to assist skilled trades employees. It is recognized that under certain circumstances, those assignments may be on a regular and recurring basis.

The parties agree that, notwithstanding Section (4)(f) of the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees, when such assignments result in the accumulation of 1000 hours in the same classification, the employee will be given a date of entry as a temporary employee six (6) months prior to the date he completed 1000 hours on such classifications.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(60) Temporary Employees Returned
to Production

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1990 negotiations, the Union cited instances where for the sole purpose of utilizing outside contractors, some plants were removing Temporary Employees from their skilled

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classifications and returning those employees to their former non-skilled classifications.

Notwithstanding the provisions of Section (70) Job Security and Outside Contracting and Section (11)(f) Outside Contractors, Management assures the Union the Company will not act arbitrarily or capriciously in disregard of the legitimate interests of Chrysler employees. The Union was informed that in those instances where the Union has evidence to support incidents that a plant has returned Temporary Employees to their former non-skilled classification for the sole purpose of outside contractor utilization, the matter may be referred to the International Union's Skilled Trades Representative who may discuss the issue with the Corporation's Skilled Trades Representative.

This letter is not to be regarded as impairing the Corporation's right in any way to use outside contractors when it is deemed appropriate and necessary.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 27, 1999

(61) Die Construction Review Clarification

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Letter (34) of the Production and Maintenance Agreement provides for periodic meetings between the Skilled Trades Representative of the Corporate Union Relations Staff and the Skilled Trades Representative of the International Union, UAW to discuss and provide information relative to plans the Corporation is formulating and decisions it is contemplating concerning tool and die contracting on a corporate-wide basis. The parties during these negotiations have agreed to include

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Stamping Operations Management in these discussions which is expected to lead to a more accurate forecast of the utilization of Company facilities and personnel.

Since the 1993 negotiations, such discussions have taken place by September 1 of each year to review the subsequent year's die construction plans. During these negotiations, the parties have agreed that such discussions will now take place by August 1.

The parties discussed at length the need to ensure that our workforce is appropriately technically trained and flexible to meet the challenges of the next millennium.

No additional apprentices will be added to the combined Tool and Die Maker Apprentice Program at the Mt. Elliott Tool and Die Facility during the term of the Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

January 7, 1985

(62) Temporary Employees with
Seniority - Closed Plants

International Union, UAW

Attention Mr. A. Bucci

Dear Sirs:

This will confirm our understanding that a Temporary Employee With Seniority indefinitely laid off from a closed plant shall be credited with the seniority date he had at the closed plant when placed in the same apprenticeable classification in another plant in accordance with the provisions of the Memorandum of Understanding On Plant Closings.

The Corporation shall not be liable for claims, including claims for back wages, resulting from implementation of this understanding.

Please indicate your concurrence below.

Very truly yours,
CHRYSLER CORPORATION
By W. R. Jacobson

Accepted and Approved:

INTERNATIONAL UNION, UAW
By A. Bucci

September 29, 2003

(63) Skilled Trades Temporary Employee Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations the Corporation informed the Union that in view of existing business conditions it does not anticipate the need for additional Temporary employees during the term of the Agreement. However, in the event the Corporation deems it necessary to supplement the skilled workforce with Temporary Employees the following will apply:

The parties have agreed to utilize the DaimlerChrysler five-minute hourly placement test as a base line for the selection and placement process for the Skills Improvement Program (SIP). Prospective candidates who express an interest in becoming a Temporary Employee and who are working at facilities interested in utilizing Temporary Employees in the Skills Improvement Program, will be required to take the test battery and score a minimum of twelve (12) points for passing. A facility-specific listing of employees who scored a minimum of twelve (12) points will be maintained by the Corporation and provided to each affected facility for utilization in completing the selection process.

A local selection committee consisting of the Skilled Trades Committeeman and a specified member of Local Management

will review other relevant factors such as previous applicable work experience in the particular trade, employee attendance records, discipline history, and non-skilled seniority. The most qualified candidate* will be jointly selected as a Temporary Employee for placement into the available skilled trades opening. When the local selection committee determines that two or more candidates are equally qualified, the employee with the highest plant seniority date will be selected for placement into the available opening.

The parties recognize it is more desirable to secure Journeymen by hiring and by training through established apprentice training programs and the above understanding is not intended to in any way restrict the Corporation's rights in that regard.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(64) Temporary Employees in Apprenticeable Trades

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

This will confirm our understanding that, notwithstanding provisions for calculation of seniority dates for temporary employees in apprenticeable classifications contained in the Supplemental Agreement - Provisions Pertaining to Skilled Trades Employees, the following provisions became effective on October 1, 1993:

1. A temporary employee who completes the Schedule of Work Processes and acquires eight (8) years' experience at Chrysler in an apprenticeable classification will be given a seniority date six (6) years prior to the date he acquired eight (8) years' experience.

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2. A temporary employee who completes the Schedule of Work Processes and acquires eight (8) years' experience in an apprenticeable classification, including some experience not acquired at Chrysler, will be given a seniority date of 75% of the time worked at Chrysler.

3. A temporary employee with all of his credited time at Chrysler in the same plant who completes the Schedule of Work Processes and accumulates four (4) years' experience in an apprenticeable trade shall become a "Temporary Employee with Seniority" and will be entered on the seniority list with a date two (2) years prior to the date he accumulated four (4) years' experience.

Notwithstanding the above, it is understood and agreed that temporary employees in apprenticeable trades who acquired seniority dates prior to October 1, 1993 will not have a lower position on the seniority list than they would have had if the current method of calculation of seniority dates had remained in effect.

The Corporation shall not be liable for claims, including claims for wages, resulting from implementation of the understanding and shall not incur any liability for claimed violations or errors in administration of this understanding.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(65) Bereavement Pay

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

In the event a member of an employee's immediate family dies while in the active service of the Armed Forces of the

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United States, the employee may, should the funeral be delayed, have such excused absence from work delayed until three (3) of the employee's normally scheduled working days that include the date of the funeral.

In the event the body of a member of an employee's immediate family is not buried in continental North America solely because the cause of death has physically destroyed the body, or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

In the event an employee is granted a leave of absence because of the illness of a member of the employee's immediate family and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

In the event the body of a member of an employee's immediate family is not buried in continental North America and a memorial service is held within ten (10) calendar days of the date of death, the employee shall be eligible for bereavement pay in accordance with Section (81), provided the employee furnishes local Management with documentation reflecting the employee attended a bona fide memorial service held at a funeral home or an acknowledged place of worship.

In the event the funeral of an immediate family member is delayed, for reasons other than those cited in the above paragraphs, an employee excused from work under Section (81) may receive bereavement pay for up to three (3) days of absence taken in conjunction with the funeral provided he attends the funeral. This includes days immediately preceding or days immediately following the date of the funeral even if one or more of the successive days in question occurs after the tenth (10th) day following the date of death.

In determining whether an employee on layoff or leave of absence may qualify for bereavement pay on the occasion of the death of a member of the employee's immediate family, the count for the three (3) day bereavement period shall begin with the day immediately following the date of death, rather than with the day of death under the current practice.

An employee's immediate family includes those members named in Section (81) of the Production and Maintenance

Agreement dated today, or appropriate Sections of the Parts, Office and Clerical and Engineering Agreements.

Very truly yours,
 CHRYSLER CORPORATION
 By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
 By Stan Marshall

BEREAVEMENT PAY INTERPRETATIONS

	M	T	W	TH	F	S	S	M	T	W	TH	F
1.	D	NW	NW	NW								
	P	P	P									
2.	W	NW	NW	NW	NW							
	D	P	H	P	P							
3.	W	NW	NW	NW	NW							
	D	F	H	P	P							
		P										
4.				W	NW	NW	NW	NW	NW			
				D	P	F		P	P			
5.	W	NW	NW	NW	NW	NW	NW	NW	NW			
	D	P	P	H	H	F		P				
6.	W	NW	NW	NW	NW							
	D	P	P	P	F							NP
					NP							
7.	W	W	W	W	W	W		NW	NW	NW		
	D							F	P	P		
								P				
8.					W	W	NW	NW	NW	NW		
					D	F		NP	NP	NP		
9.		W	NW	W	W	NW	NW	NW	NW			
		D	P			F		P	NP			
10.	PW(4)	NW	NW	PW(4)								
	D	P	P	P(4)								
	NP											
11.	PW(3)	NW	NW	PW(4)								
	D	P	P	NP								
	P(5)											

October 25, 1979

(67) Vacation Scheduling &
Jury Duty

International Union, UAW

Dear Sirs:

During our current national negotiations the Union inquired about the Corporation's practice with respect to request forms for vacation scheduling and about eligibility for jury duty pay in the case of an employee who reports to the court, is released by the court early in the day, and does not report to work on that day.

This is to advise you that, (1) the request forms for vacation scheduling will be made available early in January each year; and, (2) an otherwise eligible hourly employee who reports for jury duty service in accordance with the direction of the court and who is released by the court early in the day, is not required to return to work on that day to be eligible for jury duty pay for the day.

Very truly yours,
CHRYSLER CORPORATION
By W. B. Maher

October 28, 1985

(68) Union Leave of Absence

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During recent collective bargaining negotiations, we discussed with your Union certain abuses of Section (80), Leaves for Union Business. These abuses include, but are not limited to: requesting excessive numbers of employees to be excused, untimely written requests to the Labor Relations Supervisor and requests for reasons subsequently determined to have been for other than Union Business.

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The parties agreed such abuses are disruptive to the Corporation's plant operations, detrimental to the relationship of the parties, and are not condoned by the International Union.

When the Plant Management believes that the actions of the Local Union are inappropriate in this regard, Management's objections shall be presented in writing to the Local Union President. In the event the matter is not resolved, it may be referred to the Corporate Labor Relations Department for review with the International Union which shall use its best efforts to prevent the recurrence of such abuses.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 25, 1979

(69) Plant Vacation Shutdown U.S. Plants

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that a plant shutdown for vacation purposes for up to two weeks may be scheduled by mutual agreement between local management and the Local Union at plants of the Corporation where schedules and operating conditions permit.

In the event that local plant management determines that schedules and plant operating conditions will permit a plant vacation shutdown during prime vacation time, management will advise the Local Union prior to April 30 of each year of the proposed dates and duration of the vacation shutdown and the employees, if any, that would be required to work during the shutdown period. These matters are subject to approval by the Local Union.

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Notwithstanding the time of payment provisions in Section (104)(d) of the National Production and Maintenance and Parts Depot Agreements, if a vacation shutdown is scheduled at a plant, employees at the plant not selected to work during the shutdown period shall have their basic payment in lieu of vacation with pay entitlement under Section (104) of the Agreement paid to them at the time of the shutdown in an amount not to exceed the number of weeks of the shutdown and shall take their vacation leave of absence. Their basic payment in lieu of vacation with pay shall be computed in accordance with the provisions of Subsection (104)(d)(i).

Very truly yours,
CHRYSLER CORPORATION
By W. B. Maher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(70) Pregnancy Leave

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This is to confirm our understanding with respect to the circumstances under which a pregnancy leave of absence may be granted under Section (78)(a) of the National Production and Maintenance Agreement. Active employees are expected to continue to work until such time as they are physically unable to perform their regular work or other available work. However, upon request an active employee, though not physically unable to work due to pregnancy, will be granted a personal leave of absence for good cause within the meaning of Section (78)(a) subject to the limitations contained in Section (78)(f). Such a leave of absence shall not entitle the employee to any benefit under the Insurance Program that she would not otherwise be entitled to.

Very truly yours,
CHRYSLER CORPORATION
By W. B. Maher

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(71) Overtime Prior to Vacation Leave

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During negotiations leading to the current agreement, the Union discussed its concern over the scheduling of employees to work overtime on the weekend prior to the beginning of a vacation leave of absence. In response to this concern, the Corporation informed the Union that the plants would be advised that every effort will be made to accommodate requests to be excused from weekend work on a weekend immediately preceding a scheduled vacation leave when it is possible to obtain the required qualified workforce for weekend work through use of volunteers or temporary, part-time employees with the skills required to perform the work.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francois

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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May 16, 1988

(72) Leave Of Absence -
Pay-In-Lieu Schedule

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the 1988 negotiations, the Union discussed its concern regarding the opportunity for an eligible employee to schedule a leave of absence, up to the total number of hours of the basic payment in lieu of vacation with pay schedule, based on the employee's seniority level on May 1 of the vacation eligibility year as specified in Section (104)(a).

The Corporation and Union recognize that the provisions of Section (79)(b) provide that a vacation leave of absence will not exceed the number of hours represented by the employee's vacation payment rounded out to periods of full weeks. However, it is understood that if an employee makes a request for a leave of absence for additional time off without pay up to the number of hours of the basic payment in lieu of vacation schedule as provided in Section (104)(a), consideration for such request shall be made on an individual basis, considering the wishes of the employee and the efficient operation of the department, provided the request does not adversely impact the vacation schedules of other employees.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 14, 1996

(73) Pay Practices

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

In the negotiations of the National Production and Maintenance Agreement between Chrysler Corporation and the UAW dated today certain interpretations were developed. The Corporation's interpretation of the applicable sections of the Agreement will be as follows:

1. **Saturday work.** Section (86) provides:

"Time and one-half will be paid as follows, except as provided in Section (88):

"(b) -- For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half."

In interpreting Section (86)(b), it is understood that employees who work a shift on Saturday or Friday into Saturday that normally would be their sixth day worked but have not yet worked five (5) straight-time shifts in the workweek due to an absence during the workweek will receive time and one-half for the hours worked on Saturday. This interpretation is intended to cover the third shift Sunday Night Start employee who works a sixth scheduled shift, and the first or second shift employee in the situation covered by Appeal Board Case No. 3855.

2. **Saturday following a holiday.** Except as specified in Paragraph 1 above, employees whose shift begins on Friday and who work into a Saturday do not receive time and one-half for work on Saturday. A holiday falling during a workweek has no effect on the payment of premium for Saturday work.

3. **Work into a new workweek.** The workweek is defined in Section (93).

"The regularly scheduled workweek starts at 12:01 a.m., Monday, and ends 168 hours thereafter, except those employees on third shift operations starting Sunday night in which case their regularly scheduled workweek starts with the beginning of their shift Sunday night and ends 168 hours

thereafter." It is understood that this includes those employees on seven-day operations.

Accordingly, (1) a third shift employee who begins a shift on Sunday and works into Monday will receive double time for hours worked on Sunday and straight time for the hours worked on Monday; (2) a second shift employee who works a shift that starts Sunday and continues into Monday will be paid double time for hours worked on Sunday and time and one-half for hours worked on Monday, provided such hours on Monday are in excess of 40 straight-time hours worked during the week in which the Sunday falls. If such hours on Monday are not in excess of 40, such hours will be paid at straight time until the employee accumulates 40 straight-time hours, and then hours in excess of 40 will be paid at time and one-half. If Monday is a holiday, such hours will be paid at double time.

The above paragraph does not apply to employees on seven-day operations.

The chart attached to this letter illustrates the interpretations set forth above.

4. Seven-Day Operations. Section (88) of the Agreement now provides:

"Employees working on what are normally classified as seven-day operations will not be paid overtime or premium pay in accordance with Sections (86) and (87) above, but will be paid as follows:

"(a) -- Time and one-half for hours worked in excess of eight (8) hours in any continuous twenty-four (24) hour period beginning with the starting time of the employee's shift or in excess of forty (40) hours per week.

"(b) -- Time and one-half for time worked on the sixth (6th) day of the employee's scheduled workweek.

"(c) -- Double time for time worked on the seventh (7th) consecutive scheduled day whether or not the seven consecutive scheduled days fall in the same workweek.

"(d) -- For the purposes of Subsections (b) and (c), a holiday specified in Section (95) for which an employee receives holiday pay or on which he performs work will be considered as a day worked. Notwithstanding the provisions of Section (90), a holiday counted in determining an employee's eligibility for payment pursuant to Subsection (b) may also be counted in

determining the same employee's eligibility for payment pursuant to Subsection (c).

"(e) -- Double time and one-half for time worked on any of the days on which any of the designated full holidays is observed unless the holiday falls on one of the employee's regularly scheduled days off in which event the employee, in addition to his holiday pay under Section (101), will be paid double time for time worked.

"(f) -- Time and one-quarter for time worked on a Sunday that is not compensable at a higher overtime rate under any other provision of this Agreement."

An employee who performs maintenance duties in the powerhouse and who is normally scheduled to work Monday through Friday, and an employee, who is assigned to attend or maintain an auxiliary equipment installation that operates in conjunction with five-day operations, shall not be deemed to be working on an operation covered by Section (88); provided, however, that employees who were receiving ten cents (10¢) per hour and were red-circled in accordance with the National Production and Maintenance Agreement, dated September 22, 1964 shall continue to receive this amount so long as they remain on their present job assignment.

5. The provisions of Sections (86) and (87) shall not preclude mutually satisfactory local arrangements to the effect that when an employee is transferred to a different shift as the result of a reduction in the working force his previous twenty-four (24) hour period shall terminate for purposes of computing overtime, and the shift to which he is transferred shall be regarded as the beginning of a new twenty-four (24) hour period. This provision shall not require a change in any existing local arrangement on this matter.

6. Section (85), Shift Premium and Hours, provides:

"(a) -- Employees regularly employed on the second or third shift shall receive in addition to their regular pay for the pay period five (5) percent and ten (10) percent, respectively, additional compensation.

"(b) -- The first shift is any shift that regularly starts on or after 4:00 a.m. but before 11:00 a.m. The second shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m. but before 4:00 a.m."

Hourly employees who are scheduled to work and work a shift other than their regularly scheduled shift, will receive the premium provided in Section (85).

For example, an employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday he is scheduled to work and works a shift from 3:30 p.m. to 12:00 midnight. He will receive second shift premium for those hours on Friday.

First shift employees who are scheduled to work and who do work additional hours in advance of their regular shift starting time will receive the shift premium applicable to their advanced starting time for all hours worked on such shift.

For example, a first shift employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday he is scheduled to work and works a shift from 3:00 a.m. to 3:30 p.m. He will receive third shift premium for those hours on Friday.

7. Overtime Pyramiding. Section (90) Overtime Pyramiding Prohibited, provides: "The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments."

In interpreting Section (90), it is understood that, for second shift employees, (i) hours worked on the calendar holiday portion of a shift that begins on a designated holiday and continues into the next calendar day will not be excluded from consideration for overtime premium under Section (86)(a) and (ii) hours worked on the Sunday portion of a shift that begins on Sunday and continues into Monday will not be excluded from consideration for overtime under Section (86)(a).

8. This letter replaces the letters of understanding between the Corporation and the Union dated November 1, 1955, October 31, 1956, November 2, 1961, September 22, 1964, November 10, 1967, January 20, 1971, September 21, 1973, and October 25, 1979.

9. These interpretations shall be effective with the effective date of the National Production and Maintenance Agreement dated today and shall apply during the term of said National Agreement.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

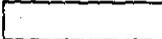
Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

PAYMENT FOR TIME WORKED ON HOLIDAYS, SATURDAYS, OR SUNDAYS

EXAMPLE: NORMAL HOLIDAY

	SUN	MON	TUES
(SUNDAY NITE START) THIRD SHIFT			 
FIRST SHIFT			
SECOND SHIFT			
(OVERLAPPING) SECOND SHIFT			 
(MONDAY NITE START) THIRD SHIFT			 

 STRAIGHT TIME 

September 21, 1973

(74) 3rd Shift Opers.
Sunday Night Start

International Union, UAW

Attention: Mr. Douglas A. Fraser

Dear Sirs:

During negotiations leading to the new collective bargaining agreement signed today, the parties discussed the feasibility of converting all third shift operations to a Sunday night start.

The parties recognize that in certain plants it is essential that third shift operations continue to start the workweek on Monday night due to operating requirements.

Under certain conditions which are acceptable to both the Local Union and the Management of a particular plant, arrangements may be made whereby third shift operations which start on Monday night may, by mutual agreement, be changed to start on Sunday night subject to the approval of the Chrysler Department of the International Union and the Labor Relations Department of the Corporation.

Very truly yours,
CHRYSLER CORPORATION
By W. F. Bavinger, Jr.

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Douglas A. Fraser

December 10, 1982

(75) Paid Lunch

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that in applying Section (91)(b) of the Production and Maintenance Agreement, the Corporation intends to do the following:

When production employees are assigned full time on a regular basis to all three shifts in a production department and the number of production employees on the least populated shift exceeds 50% of the number of employees on the most populated shift in that production department, all the production employees in that department shall be scheduled to work 7 3/4 hours on each shift and shall have a lunch period of one-quarter hour and shall receive eight (8) hours pay.

It is understood that this arrangement does not apply to repair departments in assembly plants or employees in non-productive or indirect labor departments such as inspection, material, maintenance, janitors, etc., except for those employees assigned exclusively on a full-time and regular basis to the production department working 7 3/4 hours, in which case the non-productive or indirect employees will also be scheduled to work 7 3/4 hours and a one-quarter hour lunch period.

This application is not intended to interfere with any local agreement in effect on December 10, 1982, or to limit management's right to apply the provision of Section (91)(a) under any circumstances.

If it is necessary to deviate from this application at any plant, the local union will be advised of the reasons and should any disputes arise as to the application of this agreement and cannot be resolved at the local level, it will be immediately referred to the UAW Chrysler Department and the Chrysler Corporation for resolution.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

November 5, 1976

(76) (88)(c) Seven Day Operations

International Union, UAW

Attention: Mr. Robert Jensen

Dear Sirs:

In the negotiations of the 1976 National Production and Maintenance Agreement, certain interpretations with respect to Section (88)(c) of said Agreement were discussed. This will confirm our understanding that when an employee is scheduled to work a full shift on each of two consecutive calendar days, a twenty-four hour break between the end of the employees scheduled shift on the first such day and the beginning of his next scheduled shift on the following day will not be considered a break in consecutive scheduled days of work.

For purposes of the interpretation set forth above, the scheduled shift for third shift employees shall be considered to fall on the calendar day on which the shift ends.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Arthur Hughes

October 28, 1985

(77) Starting Times in Plants & Parts Depots

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

In the negotiations leading to the current collective bargaining agreement, the Union acknowledged that business considerations in the Corporation Plants and Parts Depots often require a change of shift starting times.

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It is the policy of the Corporation to advise the Union of the need to change shift starting times prior to implementing such change as well as to advise the Union of the reasons for such change.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

September 29, 2003

(78) Gate Access Cards

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the current negotiations, the parties discussed matters regarding gate access cards.

If the Corporation decides to change the present access means at a plant, the employees and the Local Union will be advised in advance by Plant Management as to the new system to be used, the changes which will take effect as a result of the new system, and the date of implementation of such new system.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

101

September 27, 1999

(79) Holiday Pay - Christmas Holiday Period

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm the fact that with respect to the application of the eligibility rules applicable to the Christmas Holiday Period holidays, the Corporation will follow the following practice with respect to the application of the provisions of Sections (96), (97), and (98) of the 1988 National Production and Maintenance Agreement and corresponding Sections of the other National Agreements applicable to hourly employees:

1. A seniority employee who requests and is granted a vacation leave of absence which includes the last scheduled working day prior to a Christmas Holiday Period and who also requests and is granted a vacation leave of absence which includes the first scheduled working day after such Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays which fall in such Christmas Holiday Period.

2. A seniority employee excused by his foreman from work on the last scheduled working day prior to or on the next scheduled working day after a Christmas Holiday Period, or both, shall, if otherwise eligible, receive pay for the holidays which fall in that Christmas Holiday Period.

3. A seniority employee on sick leave of absence who is released by his doctor to return to work during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period falling on and after the date he notifies the plant of his availability for work and, provided further, that he presents satisfactory medical evidence of his availability to work on such day upon his return to work.

4. A seniority employee on a personal leave of absence which expires during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period which fall (1) on or after the expiration date of such leave or (2) on and after the date he notifies his plant of his availability for work, whichever is later.

5. A seniority employee absent without excuse on either the last scheduled working day prior to or the next scheduled

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working day after a Christmas Holiday Period shall be ineligible for pay for one (1) of the holidays in the Christmas Holiday Period, but shall, if otherwise eligible, receive pay for the remaining holidays in the Christmas Holiday Period.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(80) Holiday Pay - Temporary
or Indefinite Layoff

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Notwithstanding the provisions of Section (97) of the National Production and Maintenance Agreement and the corresponding Sections of the other National Agreements applicable to hourly employees, a seniority employee who is temporarily or indefinitely laid off during the fourth workweek prior to a week in which one or more of the holidays in the Christmas holiday period falls, and who worked his last scheduled working day prior to such layoff, shall, if otherwise eligible, receive pay for the holidays falling during such Christmas holiday period. A seniority employee who is laid off during the fifth, sixth or seventh workweek prior to a week in which one or more of the holidays in the Christmas holiday period falls and who worked his last scheduled working day prior to such layoff shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas holiday period. An employee temporarily laid off shall receive pay for such holidays following his return to work from such layoff.

Additionally, it is understood that a laid off employee who qualifies for Christmas holiday pay as provided in this letter, and who also qualifies for Christmas holiday pay as provided in S-1 Supplemental Agreement Temporary Part-Time Employees by

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virtue of being on temporary part-time status during the Christmas holiday period, will be provided the greater of the two Christmas holiday pay entitlements but not both.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 28, 1985

(81) Holiday Pay on Jury Duty

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that when any of the holidays designated in Section (95) of the Production and Maintenance Agreement falls within an employee's approved leave of absence for jury duty and the employee's absence from work that day is attributable to the employee's serving on jury duty, the employee, shall, if otherwise eligible, receive pay for such holiday and retain the daily jury duty fee paid the employee by the court in which he serves.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

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October 28, 1985

(82) Probationary P&M Employees
Formerly On Salary

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During negotiations of the current Production and Maintenance Agreement the Union expressed its concern regarding long service salaried employees of the Corporation who do not qualify for holiday pay after being hired into an hourly Production and Maintenance or Parts bargaining unit because they had not acquired seniority in such unit on the date of the holiday.

In the event such situation should occur, the Director, National Chrysler Department of the International Union may discuss the matter with the Manager of Labor Relations of the Corporation.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(83) 104(f) Eligibility

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm that, notwithstanding the provisions of Section (104)(f) of the National Production and Maintenance Agreement dated today, an employee continuously disabled from work by compensable injury or legal occupational disease

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that began before October 25, 1979 shall continue to accrue credit toward pay periods worked for pay periods he would otherwise have been scheduled to work during the period of his compensable disability even though such employee has not worked at least one (1) pay period in the eligibility year.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
Marc Stepp

October 28, 1985

(84) Payment in Lieu of Vacation - Retiree

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding that an employee who retires and who is eligible for basic payments under Section (104) pursuant to the provisions of Section (105)(c)(i), may, at the time of retirement, elect to receive such payment within thirty (30) days. A retiree who does not elect to receive such payment within thirty (30) days of the date of retirement, will receive payment in May on the regular payment date.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

~~September 29, 2003~~

(85) Date of Basic Payment
in Lieu of Vacation

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations, the Union expressed its concern that the basic payment in lieu of vacation provision of the National Production and Maintenance Agreement, namely Section (104)(d)(i), provides only that such payment be made to eligible employees during the month of May of each year and not on a specific date. The Union requested that such payment be made the third week in May of each year of the new Agreement.

The Corporation stated that in order to accurately verify, audit and process pay-in-lieu of vacation payments, three (3) full pay periods are required following the end of the vacation eligibility year.

Accordingly, and in consideration of the Union's request, the Corporation agreed that during the term of the 2003 Agreement eligible employees entitled to the basic payment in lieu of vacation would receive such payment on the following dates:

~~May 21, 2004~~
~~May 20, 2005~~
~~May 19, 2006~~
~~May 18, 2007~~

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francisco

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 28, 1985

(86) PAA Requests

TO: Vice Presidents
General Managers
General Plant Managers
Plant Managers

During recent national negotiations between the UAW and Chrysler Corporation, the Union has again raised the difficulty experienced by employees with good attendance records in obtaining permission to be excused for a day which would be covered by the Paid Absence Allowance Program.

Consistent with the need to run our operations efficiently and fully realizing the problems caused you by excessive absenteeism, every reasonable effort should be made by the plants to accommodate requests for Paid Absence Allowance made in advance by employees who have good attendance. It would seem to us such requests could and should be honored for days when a plant's attendance problems are normally not severe, such as Tuesday, Wednesday, Thursday or the day shift on Friday. Of course, it is understood that if there is an unusual circumstance of advance requests for a given day which, if granted, would seriously impact on a plant's or department's operations, certain requests must then be denied. If that becomes necessary, the employee(s) who request the day first should be accommodated.

Each plant is directed to develop a procedure whereby employee requests may be recorded in advance, and such information is to be made available to the proper Union Representative upon request. Any problems which may arise from the plant's application of Paid Absence Allowance may be discussed between the Plant Shop Committeeman and the Labor Relations Supervisor.

Very truly yours,
CHRYSLER CORPORATION
By R. E. Dauch
L. H. Runk

108

May 16, 1988

(87) Holiday Hours Conversion Option

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the current negotiations, the parties discussed the receipt of holiday pay by an employee when a full week (40 hours) of vacation leave is taken in which a holiday(s) occurs.

Notwithstanding the provision of Section (100), this will confirm our understanding that when a holiday(s) as defined in Section (95), excluding those holidays comprising the Christmas holiday period, occurs during a full week of approved vacation leave of absence, an employee may elect to convert the holiday(s) hours for which he is eligible to equivalent hours of Paid Absence Allowance to be scheduled under the terms of Section (104)(e)(i). Such converted hours will be in addition to those Paid Absence Allowance hours for which he is otherwise eligible.

It further is understood that to be eligible for this conversion, an employee must make his election to convert in writing using a locally provided form during the second week prior to the start of the approved vacation leave of absence during which such holiday(s) occurs.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

109

October 18, 1993

(88) Employees Called to Duty
with Reserve Forces

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Chrysler Corporation recognizes that our employees are an essential element of the Reserve Forces of the United States. Presently, when such employees are called to long-term active duty, they will be released for such duty.

During these negotiations, the Company and Union discussed the personal hardships employees may face when called to active duty, particularly on short notice. The Company assured the Union it will give full consideration to requests from Reservists for time off needed to take care of personal affairs when they are called to long-term active duty.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

May 16, 1988

(89) Accumulation of Time
Higher Classifications

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

The Corporation's practices on accumulating time on higher classifications are as follows:

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1. It is recognized that under certain circumstances it is necessary for employees to be regularly assigned to do work that falls within two or more hourly classifications with different rates of pay. The employee so assigned will be classified on the higher classification provided the employee spends 50% or more of his time on the work of the higher classification. In such cases no reduction in rate will be made for the time worked on the lower classification.

2. An employee assigned, whether temporarily or on a regular and recurring basis, to a job with a higher classification for one or more hours of a shift shall be paid at the rate of the higher classification for all hours worked on that shift. The Corporation has instructed its supervisors to maintain accurate records of time accumulated on higher classifications, and to process for payment any accumulation of such time on a pay period basis. Employees will be furnished with a copy of the Hourly Rate Adjustment Notice.

An employee assigned, whether temporarily or on a regular and recurring basis, to a job with a higher classification for less than one hour on a shift shall receive the rate of the lower classification for all hours worked on that shift.

3. A seniority employee in a non-skilled classification assigned, whether temporarily or on a regular and recurring basis, to a job with a higher non-skilled classification who receives the rate of the higher classification shall be paid a rate determined in accordance with applicable provisions of Section (114) of the current Agreement.

4. This letter regarding accumulation of time will not be applicable to local plant agreements regarding division of overtime covering classifications paying different rates, or to the assignment of Union representatives where such assignment is made for representation.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

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October 28, 1985

(90) Reclassification

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Where an employee has held a particular hourly classification and rate while performing the same job for a period of one (1) or more years, and Management determines that the classification is improper for the job in question, Management may reclassify the job to the appropriate hourly classification, but the employee's rate of pay while assigned or reassigned to that job will not be changed. The proper classification and rate of pay shall apply to any future employee on the job so reclassified. This shall not preclude the Union from protesting the propriety of such reclassification through the grievance procedure.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved;

INTERNATIONAL UNION, UAW
By Marc Stepp

May 16, 1988

(91) Wage Progression

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm the Corporation's practice with respect to the application of Section (114)(a) to seniority employees laid off due to a reduction in force.

A seniority employee who (1) did not complete progression to the full base rate of the job classification pursuant to the

provisions of Section (114)(a) prior to being laid off, (2) loses seniority while on layoff and (3) is subsequently rehired within one year of the date of losing seniority shall be required to complete a probationary period pursuant to Section (45) but shall be subject to the progression provisions of Section (114) (a) in effect when the employee was last hired prior to layoff and shall continue progression from the same relative position in the applicable rate range the employee had attained prior to layoff. If such employee did complete the progression and was paid the full base rate of the job classification prior to the layoff, the employee shall be required to complete a probationary period as provided above but shall be paid the full base rate of the classification.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(92) COLA - Calculation and Notification

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This letter is to confirm certain agreements reached by DaimlerChrysler Corporation and the International Union, UAW, regarding the calculation of the Cost-of-Living Allowance pursuant to Section (109) of this Agreement.

Beginning with the effective date of this agreement, cost-of-living adjustments shall be calculated with reference to the CPI-W (Current Series) for All-Items Less Medical Care, U.S. city average, not seasonally adjusted, 1982-84=100.

The table in Section (109)(c) has been constructed to provide that 1¢ adjustments in the Cost-of-Living Allowance shall become payable, sequentially, for each 0.08, 0.08, 0.08, 0.08, 0.08, 0.09, 0.08, 0.08, 0.08, 0.08, 0.08, 0.08 and 0.09 change in the

Average Index, and so forth, with that sequence being repeated thereafter in the table so as to produce an average adjustment over time of 1¢ for each 0.08159 change in the Average Index.

In applying the provisions of Section (109) of the Agreement, the Corporation shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months, rounded to the nearest 0.01 index point using the Engineering Method of Rounding as described in the Attachment. This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Index for the third month used for each adjustment period in accordance with Section (109), Subsection (b) of the Agreement.

If the Union claims that the Corporation's calculations in any particular instance were not made in accordance with the terms of this letter of understanding, it may refer the matter to the Appeal Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

Attachment

ENGINEERING METHOD OF ROUNDING

The following rules of rounding shall apply to the determination of the Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to five digits, 130.6546 becomes 130.66.
2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to five digits, 130.557 becomes 130.66.

3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to five digits, 130.55500 becomes 130.66 and 130.66500 becomes 130.77.

September 27, 1999

(93) CPI Revision

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm our understanding that if the BLS makes any change in the form or basis of calculating the Consumer Price Index the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in the same form and calculated on the same basis as it was prior to such change.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

May 16, 1988

(94) Wage Progression - COLA Fold-In

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This will confirm our understanding reached during the current negotiations that employees on roll prior to the effective

date of the new agreement who have not completed the wage progression set forth in Section (114) in the P&M and Parts Depot agreements shall have the full amount of the cost-of-living allowance fold-in added to their base wage rates on the effective date. Thereafter, their base wage rates shall be adjusted as required to insure they continue to be paid the full amount of such COLA fold-in until they complete the wage progression and are entitled to be paid the full base rate for the job classification.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 28, 1985

(95) In-Plant Training

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

In response to your inquiry, Chrysler Corporation conducts training in electronics, hydraulics, mathematics, etc., from time to time in plants where there is an apparent need to perform work for which the employees' past experience and training in their trades has been inadequate. Chrysler is cognizant of the continuing need for such training arising from the introduction of new tools, equipment, procedures and processes and plans to continue to conduct training to an increasing extent to meet such needs.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

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September 29, 2003

(96) Product Purchase Programs

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

This will confirm that during these negotiations the Corporation advised the Union that the Corporation will continue the Parts Purchase Program for eligible employees and retirees offering convenience and continued favorable pricing. The Program provides for 25% off list price on all Mopar DaimlerChrysler Corporation Genuine Parts and MMC Replacement Parts for MMC vehicles sold by DaimlerChrysler Corporation. Accessories for which there is no established list price, as well as remanufactured and performance parts, will be priced at dealer net plus 15%. The employee-retiree can order replacement parts by calling the program hot line (800.852.MOPAR). A certificate entitling the employee to purchase the ordered part(s) at the applicable discount will be shipped to the employee-retiree's place of residence. It is understood by the parties that this program is intended only for eligible employees-retirees.

In addition, employees-retirees who purchase and / or lease a DaimlerChrysler Corporation vehicle under the terms and conditions of the Employee-Retiree New Vehicle Purchase / Lease Programs are eligible to receive 25% off the list price (MSRP) on DaimlerChrysler Corporation Service Contracts. A toll free number (800.521.9922) and website (www.servicecontracts.chrysler.com) will continue to be made available to our employees for further program information. It is understood by the parties that this program is intended for eligible employee-retirees and family members. It is understood and agreed that the Corporation may at any time modify, change or discontinue the Program and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of these Programs shall not constitute a precedent for future negotiations on this subject.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(97) Employee-Retiree New Vehicle
Purchase / Lease Programs

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm that DaimlerChrysler Corporation intends to continue the Employee-Retiree New Vehicle Purchase / Lease Programs for eligible employees, retirees and surviving spouses. Eligible participants include active employees; employees on approved leaves of absence; dependents of eligible employees/retirees living at the same address; retirees receiving benefits from a normal, early or PTD pension under the DaimlerChrysler-UAW Pension Plan; spouses of employees and retirees; surviving spouses receiving benefits from a normal, early or PTD pension; sons and daughters (including stepchildren) of living employees, retirees, and surviving spouses receiving benefits from a normal, early or PTD pension; parents and parents-in-law of employees or retirees; brothers, sisters, step-brothers, step-sisters, half-brothers and half-sisters of employees and retirees; brothers-in-law and sisters-in-law of employees and retirees; sons-in-law and daughters-in-law of employees and retirees; part-time employees; grandparents; grandchildren; and same sex domestic partners meeting the criteria as defined by the benefits group. Also eligible are survivors of eligible hourly employees who receive a monthly Transition benefit and surviving spouses of employees who died while actively employed regardless of pension or marital status; as long as the surviving spouse is alive, the children also remain eligible. Surviving spouse participants must prove relationship to verify eligibility.

Eligible employees, retirees and surviving spouses may purchase and / or lease up to a total maximum of six (6) current model vehicles during the calendar year under the Programs.

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Leasing under the program may be facilitated through Gold Key Lease Option which is financed exclusively by DaimlerChrysler Credit Corporation, or by qualified lenders recognized by the dealer. Under the Programs, the dealer selected by the employee, will bill the employee a sum not to exceed the Employee Price (EP) designated on the vehicle invoice.

Control Numbers and complete terms and conditions of the program are available via the DaimlerChrysler Employee Advantage Programs website (www.daimlerchrysler.com/employeeadvantage.com) and hot line (800.756.2866).

In continuing to make the Employee-Retiree New Vehicle Purchase / Lease Programs available it is understood and agreed that the Corporation may at any time modify, change or discontinue the Programs and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of these Programs shall not constitute a precedent for future negotiations on this subject.

We appreciate the efforts of the UAW to encourage employees to purchase DaimlerChrysler Products.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 28, 1985

(98) Appeals - State Unemployment
Compensation

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the current negotiations, the Union requested that it be given notice of any case in which the Corporation appeals to the courts to protest the payment of state system unemployment

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compensation to an employee. The Union has emphasized the relationship to the Supplemental Unemployment Benefit Plan as the basis for this request. Pursuant to that request, the Corporation will provide the Chrysler Department of the International Union the name, docket number and forum of all such appeals to the courts in which a member of the collective bargaining unit is the claimant and where the protest of the state system unemployment compensation has resulted in denial of benefits under the Supplemental Unemployment Benefit Plan.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 27, 1999

(99) Deferred Pay Plan

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Chrysler Corporation established the Chrysler Deferred Pay Plan for Hourly Employees (excluding Skilled Trades) and the Chrysler Deferred Pay Plan for Hourly Skilled Trades Employees effective January 1, 1985. Effective September 29, 1989, the plans were merged to form the Chrysler Hourly Employees' Deferred Pay Plan.

It is agreed that all otherwise eligible hourly employees covered by the current National Production and Maintenance and Parts Depot Agreements between DaimlerChrysler Corporation and the International Union, UAW shall be eligible to participate in the DaimlerChrysler Hourly Employees' Deferred Pay Plan.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 18, 1993

(100) Health Awareness Training

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

The National Training Center in conjunction with the Joint Insurance Committee and other groups within the Corporation and the Union will develop and assist in implementing educational and health awareness training programs having components such as:

- information to encourage covered persons to obtain quality health care in a cost-effective manner, and
- information to help covered persons develop and maintain healthy lifestyles.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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October 14, 1996

(101) Fitness Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

The UAW - Chrysler National Training Center is dedicated to a total lifestyle approach to fitness and well-being. Therefore, during these negotiations, the parties agreed to continue providing joint funds for exercise equipment and professional oversight. Additionally, the NTC will retain responsibility for the procurement of fitness center equipment.

Local Joint Training Committees may submit requests to utilize local funds to purchase fitness equipment. Such requests must be in accordance with the UAW - Chrysler Fitness Center Guidelines.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 27, 1999

(102) Future Planning/ Retired Worker Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Recognizing that DaimlerChrysler employees, retirees, and their spouses could benefit from specific retirement courses, the parties have agreed to continue the jointly developed Future Planning and Retired Worker Programs.

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Participants will learn about many aspects of retirement, including such topics as: remaining healthy, financial planning, budgeting, taxes, investments, leisure activities and community/union involvement.

The programs will be funded and administered under the direction of the Joint Activities Board.

Very truly yours,
DaimlerChrysler CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 14, 1996

(103) Youth Programs

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties reaffirmed their support of programs, for the children and grandchildren of UAW-represented Chrysler workers. These programs will also be available to other youth on a space available basis.

Under the direction of the Joint Activities Board, the National Training Center has developed a Youth Program which has been implemented at Regional Training Centers and other designated locations. This program is designed to supplement the normal education system, alleviate teen problems, encourage academic excellence and guide career selection and development. In furtherance of these initiatives for youth, the Chrysler Corporation and the National Training Center will work together on various projects to enhance the delivery of services to the youth of UAW-represented Chrysler workers.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

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Accepted and Approved:

INTERNATIONAL UNION, UAW

By Jack Laskowski

September 29, 2003

(104) Child/Elder Care

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties acknowledged that Child and Elder Care are two of the most important issues facing DaimlerChrysler Corporation employees.

To address these important issues, the Joint Activities Board has directed the following actions:

1. Continue with the responsibility for research, development, oversight and monitoring of child and elder care programs, including ongoing education and promotional programs at all DaimlerChrysler Corporation facilities.
2. Continue to provide a telephone access Resource and Referral program that is accessible to all DaimlerChrysler Corporation locations to assist employees with obtaining quality care of children and elderly dependents. The resource and referral vendor will also provide educational information on general parenting and a variety of work/family topics.
3. Continue to explore the possibilities of expanding childcare to other locations.
4. Continue efforts toward a consortium-operated or NTC owned child care facility and explore other methods for providing child care services. This may include, but not be limited to, support to enhance existing childcare services in the community. All pertinent issues will be addressed, including potential consortium members, format, cost-sharing arrangements as well as location, size, services to be provided, and others. ~~We~~ We will continue the Detroit area pilot consortium projects through the Alliance for Children and Working Families, to provide and improve existing child care services. Moreover, we will develop

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and implement similar programs for other DaimlerChrysler Corporation locations, through consortiums with other local businesses, as appropriate. A recommendation will be developed and presented to the Joint Activities Board.

5. Continue to affirm our commitment to evaluate existing UAW-DaimlerChrysler Elder Care Needs Assessment Survey data to determine employee needs. If warranted, the NTC will continue to conduct additional surveys and explore options regarding Elder Care Program, including a Care Manager Program to provide initial geriatric assessments for active employees whose parent(s), step parent(s), parents-in-law or elderly dependents are in need of help in locating additional assistance.

6. Continue the summer program for UAW-DaimlerChrysler school-age children in Huntsville, Alabama. Continue the Detroit area pilot summer programs through the Alliance for Children and Working Families. ~~Expand~~ Expand the program to other cities with DaimlerChrysler Corporation facilities, through consortiums with other local businesses, as appropriate, pending approval by the Joint Activities Board.

7. Provide information upon request to employees regarding latch key issues and to explore a method to establish a Latch Key program at other DaimlerChrysler Corporation facilities. In that regard we agreed to continue the latch key before-and-after-school program with the Detroit area school systems, through the Alliance for Children and Working Families. Moreover, we will expand these programs to other communities with DaimlerChrysler Corporation facilities, through consortiums with other local businesses, as appropriate, pending approval by the Joint Activities Board.

8. Continue the employee-funded Dependent Care Assistance Plan administered by the DaimlerChrysler Health Care, Group Insurance and Health Promotion Department. This program will enable active employees to pay for dependent care services using pre-tax dollars.

As discussed, funding for the program will be provided by the UAW/DaimlerChrysler National Training Center.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By L. Francis

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999

(105) Local Training Facilitator Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The Joint Activity Board, previously agreed to establish the local training facilitator program.

The program was designed in response to the request of local training committees to improve and expand local training programs, to encourage more workers to participate in available programs and to build an innovative training organization that responds to current needs while preparing the UAW-DaimlerChrysler workforce for the future.

The local training facilitator will continue to be a part-time position funded by local training funds. Locations may nominate a person for appointment when a vacancy occurs. The duration of the position, candidate qualifications, and the number of hours the facilitator may work per week will continue to be determined by the Joint Activities Board (JAB). The JAB will direct the UAW-DaimlerChrysler National Training Center to review the established guidelines annually to ensure the Program meets the needs of the local training committees.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2009

(106) Tuition Assistance Plan

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During current negotiations, DaimlerChrysler and the UAW reaffirmed the necessity of providing active and laid-off employees opportunities for education and training. These efforts will enable them to either reenter the work force or enhance their development. Accordingly, the parties hereby agree to continue the Tuition Assistance Plan for all qualifying employees who wish to pursue further education and training. The plan is designed to help workers:

-- who are laid off to improve their chances for reemployment,

-- or who are on the active roll to enhance their opportunities for advancement.

Under this Plan, qualified employees are able to receive assistance in the form of up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits workers to select many types of vocational training or education, for their situation and goals, subject to approval by the UAW/DaimlerChrysler National Training Center.

Courses

Suitable courses are those approved by the UAW/DaimlerChrysler National Training Center, including, but not limited to, those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes and career development courses.

Certain job-related seminars, correspondence, and home study programs may be considered for approval according to specific guidelines developed by the National Training Center.

Schools

Acceptable schools are those approved by the UAW/DaimlerChrysler National Training Center including, but not limited to, those generally recognized by accrediting agencies or under governmental education agencies.

Prior Learning Credits

Costs to obtain college credit for work experience or for in house sponsored training programs are appropriate charges against the Tuition Assistance Program.

Funding

The Plan shall be funded by the UAW/DaimlerChrysler National Training Center.

Administration

The Plan will be jointly administered by the UAW/DaimlerChrysler National Training Center.

The National Training Center has the authority and discretion to interpret the terms of the Plan, including but not limited to, the authority and discretion to approve schools and courses under the Plan and to issue guidelines interpreting the Plan.

TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS

Eligibility

The participant must be a UAW represented DaimlerChrysler Corporation employee on the active employment rolls or on temporary layoff with seniority under the terms of the current DaimlerChrysler Corporation UAW National Agreement. However, employees who are attending a degree seeking program and become temporarily disabled due to a compensable occupational injury may be entitled to utilize the applicable Tuition Assistance to enroll in one additional college term.

Type of Assistance

The Plan will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. There shall be no duplication of tuition or fees already covered by state or federal education

assistance plans or programs. The type of assistance shall be determined according to the following categories and benefit levels specified below:

-- \$4,600 per year for courses at regionally accredited colleges or universities

-- \$2,050 per year for other job related courses

-- \$1,500 per year for courses taken for personal development, not related to the employee's current job assignment, through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others.

Advance Payment

Employees enrolled in degree programs through accredited institutions, who exhaust the current year tuition eligibility, may utilize up to \$1,000 of the following year's eligibility to cover appropriate expenses.

The payment of up to \$1,000 will occur automatically when the request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of the Agreement, and does not expand tuition assistance.

Employees participating in more than one of the above categories of tuition assistance will not be eligible to receive more than a combined total of \$4,600 per calendar year.

Additionally, the spouse and dependent children of a deceased active employee will be entitled to utilize the remaining balance of the employee's annual Tuition Assistance eligibility for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

TUITION ASSISTANCE PLAN FOR LAID OFF EMPLOYEES

Eligibility

The participant must be a UAW represented DaimlerChrysler Corporation employee on indefinite layoff, who has recall rights under the terms of the current DaimlerChrysler-UAW National Agreement, and who had at least one year

seniority as of the last day worked prior to layoff. Also included are union officials on leave of absence under Section (80)(a)(i) of the National Agreement.

Type of Assistance

The Plan will provide for tuition and compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,400 of tuition assistance while on indefinite layoff except as specified below. Eligibility is established by seniority as of last day worked prior to layoff as follows:

SENIORITY AS OF DATE OF LAYOFF

1 to 3 Years	\$6,400
3 to 4 Years	\$7,400
4 or more Years	\$8,400

The above specified amounts shall constitute an account upon which the employee may draw so long as the employee retains recall rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall rights are lost under the terms of the DaimlerChrysler-UAW National Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at DaimlerChrysler, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,400 in any four (4) calendar year period.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(107) Paid Educational Leave

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed to continue the National Paid Educational Leave (PEL) program which provides UAW, Chrysler leadership and selected employees with a unique educational opportunity to enhance their knowledge of the automobile industry. Sponsored candidates are approved in advance by the UAW-Chrysler National Training Center. Expenses and lost time for participants in the program are provided from national joint training funds.

The jointly developed and administered Paid Educational Leave Program utilizes industry experts, university analysts and political officials to examine and discuss the economic, technological, and political forces influencing the future of the worldwide automobile industry.

During these negotiations, the Parties have reconfirmed their support of the National Paid Educational Leave Program

During the term of the 1990 National Agreement the parties developed a regional/local version of the PEL Program. It is the intention of the parties to refine and offer this option during the current agreement with funding to be provided from Local Joint Training Committee accounts. The National Training Center will also consider developing a specialized PEL type program for individual plants based on local considerations.

Further, the parties agreed in 1990 to jointly develop a Union and Company Awareness Program regarding the long historical relationship between the UAW and Chrysler. The parties further agree that this program will be incorporated into the format of the National and Regional/Local PEL programs.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 27, 1999

(108) Personal Financial Planning

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

This will confirm that an education program in the management of personal finances has been established by the UAW/DaimlerChrysler National Training Center. This program is designed to provide practical information to interested UAW-represented DaimlerChrysler employees in the areas of understanding personal financial decisions and various financial planning and investment alternatives, to include income tax preparation, 401(K) plan, stocks, bonds, mortgages and loans.

Further it was agreed that spouses and dependents may participate in this program at Regional Training Centers or other mutually agreed upon locations.

The National Training Center will review the program as necessary to determine the best promotion and delivery methods, and whether to include new issues which may affect employee's personal financial planning. The costs associated with the program will be paid through local training funds. Exceptions regarding funding will be reviewed by the Joint Activities Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(109) Employee Assistance Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

DaimlerChrysler Corporation and the UAW continue to recognize that alcoholism and drug dependency are health problems which may be successfully treated, given early identification and appropriate rehabilitation therapy. Furthermore, as with alcoholism and drug dependency, emotional disorders and serious personal problems can adversely affect job performance.

It is in the Corporation's and Union's mutual interest to provide a framework within which UAW-represented DaimlerChrysler employees voluntarily and confidentially may seek professional counseling, treatment, family intervention, or other assistance and information about what benefits are available to address such problems. Similarly, it is in the parties' interests to generally encourage, educate and otherwise help employees pursue more healthful life styles, and expand educational opportunities in this area for the entire family. Working together the Union and the Corporation can achieve common goals in those areas. In this regard, the parties accordingly established a joint Employee Assistance Program under the UAW/DaimlerChrysler National Training Center (NTC).

The Program provides for: (1) early identification and voluntary assessment of seniority employees having alcoholism or other drug dependency problems as well as emotional disorders or serious personal problems; (2) referral of such employees to recognized providers for professional diagnostic evaluation, counseling or treatment; and (3) an ongoing support system with appropriate follow-up on their counseling or rehabilitation progress. While the Program's primary purpose is to assist employees having such problems and help Union and Management Representatives deal effectively with such situations, it also encourages employees to obtain information about the dangers of substance abuse and other addictions, and serious family and personal problems. Additionally, the Program covers how to recognize the existence of such problems, and the availability of counseling or treatment referral services for immediate family members having such problems.

Employees with alcoholism, drug dependency, emotional, family, or other personal problems will be able to seek help voluntarily without having to be concerned that their employment status will be affected because they have sought help for such problems. Such employees, however, would continue to be subject to the same standards of performance and conduct expected of any other employee, irrespective of participation in the Employee Assistance Program. Employees requiring a leave of absence for the treatment of health problems will be issued such leave in accordance with the provisions of the Collective Bargaining Agreement. Insurance benefits, if any, for the treatment and the absence will be determined in accordance with the Agreement.

The parties recognize the value of conducting critical incident "stress debriefings" after a trauma, such as an employee suicide, a major injury accident, violence or death at the work site, etc. Appropriate debriefings for employees traumatized by such events are in the best interest of the Union and the Company. In this regard, the parties agree to continue the Critical Incident Response Program. Also, in light of increasing workplace violence, the parties have implemented a comprehensive Workplace Violence Prevention Program. Through joint Workplace Violence Prevention Local Response Teams (LRT) at every location, whose activities shall be governed by the mutually agreed upon NTC LRT Policy and Procedural Guidelines, designated representatives of union and management have the opportunity to work cooperatively toward preventing troubling situations from worsening, while maintaining the integrity of their respective roles. The parties agree that the best way to prevent threats and potential violence from becoming a reality is by treating all employees with respect and through early identification, intervention, and referral of employees who may be having such problems, to their EAP Representatives. The parties also agree to continue updating the Workplace Violence Prevention procedures, including NTC Local Response Team Policy and Procedural Guidelines, and providing awareness, education and training on procedures for Local Response Team members through the National Training Center.

The Joint Activities Board (JAB) will continue to fund the development, central administration and arrangement of necessary services regarding delivery of the Employee Assistance Program. The National Training Center will continue to assist locations in implementing the Program. In that context, the National Training Center will provide training or instructions deemed necessary to qualify Employee Assistance Program

representatives to satisfactorily perform their duties; and, will arrange for necessary promotional, professional referral and other support services from appropriate national and local company or external resources. Also, the National Training Center will continue its support of alternative counseling techniques, such as a Chaplaincy Program, in support of local EAP programs and EAP representatives. Recommendations in this area will be presented to the Joint Activities Board as appropriate.

The JAB will continue to direct and guide the development, administration, and delivery at the national level. The Program will continue to be comprised of equal numbers of representatives of the UAW and the Corporation appointed respectively by the UAW Vice President and Director of the National DaimlerChrysler Department and the Corporation's Senior Vice President, Employee Relations. The EAP process will function under the umbrella of the Local Employee Participation Council (LEPC) and under the joint guidance of the Plant/PDC Manager or Human Resources Manager, and the local union President. All program activities will be governed by the requirements outlined in the EAP Policy and Procedural Guidelines. The Plant/PDC Manager, or Human Resources Manager and the local union President will meet monthly with the EAP representatives to coordinate all EAP Program activities, including promotion of the program to employees, the training of supervisors and union representatives, at their locations, and continuous improvement of the Program, consistent with the provisions of this letter and the guidelines established by the JAB. The EAP representatives will also participate in, and report data reflecting their activities, in a manner not to violate confidentiality, at meetings of the Local Employee Participation Council, (LEPC).

Proposals and requests for funding concerning delivery of local programs and related services under the Program will be reviewed by the National Training Center and be subject to approval by the JAB. In reviewing such proposals, consideration will be given to the availability of funds and proposal consistency with the Program's objectives.

Early identification and assessment of employees needing assistance is a key element of the Program and increases the possibility of a successful outcome. Also, follow-up by EAP representatives, and on-going support through on-site support groups and family awareness is critical to maintaining healthy lifestyles. The parties further recognize that while it is the responsibility of management to maintain discipline and to invoke disciplinary measures where and when appropriate, both

local management and union representatives at all levels have the responsibility to exercise their best efforts toward the objective of early identification of employees whose behavioral problems may be linked to medical and/or personal causes and to strongly encourage them to seek assistance. To facilitate their critical roles in the intervention process, participation in EAP education and training by supervisors and chief stewards is essential, and valuable for other local union and management leadership. This education and training will be provided in a variety of formats. In addition, educational materials and information on resources available through EAP, such as a newsletter and a telephone access EAP Resource and Referral Service will be made available by the National Training Center to employees and their families as a means to further support early intervention.

The parties recognize the value of providing social support to employees making positive lifestyle changes, and where the local parties agree, on-site, employee-conducted support group meetings will be permitted for employees, on their own time. EAP representatives, with the assistance of the LEPC, will be responsible for arrangements.

Further, it is recognized that a perceived stigma may be attached to involvement with EAP. Therefore, joint local EAP teams, along with the LEPC, will work to generate a climate which reduces the effects of social stigma associated with mental disorders, alcoholism, drug dependency and other personal problems that act as a barrier to employees receiving needed help to resolve personal problems. To this end, consideration will be given to the location of the EAP's office in the plant ensuring the greatest privacy and confidentiality.

The parties agree to continue improving the quality and performance of the EAP Program and EAP representatives' services. Therefore, the National Training Center will benchmark other programs and develop National UAW/DaimlerChrysler EAP Program standards based on: the most successful practices, standards developed by other joint programs and professional organizations, and input from EAP representatives. The National Training Center will provide training on the implementation of these standards and assist with the resolution of any implementation problems.

Also, newly-appointed EAP representatives will receive a thorough orientation on the background, history, development and focus of EAP Program standards, as well as methods for coordinating a local EAP Program. To ensure that newly-appointed EAP representatives become proficient in EAP core

technology, and are able to provide a professional level of service, they will be required to meet all NTC-approved EAP requirements for certification within three (3) years of their appointment. Newly-selected EAP representatives must possess the skills necessary to take and pass such a certification examination. Failure to achieve such a credential within the allotted time period could result in the representative being removed from the Employee Assistance representative position by the UAW DaimlerChrysler Department. Newly appointed representatives will, where feasible, be selected two weeks prior to the departure of the preceding representative, for purposes of training and a smooth transition of responsibilities.

Confidentiality is a critical element in the success of an EAP Program. To preserve the integrity of the Program and employee trust, EAP representatives will adhere to professional standards of confidentiality, except where limited by federal, state, local or corporate rules and regulations regarding confidentiality, disclosure of client information, or threats. These limits will be explained to employees. Because violations of confidentiality may destroy a program at the local level, and embarrass and offend employees who have placed their trust in the EAP, proven violations of confidentiality by EAP representatives, either by omission or commission, will be taken seriously. If it is alleged that a violation has occurred, a joint investigation will be conducted, and appropriate action taken, up to and including termination of their appointment.

To ensure that employees receive effective alcohol, substance abuse and mental health care, The NTC will work jointly with the Health Care Benefit Joint Insurance Committee to research the most beneficial treatment practices.

It is understood that nothing contained herein or in the existing or future statements concerning the Employee Assistance Program or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Corporation's or the Union's rights or responsibilities under the Collective Bargaining Agreement, nor is the Program intended in any way to create for any employee any enforceable obligation against the Corporation, the Union, or their representatives.

In addition, it is the parties' intent that any programs, approaches or related services to be provided under the Employee Assistance Program are not to be construed as benefits or insurance programs.

Finally, the Grievance Procedure set forth in the Collective Bargaining Agreement shall have no application to, or jurisdiction over, any matters related to the Program.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(110) Funding - Health and Safety
Training and Research

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

In the Memorandum of Understanding - Health and Safety which supplements the 2003 Production and Maintenance Agreement the parties agree to direct and support joint health and safety activities at the national and local levels. These include providing additional joint health and safety training to enhance the safety awareness, hazard recognition, and technical skills of DaimlerChrysler employees; developing guidelines to be used by the plants and Local Joint Health and Safety Committees to design local training programs and a system to review and approve such programs; and establishing a Joint Health and Safety Training Subcommittee to aid the National Joint Committee on Health and Safety in attaining its training objectives.

The parties also agree, as set forth in the Memorandum of Understanding - Health and Safety, to conduct mutually agreed upon occupational health research and to explore methods to improve communications between DaimlerChrysler and the UAW in health and safety areas.

To ensure adequate funding for the above described activities, the Corporation will make available funding at four (4) cents per hour worked for health and safety training activities. In

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the event this Fund is depleted, subsequent funding for future recurring expenses, if approved by the Joint Activities Board, will be made available through National Training Funds. Funding for research will not exceed the amount of the unspent research fund under the 1999 Agreement plus an amount, when added to this unspent balance, would total \$1,200,000 for research projects for the duration of this Agreement.

The parties recognize the need to better coordinate all joint training efforts at the operating unit level. As each unit is jointly developing local training priorities based upon such analysis, they will be asked to make health and safety a part of this process.

To support this process, the parties agree to utilize joint health and safety funds to partially subsidize the cost of local health and safety training efforts. A formula for this subsidy will be developed annually by the National Joint Committee on Health and Safety and approved by the UAW-DaimlerChrysler Joint Activities Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999

(111) National and Local Training

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

DaimlerChrysler Corporation and the UAW reaffirm the need to continue and expand the National Training Center Program. Furthermore, the parties pledge to continue providing the resources necessary to assure that all employees receive training and development opportunities in order to produce a highly motivated, capable workforce that continually improves its own and the Corporation's ability to succeed in an increasingly

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competitive industry. To demonstrate this continuing commitment, the parties agreed to establish a joint study committee at the National Training Center, with authorization derived from the Joint Activities Board, to evaluate all existing training programs and make improvements where necessary as well as develop and implement new programs reflective of the dynamic needs of employees and the company, especially in light of our changing workforce and emerging technology. Where appropriate, space permitting at locations designated by the Joint Activities Board, spouses and dependent children may attend certain training classes as defined by the joint study committee.

I. NATIONAL TRAINING CENTER

This National Training Center will promote and direct the development and implementation of skill development and training activities for active and dislocated employees. DaimlerChrysler and the UAW strongly encourage all employees to avail themselves of these activities.

Training and job placement efforts for dislocated workers will be focused on finding comparable employment as soon as possible. In plant closing situations, or in cases involving employees facing indefinite layoff where recall or future DaimlerChrysler placement is unlikely, the parties agreed that affected employees will receive up to four (4) hours release time for participation, in group information meetings, individual planning sessions and skill assessment. In addition, other pre-layoff activities will include, but not be limited to, basic skills training, counseling, alternative career training, job search placement and related support services. Post layoff services will continue to be made available to laid off employees through the National Training Center. Cases of partial plant closings will be reviewed individually and appropriate services provided. In either case, services will be reviewed and approved by the Joint Activities Board.

In order to insure that Training activities improve the performance of the enterprise and provide participants with enhanced job security, it is essential that the National Training Center activities be integrated with the Corporation structures and business decisions. Therefore, the National Training Center will expand its efforts to establish and maintain close communication with Corporate/Group/and Divisional staffs and training functions to assure that the parties at all levels contribute to the development of effective joint training and development initiatives and utilize the resources and facilities of

the National Training Center to disseminate effective training and development practices.

The duties and responsibilities of the National Training Center will include the following:

- Identify Skill Development and Training needs for active employees in the areas of basic education, job-related and interpersonal skills.

- Design promotional materials and activities to encourage the expansion of Joint Union-Management efforts in our society.

- Sponsor appropriate activities to provide a forum for national experts from labor, academia, business, and government to convene and deliberate upon the future of Human Resource Development.

- Authorize studies, demonstration projects and research activities on topics of mutual interest and importance.

- Monitor and evaluate National and Local Joint Training Committee Activities and provide status reports to the Joint Activities Board

- Investigate other career and training counseling alternatives.

II. RESPONSIBILITIES/LOCAL JOINT TRAINING COMMITTEE

The Local Joint Training Committee, as described in the Memorandum of Understanding - Joint Activities, will be responsible for the Local Joint Training Committee Program. Additionally, the Local Joint Training Committee will be involved in training directed at UAW-represented employees and will assure that, based on a comprehensive needs analysis, training programs are readily available which enable employees to improve upon and upgrade their basic education, job, and interpersonal skills.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(112) Multimedia Learning

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

Since the 1988 negotiations, the Joint Activities Board, through the National Training Center, has developed and implemented a Telecommunications Service at the National Training Center and all Regional Training Centers.

During the 1999 negotiations, the parties agreed, under the authority of the Joint Activities Board, to continue providing distance learning services, utilizing effective and cost efficient multimedia technologies.

Further, it was agreed that eligible dependents, and other jointly approved persons are encouraged to participate by utilizing this service on a space-available basis.

In addition, the parties have agreed that, within 90 days of the conclusion of these National Negotiations, the Joint Activities Board will appoint a committee to evaluate the National Training Center's Multimedia Learning Program, to include the feasibility of delivering such programs to all UAW represented DaimlerChrysler locations.

Also, it was reaffirmed that Local Joint Training Committees may use in-plant telecommunication systems to broadcast video material produced or approved by the National Training Center. Furthermore, the parties agree it would be beneficial for the NTC and DaimlerChrysler's Employee Network to continue its cooperative initiatives to provide education and informative communication to DaimlerChrysler employees.

The Joint Activities Board will establish the appropriate funding, guidelines, and extent of staff support for this activity.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

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November 5, 1976

(113) Unclaimed Pay Checks

International Union, UAW

Attention: Mr. Arthur Hughes

Dear Sirs:

Pursuant to our discussion regarding unclaimed paychecks arrangements are being made to furnish each Local Union monthly with a list of employees who have paychecks at the plant which are unclaimed.

This procedure will become effective thirty days following the effective date of the 1976 Collective Bargaining Agreement.

Very truly yours,
CHRYSLER CORPORATION
By R. W. Ambler

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Arthur Hughes

November 19, 1990

(114) Paycheck Distribution - Second Shift

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the Union expressed their concern regarding the distribution of payroll checks for second shift employees during the weeks in which the Thanksgiving, Good Friday holidays and basic payment in lieu of vacation occur.

This is to confirm our understanding that during the term of the National Production and Maintenance Agreement, eligible second shift employees entitled to receipt of payroll checks during the weeks in which the Thanksgiving, Good Friday

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holidays and basic payment in lieu of vacation occur, will be provided their payroll checks in the following manner:

-- End of the second shift which starts on Tuesday in the week in which the Thanksgiving holidays occur.

-- End of the second shift which starts on Wednesday in the week in which the Good Friday holiday occurs.

-- End of the second shift which starts on Thursday, the day prior to the regular pay-in-lieu payment date as indicated in Letter (85), Date of Basic Payment in Lieu of Vacation. However, the parties agree that if a plant experiences above-average absenteeism on the second shift the following day (Friday), local plant management in the following years will return to the practice of distributing pay-in-lieu of vacation checks on the second shift on the dates agreed to in Letter (85); Date of Basic Payment in Lieu of Vacation.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 27, 1999

(115) Payroll Direct Deposit

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the Corporation agreed to continue to make available to hourly employees an Electronic Funds Transfer (EFT) option for payroll payments.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

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September 27, 1999

(116) National Equal Application Committee

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

For many years the Corporation and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, status as a qualified person with a disability, sexual orientation, union activity or membership in any legally protected class, and to this end the parties have expressly incorporated in their Agreement an "Equal Application" provision that both insures adherence to that principle in all aspects of employment at DaimlerChrysler Corporation and provides the contractual grievance and arbitration procedure for the resolution of alleged violations of that principle.

The parties now recognize the desirability of increased communication and cooperative effort on this subject (i) to encourage employees and grievance representatives to use the grievance and arbitration procedure as the exclusive contractual method for the prompt resolution of all claims of denial of equal application rights or claims of sexual harassment, (ii) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (iii) to maintain liaison with appropriate federal, provincial and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the contractual grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, nonproductive to relieving employee problems, (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange information, expertise and advice.

Accordingly, the parties have established a National Equal Application Committee and Local Plant Equal Application Committees.

The National Equal Application Committee will be composed of three (3) representatives of the International Union, one of whom will be a member of the International Union's Civil Rights Committee, or his designee, and three (3) representatives

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of the Corporation, one of whom will be active in the Corporation's equal employment opportunity programs. The National Committee shall meet during January, April, July and November or at times mutually agreed upon, but no fewer than four (4) times a year, and its functions shall be the following:

a.--Review and discuss ways and means of encouraging employees and grievance representatives to use the grievance and arbitration procedure as the exclusive contractual method to resolve claims of denial of equal application rights.

b.--Advise and counsel Union and Corporation representatives on the Appeal Board, other than the Impartial Chairman, on grievances alleging such claims.

c.--Conduct or arrange for investigations and/or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.

d.--Maintain liaison with appropriate federal, provincial and state agencies for purposes set forth in the second paragraph of this letter.

e.--Advise and counsel Local Plant Equal Application Committees.

At each plant or facility that the National Production and Maintenance Agreement covers, a Local Plant Equal Application Committee shall be established consisting of up to three (3) representatives of the Local Union and three (3) representatives of Plant Management. The representatives of the Local Union shall be limited to the Local Union President, or an Officer of the Local Union on a full time Leave of Absence For Union Business, the Chairman of the Plant Shop Committee, and the Chairman of the Civil Rights Committee of the Local Union or a designated representative. The representatives of Management shall be the Plant Manager, or his designated representative, and two (2) Plant Management representatives at least one of whom is active in the Corporation's equal employment opportunity program. Local Plant Equal Application Committees shall meet during January, April, July and November or at times mutually agreed upon, but no fewer than four (4) times a year. Copies of minutes from these meetings will be made available to the Union. Such Union representatives if not on a full time Leave of Absence For Union Business, and if working in the plant, shall receive pay from the Corporation at their regular hourly rates for time spent in such meetings or when jointly

investigating and/or studying a complaint with a management member of the Local Plant Equal Application Committee, that they would otherwise have worked in the plant. Local Plant Equal Application Committees shall have the following duties:

a.--Recommend to the National Committee ways and means of promoting use of the grievance procedure as the exclusive contractual method for resolving claims of denial of equal application rights.

b.--Suggest guidelines for Union and Corporation representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.

c.--Conduct or arrange for investigations and/or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.

d.--Recommend to the National Committee means for determining the cause of equal employment opportunities and discrimination problems and tensions in the plant.

The parties continue to recognize their legal and moral responsibility for assuring that all DaimlerChrysler Corporation employees have equal employment opportunities and freedom from discrimination as set forth in Section (4) of the National Production and Maintenance Agreement. Consequently the function of the National Equal Application Committee and Local Plant Equal Application Committees shall be advisory, consultative and cooperative. While the Corporation and the Union will welcome the recommendations the Committees may make, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from bypassing the grievance and arbitration procedure with respect to any claim or complaint against the Corporation which may be made the subject of a grievance under the contract.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Approved and Accepted:
INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(117) Sexual Harassment Prevention

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The following is the text of DaimlerChrysler Corporation's written and published guidelines regarding sexual harassment prevention:

POLICY STATEMENT:

Sexual harassment violates DaimlerChrysler Corporation's long-standing policy against discrimination on the basis of sex. Sexual harassment in the workplace is also illegal. It violates Title VII of the 1964 Civil Rights Act, the Civil Rights Act of 1991 and various state fair employment laws in locations in which the Corporation does business. The Corporation's policy to prohibit the occurrence of sexual harassment is based on concern for the individual as well as good business judgment.

DEFINITION:

For the purpose of determining whether a particular act or course of conduct constitutes sexual harassment under this policy, the following definition will be used: Sexual harassment includes any unwanted conduct of a sexual nature that adversely affects an individual's work environment, including but not limited to the following: unlawful sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or
3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

PROCEDURE:

Employees, applicants, suppliers, independent contractors, customers, business invitees, and other outsiders who come in contact with DaimlerChrysler Corporation employees who in good faith believe they have been subjected to or witnessed unlawful sexual harassment activity or behavior in the workplace by other DaimlerChrysler Corporation employees (including managers, supervisors and co-workers), applicants, suppliers, independent contractors, customers, business invitees or outsiders are encouraged to promptly report this occurrence. For the purposes of this policy, the DaimlerChrysler workplace will be defined as any place where DaimlerChrysler Corporation work is being performed. Individuals wishing to make the Corporation aware of unlawful conduct may use any or all of the following methods:

- notify immediate management,
- notify the Human Resources Office,
- notify the Corporate Diversity and Work/Family Office.

Employees covered by a Collective Bargaining Agreement may utilize mechanisms provided under the terms and conditions of their applicable contracts. Sexual harassment grievances shall be processed expeditiously and confidentially, and shall exclude from the grievance procedure a Management Representative and/or Union Official who is implicated in the grievance. Further, DaimlerChrysler Corporation employees who are included under the provisions of the UAW-DaimlerChrysler Equal Application Program may also report occurrences of unlawful sexual harassment as noted above to their Local Plant Equal Application Committee.

All sexual harassment complaints will be investigated in a lawful, timely and impartial manner. *Maximum confidentiality* will be maintained throughout the investigation process and information will be shared only on a need-to-know basis. Because of the sensitivity of sexual harassment issues, all investigations will be designed to protect the privacy and reputation of all individuals concerned. The Corporation will take appropriate steps to assure that a person who in good faith reports, complains about, or participates in the investigation of a sexual harassment allegation will not be subjected to any retaliation. Confidential counseling is available through the Employee Assistance Program. The Corporation will also take appropriate steps to assure that a person against whom such an allegation is made is treated fairly.

The Corporation is firmly committed to providing a work environment free of hostility and will not tolerate sexual harassment in the workplace. Violations of this policy will result in immediate and appropriate corrective action. In cases where an employee is found to have engaged in misconduct of a sexually harassing nature, the transfer of that employee or the transfer of the employee who made the complaint, will generally not be considered appropriate corrective action nor the sole remedy in resolving the complaint. Appropriate discipline, up to and including discharge, may be imposed.

The Corporation and the UAW are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Section (4) of the National Agreement, Letter (116) and Appendix A, the joint UAW - Management Sexual Harassment Complaint Investigation Process.

Further, the parties have agreed to provide training for Civil Rights and Equal Application Committees as specified under a separate Letter (158) of this Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

Appendix A Sexual Harassment Complaint Investigation Process

Complaints of sexual harassment originate via many different avenues, i.e., an employee to Management, an employee to a Union Representative, from either a Management or Union representative directly, or anonymously. Accordingly, immediately upon any member of Management becoming aware of an allegation of sexual harassment when a Bargaining Unit employee is either the accused or the complainant, the following process is to be followed:

The involved facility Human Resources Manager (or designee) must be advised of the allegation of sexual harassment. They, in turn, will immediately contact the Local Union President (or designee) to make them aware of the allegation. In cases when a complaint is received from an anonymous source, the aforementioned parties will, before commencing with an

investigation, confirm with the employee who is allegedly harassed that he or she, in fact feels sexually harassed. The local Human Resources Manager is also responsible for notification to the appropriate Group Human Resources Office, as well as the Diversity and Work Family Office of the sexual harassment complaint.

The involved Human Resources Manager (or designee) will advise the accused party that an investigation will be conducted and, accordingly, they could be placed "on notice" of potential disciplinary action, and that any act(s) of retaliation will not be tolerated. Dependent on the circumstances of the individual case, the Human Resources Manager may deem it prudent to suspend the accused individual(s) until the investigation is concluded.

An Investigation Team will be formed that will include at least one (1), but not to exceed two (2) representative(s) from the Local Union, which may include members of the local Civil Rights Committee, in accordance with Section (4) and Letters 116 and 117 of the National Agreement. Recognizing the desirability of an investigative team made up of one male and one female; each facility will attempt to structure the team accordingly. The Diversity Office may elect to name a representative to serve as an additional member of the Investigative Team or, where the Diversity Office is not part of the Investigative Team, local facilities are encouraged to confer with that activity for any guidance that may be required. In conjunction with Diversity Office presence, the DaimlerChrysler Department - UAW may elect to also name an additional representative to the Team. Also, where the Diversity Office is not part of the investigation, the local Human Resources Manager will, upon completion of such investigation, forward to that activity a confidential copy of the file. Investigations of sexual harassment are to be conducted in as expeditious a manner as possible.

During interviews conducted in conjunction with a sexual harassment complaint, only members of the Investigative Team and the interviewee will be present. If the interviewed employee is a bargaining unit employee, he or she can have a Union Representative present during the interview. As part of the investigation, attempts will be made to obtain signed statements from all parties, including the complainant, accused, and witnesses where applicable. In cases where disciplinary action results, copies of all documentation and notes relied on as the basis for such action will be provided to the Union and Management Investigators. All individuals involved in the handling of sexual harassment complaints, from the original

receipt of such complaint through the entire investigative process, are required, to the extent possible, to maintain confidentiality of any information obtained or prepared during the process. No copies of information obtained or prepared by the Investigative Team will be provided to any employee.

Once the investigation has been concluded, the local Management, i.e., Human Resources Manager and facility operating head, shall review the facts with management team members and determine the appropriate action to be taken. The union team members will have no role in this determination and will make no recommendations regarding disciplinary action.

In cases, however, where the Diversity Office participated on the Investigative Team, the investigation results will be reviewed for final disposition by designees from:

- Diversity and Work Family Office
- Group Human Resources
- Corporate Union Relations

Note: The Office of the General Counsel will, upon request, provide advice and counsel.

Actions Taken in sexual harassment cases will be reported by the local Human Resources Manager to his or her respective Group Human Resources Manager, as well as the Diversity Office. Or in the case where Diversity participated, final disposition shall be reported to the local Human Resources Manager by his or her respective Group Human Resources office. In all cases, the complainant is to be advised when the case is "closed." Such actions shall be monitored to ensure closure to all allegations is accomplished and corporate wide consistency relative to actions taken is maintained. Any discipline assessed shall be done consistent with normal requirements for notification, representation, etc.

Where the investigative process determines an allegation of sexual harassment was made falsely or maliciously, the complaint may be subject to appropriate disciplinary action, up to and including discharge. Obviously, this is not applicable to complaints that are brought forth in good faith, but are found to be inconclusive.

While the foregoing is an attempt to put in place guidelines which will allow the local facilities to investigate and dispose of the majority of sexual harassment complaints, it is important that care is taken to ensure all complaints are taken seriously, that an objective and thorough investigation consistent with

DaimlerChrysler policies and applicable Collective Bargaining Agreements is conducted, and that fair and equitable action results.

The Corporation bears the ultimate responsibility for the enforcement of the laws and corporate policy which prohibits sexual harassment. Sexual harassment is something that cannot be tolerated by Management or the Union. Accordingly, the Corporation and the DaimlerChrysler Department of the International Union, UAW are committed to ensuring investigations of sexual harassment complaints are to be conducted in the spirit of determining the truth and subsequent sharing of all available pertinent information between the parties. The Union's involvement in no way precludes its grieving and resultant disciplinary action, since the assessment of such discipline would remain the sole discretion of Management.

November 19, 1990

(118) Employee Privacy

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning employees and/or their conduct in the workplace.

The Corporation reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Corporation will continue to protect and respect the confidential nature of all personal information. Both the Corporation and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(119) New Hire Orientation

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation and the International Union, UAW agree to implement the jointly developed, standardized New Hire Orientation Program when the number of newly hired hourly employees warrants such a program.

The orientation will be piloted at a Metro Detroit area location and phased into outstate Manufacturing and MOPAR locations. This standardized training will be followed by one (1) additional day of training at the specific location where the employee is assigned to work. Employees will be scheduled and on a straight time basis paid for both the standardized and location specific orientation with their probationary period commencing on the first day of orientation.

The standardized orientation will consist of information presented in accordance with guidelines established by the Corporation and the International Union, UAW, and within ninety (90) days of ratification of the Agreement a program overview and participants manual will be made available to the NEPC. The information will acquaint the employee with our business, the benefits, opportunities and responsibilities they will have as employees of the Corporation and as members of the Union, to include the history of each organization. The information may also include the Union's and Corporation's perspectives on issues which affect the workplace and community. The location specific orientation shall be conducted, in part, by a representative of the Plant Human Resource Department and, in part, by an elected or appointed Local Union representative, officer or Benefit Representative designated by the International Union whose other duties at the time of his election, appointment or designation shall already permit him, if he is working on the job, to take time away from work without loss of pay. The orientation shall be conducted during normal working hours covering essential location specific information not covered in the standardized orientation, allowing for Local Union input and presentations.

In the event that either party believes the program does not meet the provisions of this letter, notification of the party

concerns may be given; if by the Union to the Corporate Union Relations Staff, or if by the Corporation to the DaimlerChrysler Department, International Union, UAW.

The program will not be subject to the grievance procedure and may be terminated at any plant by either the International Union or the Corporation, upon written notice to the other party.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 28, 1985

(120) Review Personnel Records

International Union, UAW

Attention: Mr. Marc Stepp

Dear Mr. Stepp:

During the current negotiations, the Union expressed concern as to the right of employees who work outside the State of Michigan to review their personnel records. The right of employees to inspect their own personnel file was afforded employees in Michigan in accordance with the 1978 Michigan Employee Right to Know Act.

This will confirm that the right of an employee to review his or her personnel records, established by the above cited Michigan law, will be extended as a matter of policy to Chrysler employees in the United States covered by a National Agreement between the Corporation and the International Union, UAW.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

September 27, 1999

(121) Roundtable

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties acknowledged their mutual goal of a strong and viable corporation which can provide long term job security for its employees. We agree that our future success in accomplishing this goal depends on our ability to market profitably products of the highest quality at a competitive price. We further recognize that with intense competition both at home and abroad, there is an unparalleled need to find new ways of doing business.

Our recent past experiences have demonstrated that substantial progress can be achieved when individual and group interests are subordinated to mutual goals and when conflict is replaced by cooperation. Thus, the parties are in accord that we need to expand upon the spirit of cooperation exhibited by the Union, the Corporation and our employees, which has served as the cornerstone for the Corporation's dramatic resurgence.

In order to enhance future cooperative efforts and create a framework which will promote understanding, improve relationships and provide for constructive, non-adversarial problem solving, the parties have established the Roundtable - an Alliance for Progress.

The establishment of the Roundtable does not replace the collective bargaining process or the grievance procedure. Rather it is intended to provide an opportunity for discussion of business developments that are of interest and significance to the Union, the Corporation and our employees.

The Roundtable shall meet semi-annually, unless otherwise required, to address agenda items proposed in advance by either party. The Co-Chairmen of the Roundtable shall be the Vice President and Director of the DaimlerChrysler Department, UAW, and the Senior Vice President of Employee Relations of the Corporation. Additional representatives for the Corporation will include appropriate senior executives who can provide information relative to the issues and/or agenda of the scheduled meeting. The Vice President and Director of the DaimlerChrysler

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Department, UAW, will designate appropriate representatives from the International Staff, UAW. The Roundtable shall provide a structure designed to:

- Improve communications and the exchange of information among the Union, Management and employees;
- Determine approaches for improving operational competitiveness in order to enhance job security;
- Identify and recommend new approaches for improving product quality; and
- Discuss the Corporation's general operations and other global business developments on a broad, corporate-wide basis.

Finally, the parties recognize that information provided is frequently of a sensitive nature which can have important competitive implications. Accordingly, it is agreed that data shared at the Roundtable meetings shall be accorded appropriate confidential treatment and not disclosed to outside firms, agencies or persons without the consent of the party providing the information.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 14, 1996

(122) Division Health & Safety Review Boards

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

A Health & Safety Review Board, co-chaired by a Manufacturing Division General Manager or Vice President: and a member of the International Union, UAW Chrysler Department

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Health and Safety Staff (or other similar arrangement agreed to by the Company and the UAW National Chrysler Department), will be established to include each major division having employees covered by this Agreement. The NJC will participate in activities of this Board, which is expected to meet regularly to review and resolve health and safety issues and to disseminate corrective actions and information throughout their respective divisions.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 27, 1999

(123) Annual Meeting

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

In order to promote a greater degree of understanding and cooperation between the Union and the Corporation, the parties will convene an annual meeting of local union leadership and management representatives to discuss matters of mutual interest such as:

- Current conditions and outlook for the global auto industry and DaimlerChrysler.
- State of management/union relations.
- Matters of mutual interest and concern.
- Matters of special interest to either party.

Local union leadership shall include the presidents, plant shop chairperson and one (1) unit chairperson of a local union (except in the case of Local 889 and Local 412 in which case the number of unit chairpersons in attendance shall be four (4) and

five (5) respectively), the regional directors and international representatives servicing DaimlerChrysler local unions. Management representatives from the plants, division and corporate staffs shall be designated. Additional attendees may be invited at the discretion of the Joint Activities Board on an annual basis.

These annual meetings will be chaired by the Senior Vice President -Employee Relations and the Vice President and Director, DaimlerChrysler Department, UAW.

Appropriate expenses and lost time for the local leadership will be reimbursed from the joint training funds.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(124) Employee Participation

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The parties devoted much time during negotiations discussing many concepts that will ensure employee input into day-to-day operations, including everything from the layout of the work site to the way in which work is performed.

We acknowledged that our long-standing, voluntary PQI process provides interested employees with the mechanism to improve employee morale and the competitiveness of the business in our very demanding industry and that our jointly developed employee participation programs should be administered, along with our other joint programs, under the leadership of the National and Local Employee Participation Councils.

The parties acknowledged that involving employees in key phases of the business such as quality, continuous improvement initiatives, operating efficiency, joint problem solving and waste elimination, using our Joint Activities Operating Principles (JAOP), is extremely important if we are to realize our joint vision of DaimlerChrysler becoming the premier automotive manufacturing company worldwide.

Among other things, we explored in depth the importance of an operating system and the interrelationship of JAOP with our many joint initiatives. The parties recognize that the successful implementation of an operating system and the sustainment and growth of our joint programs are vitally important to the long term job security of all DaimlerChrysler employees in that such programs and processes provides the framework necessary to more efficiently and effectively operate the enterprise.

The Corporation and the Union were in accord that without an operating system and the many "tool kit" items associated with it, DaimlerChrysler's ability to truly be competitive will be seriously diminished.

It is understood that by supporting the JAOP and other programs and processes intended to increase employee input into the day-to-day operations of the business, neither party will be abrogating or compromising their respective responsibilities, commitments or obligations under the collective bargaining Agreements.

The parties agreed to continue to identify the best processes and work policies that will encourage employee participation and also to continue the previously established National Employee Participation Council (NEPC) composed of five (5) Representatives of the International Union, UAW and five (5) senior level Representatives of the Corporation. The NEPC will continue to be co-chaired by the Vice President and Director of the UAW National DaimlerChrysler Department and the Corporation's Senior Vice President - Employee Relations. The NEPC will meet quarterly, or more frequently if mutually deemed desirable or necessary, in performance of its role to provide leadership and direction to any employee participation process authorized or created by the parties. The NEPC's role is to provide leadership, stimulation, momentum and direction to the UAW-DaimlerChrysler Employee Participation Process. The NEPC may establish appropriate joint pilot programs.

The parties will continue to review and, as necessary, modify and/or improve the mutually agreeable employee

participation process contemplated by this letter. The parties will continue to jointly identify what should occur at DaimlerChrysler in terms of employee involvement and participation to be fully competitive, improve product quality and assure job security of UAW members. These activities may include, but not be limited to, (i) employee participation in activities such as self directed work teams having performance goals and objectives, PQI, problem solving groups, quality initiatives, new product launch, health and safety initiatives, maintenance processes, operating effectiveness, continuous improvement and the JAOP, each suited to the particular needs of the different locations and (ii) determining if the existing internal pay and organization structures hinder progress towards such goals. The parties will continue to benchmark outside high performance companies with demonstrated employee participation processes and/or existing plant initiatives that encourage and sustain total employee involvement. A joint study group, appointed by the chairpersons of the National Employee Participation Council (NEPC), empowered to use whatever resources it believes necessary, will develop the UAW-DaimlerChrysler Employee Participation Process and will regularly report its findings and make recommendations to the National Employee Participation Council. During the term of the 1999 agreement, the NEPC empowered such a Joint Task Force to benchmark high performance workplace organizations. As a result of the benchmark activity, the Task Force made a recommendation to the NEPC that all Chrysler Group facilities implement a team based workplace organization model. The NEPC is in full agreement with the Task Force recommendations and concludes that all LEPC's pursue full implementation. Examples of the model and governing principles are appended to this letter as Attachment A, "Manufacturing Workplace Organization Model." The NEPC may then agree on a plan of action on how new employee participation processes contemplated by the joint employee participation process will be launched.

Additionally, at each plant or facility covered by the National Production, Maintenance, and Parts Depot, Office and Clerical and Engineering Agreements, a Local Employee Participation Council (LEPC) shall function, consisting of up to ten (10) employee and management representatives, such representation being equally divided between the parties including the Local Union President and/or (Unit Chairperson under the OC&E Agreement) and the Bargaining Committee Chairperson or his/her designee, the Plant, Parts Distribution Center or office area manager, the Human Resources Manager or his/her designee. The remaining members of the LEPC, if

any, shall be determined by the local parties consistent with NEPC guidelines. The Local Council will meet at the request of either party and shall, at a minimum, perform the following functions:

a. Establish a means for employees to communicate their participation-related ideas to the Local Council and to plant management.

b. Maintain a non-adversarial relationship between employees and management and assure all information exchanged is accorded confidentiality.

c. Along with the Local ESS and SWESS Committees, study and explore issues that either inhibit or enhance the present or future viability of the plant and affect job security.

d. Recommend to the National Employee Participation Council ways to improve effectiveness of the employee participation process.

e. Embrace, support and provide leadership relative to the JAOP.

f. As appropriate, link local JAOP, PQI, MOA, Health and Safety, Local Joint Training and other joint activity administration.

A member of the Local Council shall be designated to prepare a summary of major items discussed at each meeting and to furnish copies to the other members of the Local Council and the National Council.

To assure that the Councils function in a non-adversarial manner, the Councils shall not consider matters that are otherwise subject to collective bargaining. Additionally, it is understood that maximum Management and Union support of joint employee participation initiatives (inasmuch as their benefit to employees and the Company transcends contractual or interpretative differences), shall not be suspended and/or otherwise impacted as a consequence of internal differences or unrelated disputes.

The parties recognize it may be beneficial to consider and implement innovative programs which enhance competitiveness, improve job security and maximize the utilization of all available resources. Therefore, to facilitate and encourage such changes, it has been agreed that it may be necessary for the National or Local Employee Participation Councils (utilizing Attachment B

appended to the Memorandum of Understanding - Employment Security System ESS Program, when appropriate) to change or waive certain provisions of the National and/or appropriate Local Agreements. It is understood that any such change(s) or waiver(s): (i) will not be effective unless agreed to by the NEPC; (ii) will, when appropriate, require ratification; and, (iii) will be effective only at the location(s) specifically designated.

Further, Local Councils shall not commit either the Corporation or the International Union to a specific course of action. However, management will consider and afford proper weight to relevant information furnished by the Local Councils before making its final decisions.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

ATTACHMENT A
MANUFACTURING WORKPLACE ORGANIZATION MODEL

During the course of the 2003 negotiations, the parties spent considerable time comparing the quality, cost, and productivity results of the Chrysler Group with that of our most formidable competitors. The comparison, based on objective third party analysis, revealed that our competitors are producing vehicles with substantially higher efficiency and productivity, at lower cost, and with better quality. The facts reveal that our most formidable competitors function in a team based workplace organization, in all plant departments, skilled and non-skilled, and utilize lean manufacturing concepts, wherein the quality, material, and facility systems in place are aligned to support the team concept.

Pursuant to the 1999 PM&P Letter (124) and EO&C Letter (30), a Joint Study Task Force was commissioned by the NEPC and directed to benchmark our most formidable competition and to report their findings along with their recommendations to the NEPC. The Joint Task Force recommended to the NEPC that the team based workplace organization structure that most closely follows that of our benchmark competitors and lean principles be implemented at manufacturing facilities.

The union and management realize that change is inevitable, and as future improvements are made in competitive manufacturing, our processes must change. As a result, the parties agree that the team based workplace organization recommended by the Task Force will serve as the model for all Chrysler group manufacturing locations. The viability of our locations remains dependent upon substantially improving quality, cost, and productivity results without delay.

Manufacturing LEPC's are urged, in the strongest terms possible, to adopt the team based workplace organization structure in all departments, skilled and non skilled. All such structures will include the following governing principles however, recognizing unique attributes that exist at facilities:

(a) The Team member is the most important element in the system.

(b) All departments/functional specialties are specifically designed to support the Team concept.

(c) Produce the highest possible quality at the lowest possible cost.

(d) Continuous improvement and waste elimination.

(e) Each team member is expected to maintain quality in the work station.

(f) Problems are quickly detected and prompt resolution is supported at all levels.

(g) Operational and workforce flexibility and efficiency.

The following are examples of the essential characteristics for the Human Infrastructure and enablers of the jointly recommended, team based "Manufacturing Workplace Organization Model":

Human Infrastructure

I.A. Organization Structure

- Small team sizes
- Team members
- Team leaders
- Group leaders
- Consolidated job classifications

18. Team leader selection process to be developed and administered by the NTC, and approved by the NEPC

Prerequisites

- Joint Team Leader Selection Committee
- Written Tests
- Interview
- Job and Record Evaluation
- Joint Performance Evaluation
- Post selection evaluation period
- Training Record

2. Roles & Responsibilities

The following roles & responsibilities include but are not limited to:

Team member

- Mandatory job rotation among Team members
- Team and adhere to all area safety requirements, procedures, and processes
- Perform daily checks to ensure that machines are in safe working condition
- Maintain a clean work area
- Utilize the quality system
- Know the quality standards relating to the Team's process
- Perform standardized work
- Achieve work standards
- Identify and suggest throughout improvement opportunities
- Participate in continuous improvement opportunities
- Eliminate waste
- Assist in training other Team members, as required

Team leader

- Primary absentee replacement for Team members and other Team leaders
- Team and follow all area safety requirements, procedures, and processes
- Participate in safety inspections
- Perform daily safety checks on equipment and machines
- Enforce all safety procedures and rules within the team area
- Know all quality standards relating to the Team's process

- Measure quality standards within the Team
- Assist in developing SWTs/standardized work for all processes within Teams
- Develop and maintain quality tracking charts
- Communicate to Team members any quality related items
- Respond to quality system alerts and correct problems at the source before the line stops
- Provide training for new Team members
- Perform root cause analysis to prevent repeat of problems
- Set up equipment and clear machine faults
- Perform role of Team leader or Team member in another group if a manpower situation requires
- Lead continuous improvement efforts and encourage Team member involvement
- Communicate goals and objectives to Team members
- Communicate and ensure team awareness and achievement of quality, cost, and productivity objectives
- Solicit input from Team members for improvements
- Follow the requirements of the material pull system

Group leader

- Learn, monitor, and follow all area safety requirements, procedures and processes
- Ensure all personnel adhere to safety rules and procedures in the Group area
- Take action on all unsafe work conditions/actions and implement corrective measures
- Participate in safety inspections
- Confirm that safety checks are completed on equipment and machines
- Validate Team member proficiency as required by law or corporate procedures
- Know and follow protocol for use, clean up, and storage of hazardous materials in the Team area
- Know all quality standards relating to the Team process
- Ensure that Team members are adhering to the quality standards
- Respond to quality systems alert pull when Team leader is not available

- Continuously teach and reinforce the problem solving methodology
- Implement sustainable corrective actions when problems occur, such as error or mistake proofing
- Manage the manning levels as assigned in the group
- Evaluate and support throughput opportunities
- Ensure workplace organization of material, tooling, and equipment
- Identify bottlenecks that hinder throughput
- Lead continuous improvement activity to eliminate waste
- Ensure that daily production requirements are understood
- Communicate and ensure group awareness and achievement of quality, cost, and productivity objectives
- Communicate relevant information obtained from management
- Solicit information from Team members for improvements
- Assess Team members and leaders and provide them feedback

3. Core Training curricula to be developed by NTC

- Team member (roles & responsibilities, JAOP, problem solving)
- Team leader and Group leader (team concept basics, JAOP, leadership development, problem solving, policy deployment, planning)

Enablers

4. Facility Systems

- Decoupled lines
- TPM
- Fixed position stop

5. Quality Systems

- In station quality control
- Scoreboards/Measurement tools
- Standardized Work
- Visual Management Tools (i.e. Marcus boards)
- Andon

- Material Systems
 - Direct line feed/delivery
 - Small lot Containerization
 - Material Pull Systems
 - Centralized Material Areas
 - Material flow plans

The NEPC will appoint a "Joint Taskforce" comprised of representatives chosen by the Vice-President and Director of the UAW, DaimlerChrysler Department and the Senior Vice President of the DaimlerChrysler Union Relations Department. The Joint Taskforce shall be empowered to monitor, provide guidance and direction, and perform periodic assessments of the model. The NEPC will provide the standardized training, organization structure, quality, material and facility systems, and expert support necessary to implement the "Manufacturing Workplace Organization Model." Any concerns regarding the implementation of the "Manufacturing Workplace Organization Model", such as migration, compensation, or redeployment should be referred to the NEPC.

September 27, 1999

(125) New Technology

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

The Corporation is mindful of the Union's concern regarding the scope and work content of job classifications of represented employees and how each may be affected by new and advancing technology. The Union has also voiced concern about the possibility the new, technologically impacted bargaining unit work will not be awarded to represented employees because they are insufficiently trained to perform it.

In view of the parties' interest in affording maximum opportunity for employees to progress with new and advancing technology, the parties shall seek to identify appropriate jointly developed technical training programs, including programs that provide employees an understanding of the purpose of new technology, so that employees will be capable of performing new or changed work normally performed by represented personnel.

During these negotiations, the parties have recognized that technological progress, better tools, methods, processes, equipment or materials have improved the quality of work life and standard of living for all employees, as well as, the Corporation's competitive position. Over the years, the scope and work content of job classifications of both represented and non-represented employees have been changed by the methods and processes associated with technological progress.

Advancing technology has created, and will continue to create new and more complex problems bearing upon the work content of job classifications of employees represented by the Union. It is not the Corporation's policy to assign to non-represented employees work which comes within the scope and content of that normally assigned to represented employees at a particular plant location. The Corporation recognizes that mere novelty or sophistication of new technology alone is not grounds for withdrawing work from represented employees. At the same time, it is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of represented employees at plant locations and that a change in the means, method or process of performing a work function will not serve to shift the work function from represented to non-represented employees.

In this regard, the National Committee (comprised of an appropriate number of Union and Management members of the current Job Security, Operational Effectiveness and Sourcing Committee) will meet periodically to discuss the development of new technology, methods, and processes at the Corporate level and its possible impact upon the scope of the bargaining unit. The parties will discuss other matters concerning new or advanced technology that may be referred by UAW Sourcing Representatives as issues arise in their day-to-day interactions with their respective platforms, by Local Unions or by local management, as well as any claims of erosion of the bargaining unit, occasioned by the introduction of new technology.

In addition, the Corporation agrees to continue to provide as much advanced written notification to the International Union and the impacted Local Union at a location planning the introduction of new or advanced technology as it reasonably can, so as to permit the Union an opportunity to make comments and allow for meaningful discussions of its impact, if any, upon skilled or non-skilled employees. Examples of situations where notification should be given are:

A. The first introduction of a technology as compared to previously existing plant technology.

B. Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.

C. Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

The written notification will describe the technology involved, the anticipated impact on the bargaining unit, the equipment being introduced, its intended use and the anticipated installation date(s).

The local Plant Management Representatives shall meet with the Local Union Representatives to review the various matters of concern relative to the introduction of the new technology involved.

During those discussions the President or the Skilled Trades Committeeperson or their designated representative(s) shall include, as appropriate and necessary, other Local Union Representatives such as the Health and Safety Representative, a Representative from the Local Skill Development and Training Committee, or a member of the Local Apprentice Committee, in order to review the various matters of concern relative to the introduction of the new technology involved.

Likewise, the local Management Representatives shall include representatives from appropriate functions including, but not limited to, Manufacturing Engineering, Industrial Engineering and Personnel in order to enhance meaningful discussions. Those discussions shall take place with all parties present as a group or separately according to individual disciplines as practicable.

Jointly, the Corporation and the Union shall seek to identify appropriate specialized training programs to afford maximum opportunity for employees to progress with advancing technology and shall submit to the UAW/DaimlerChrysler National Training Center their recommendations for any training programs intended to assist present employees to perform work within the bargaining unit which is new or changed as a result of technological improvement.

In the event the Vice President and Director of the UAW DaimlerChrysler Department considers it appropriate, he may arrange a meeting with the Senior Vice President of Employee Relations of the Corporation to discuss the impact of such

technological changes and any proposed responses to such changes.

Any problems not resolved in such discussions may be submitted to the Grievance Procedure, or to any other procedure which the parties may agree.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 14, 1996

(126) ESS Program - Volume Related
Layoffs - BEL

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During the course of these negotiations, the Corporation and Union have provided Chrysler Corporation employees with substantially increased job security through the ESS Program, which protects eligible employees against layoff for virtually any reason except volume related market conditions. The parties recognize that employment levels may continue to fluctuate as a result of the cyclical nature of demand in our industry. The Corporation acknowledges, however, the importance of minimizing layoffs even in instances where volume related declines are unavoidable. In particular, the Union stressed the importance of reducing overtime and shifting dual sourced production requirements to UAW-Chrysler plants in the event of overall market declines. The Corporation agrees to take these and other actions whenever practical.

In any event, however, employees affected by volume related declines would exercise their seniority in line with the National Agreement and local supplemental seniority agreement and, if otherwise eligible, receive benefit treatment in

accordance with the Supplemental Agreements attached to the 1996 Chrysler/UAW National Agreement.

Identifying the complex inter-relationships of all the factors involved with volume fluctuations is a difficult task. The parties agreed, however, that for purposes of determining BEL related protections they must identify just those volume declines that are attributable to market related conditions, and in turn just those declines that are not affected by Corporation sourcing choices of vehicles and components that compete with or act as replacements for vehicles and components produced by Chrysler employees covered by this National Agreement. In other words, volume declines that are attributable to the Corporation's production and purchase arrangements with any related or unrelated party (subsidiaries, affiliates, captives, joint ventures, transplants, etc.) would be considered an exception to the overall volume related exclusion in Section I(D) of the ESS Program.

The parties also agreed that the complexity of these issues requires that the Corporation provide Local ESS Committees adequate notice of any impending volume-related layoff, as well as all information necessary to fully evaluate its underlying causes, the extent to which such decline is associated with a Corporate sourcing action and the appropriate number of BEL eligible employees that should be affected by the layoff.

The Corporation recognizes, moreover, that it has the responsibility to justify implementation of a layoff in the context of the protections spelled out in the ESS Program and the guidelines outlined in this letter. Similarly, the Corporation also accepts the responsibility of proving that the proper number of employees are recalled to BEL positions when a volume related decline is reversed, again within the context of the ESS Program protections and the guidelines outlined in this letter.

The following are to be considered as illustrations to assist the parties in determining when volume related declines support reductions in employment. These illustrations should not be considered all inclusive.

-- Market Related Conditions - Included in this category is customer preference of one vehicle over another that might result in a decline in sales of a U.S.-built Chrysler vehicle that requires the layoff of employees, provided such sales declines are not the result, for example, of increased sales or increased market share of competitive captive imports or joint venture vehicles or any other vehicle sold in the U.S. by Chrysler but not produced in a UAW-Chrysler plant.

-- Example of Market Related Conditions

(1) There is a decline in economic activity which depresses retail sales of UAW-Chrysler vehicles. Lower production levels require the layoff of employees. Assembly Plant A, employing 4,100 BEL-eligible employees, is the sole source of Vehicle Z for the U.S. market; it is required to lay off one shift, or 2,000 employees. The number of BEL-eligible employees at the plant remains at 4,100, including 2,000 open positions for laid-off employees.

While the plant is down to one shift, the Corporation decides to outsource the cushion room, which reduces employment requirements by 250 employees per shift. Two Hundred and Fifty (250) employees are placed on Protected employee status. There is no impact on the BEL numbers.

U.S. car demand picks up to pre-layoff levels and the second shift is called back. Active employment at the plant goes back to 4,100.

As the second shift is called back and the plant is back to pre-downturn production levels, an additional 250 employees are placed on Protected employee status which now holds 500 employees. The number of BEL-eligible employees at the plant remains at 4,100.

(2) Assembly Plant B (5,000 BEL-eligible employees) is not the sole source of Vehicle Y, which is also produced in Canada for the U.S. market, in Plant BC. Plant BC supplies one-fourth of the U.S. demand for Vehicle Y. An economic downturn in the U.S. reduces demand for Vehicle Y by 160,000. In accordance with BEL guidelines, volume related employment reductions cannot exceed Plant B's share of pre-downturn volume levels (three-fourths) applied to the reduced level of overall sales. Production in Plant B is therefore reduced by no more than 120,000 units, causing layoffs of 2,000 workers. Plant B's number of BEL-eligible employees remains at 5,000, including 2,000 open slots for laid off workers.

Vehicle Y demand in the U.S. market picks up by 60,000. The Corporation decides to produce 30,000 of those units in Plant B, requiring the recall of 500 employees, and the rest in Canadian Plant BC. The increase in production is not accomplished in proportion to pre-layoff production shares; to comply with BEL, the Corporation must recall 250 employees which it assigns to Protected employee status in addition to the 500 employees required for the pick up in production.

-- Product Discontinuance - Because of the introduction of a new U.S.-built Chrysler vehicle or a non-allied company vehicle not sold by Chrysler, sales of another Chrysler manufactured vehicle may decline, and production of the latter vehicle must be curtailed necessitating reductions in employment. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.

-- Examples of Product Discontinuance or Phase Out and Changes in Retail Preference

(1) A new U.S.-built Chrysler vehicle (or any other new non-allied company vehicle which is not marketed by the Corporation) is introduced. Sales of Vehicle X decline by 50% and assembly must be curtailed. The necessary reductions in employment are made through layoffs, keeping the number of BEL-eligible employees at the assembly plant at the same level.

(2) Engine Plant C, employing 1,400 BEL-eligible people, produced half of the engines for Vehicle X, the other half are produced at a Corporate Plant in Mexico. The volume reduction is made totally at Plant C rather than split proportionately between Plant C and the plant in Mexico. Therefore, in accordance with the ESS guidelines half of the 700 employees who are not required any longer in Plant C due to this event are assigned to Protected employee status, and the other 350 employees would be laid off. The number of BEL-eligible employees at Plant C remains at 1,400, including 350 open volume related positions.

-- Faulty Product - Vehicle line volume may decline because of faulty parts in a vehicle that cause customers to place the product in disfavor. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.

-- Changes in Retail Preference - Chrysler Corporation volume may decline because of customer preference shifts in turn affecting mix and therefore demand, e.g., small car preference shifts to large car; option preference swings; high product content to low product content. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.

-- Non-Chrysler Corporation Commercial Customer Preference - Cancellation or declines in product volume for Chrysler Corporation manufactured parts that are sold to unrelated firms may cause volume changes. Such volume

reductions would be considered volume related declines under Paragraph I(D) of the Program.

-- Examples of Non-Chrysler Corporation Commercial Customer Preference

Plant A produces parts for off-the-road construction equipment. Volume is reduced as a result of a decline in the construction industry. One hundred fifty (150) employees are laid off; the same number of open volume-related positions are established.

At the time production is back to pre-layoff levels the Corporation introduces two (2) robots which replace 25 employees. According to BEL guidelines all of the 150 employees are recalled from layoff, 25 of them are assigned to Protected employee status, and the BEL number of BEL-eligible employees remains equal to its pre-layoff level.

-- Non-Chrysler Corporation Produced Vehicles - If sales of a new or replacement vehicle manufactured by an allied company for Chrysler Corporation, that competes with a vehicle manufactured by the Corporation, results in reduced sales of the Corporation-manufactured vehicle, the action would not be volume related and layoffs under Paragraph I(D) of the Program would not be permitted.

-- Examples of Non-Chrysler Corporation Produced Vehicles

The Corporation sources or outsources a vehicle that it markets in competition with Vehicle W manufactured by UAW-Chrysler Corporation employees. This results in reduced sales of Vehicle W. Employment requirements are reduced, but this event is not covered under Paragraph I(D) of the ESS Program and layoffs are not permitted. This protection also extends to employees producing UAW-Chrysler Corporation components which are manufactured for Vehicle W.

-- Engines, Transmissions, Stampings and other Components or Materials

It is recognized that reductions in vehicle production will often be accompanied by reductions in component production. When reductions in vehicle production are volume related, pro-rata reductions in component production will normally be considered volume related as well. However, to the extent a reduction in component production results from a shift in sales to vehicles sold by Chrysler Corporation but not produced in UAW-

Chrysler Corporation plants, the reduction will not be considered volume related. Furthermore, when a like or similar component is dual-sourced from a UAW-Chrysler Corporation and a non-UAW-Chrysler Corporation plant, production declines at the UAW-Chrysler Corporation plant will only be considered volume-related to the extent the dual-sourced component produced at that plant continues to be produced in its pre-production decline proportion.

--Examples:

(1) Plant A receives regular automotive batteries from a UAW-Chrysler Corporation plant and heavy duty batteries from a non-UAW-Chrysler Corporation plant. A volume decline occurs in regular automotive batteries because of customer preference for heavy duty batteries. Such reductions would be considered volume related declines under the Program but would not have to be taken proportionately because the batteries would not be considered like or similar components.

(2) Plant B receives regular batteries that have plastic fastening brackets from a UAW-Chrysler Corporation plant and regular batteries that have steel fastening brackets from a non-UAW-Chrysler Corporation plant. The batteries are used interchangeably and would be considered like or similar components. Therefore, any volume declines in battery production would have to be taken proportionately to be considered volume related.

As implied by these examples, there are many variations to be considered when determining volume actions. This letter is intended to provide a framework within which Local and National ESS Committees may review the applicability of Paragraph I(D) to volume reductions.

If a Local ESS Committee cannot agree on a situation being defined as volume related, the matter may be appealed to the National ESS Committee for resolution.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 29, 2003

(127) Employment Security System - BEL -
Exclusion to Protection for
Volume Related Layoffs

International Union, UAW

Mr. Nate Gooden

Dear Sirs:

During 2003 negotiations the parties discussed the administration of the forty-eight (48) week exclusion from the protection provided for volume related layoffs contained in the 2003 Agreement. The parties agreed that both the protection and the forty-eight (48) week exclusion (which is inclusive of vacation shutdown weeks except for Model Change or Plant Rearrangement) are an individual protection. The parties further agreed that for purposes of administering this provision, subsequent to the completion of negotiations, the parties will develop a procedure consistent with the National and Local Seniority Agreements for implementing the individual forty-eight (48) week exclusion.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franclos

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(128) Job Security Program -
BEL Provision Relating to SUB

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

Re: Job Security Program - BEL Provision Relating to SUB

During these 1993 negotiations, the parties agreed to a Memorandum of Understanding - Employment Security System - BEL.

The parties have agreed that if, and when, the provisions of the 1988 SUB Plan are reinstated in accordance with the "Exhaustion of ESS/SUB Cap" Letter of Understanding between the parties, dated October, 1993, the following provision regarding charges against future Corporation contributions to the SUB Fund will apply.

The wages, including COLA and applicable shift premium, of a Protected employee not assigned to an opening due to a volume increase will be charged as follows: (1) the gross amount the employee would otherwise receive from the Trust Fund in Supplemental Unemployment Benefits will be charged against future Corporation contributions to the SUB Fund, (2) the amount the employee would otherwise receive as a Guaranteed Income Stream Benefit will be charged against the GIS Program and (3) the remainder will be charged as a plant payroll expense.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

178

September 29, 2003

(129) BEL Eligible

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm our understanding that the placement provisions of Section (64)(b), Work Opportunity for Laid Off Employees and Section (65), Offer of Work under S.U.B.P., shall not apply pursuant to the provisions of the Memorandum of Understanding M-7, Subsection III. D in Labor Market Area Placement, except for separation due to inability to perform the assigned work shall terminate his seniority at the plant from which he is separated but shall not affect his seniority at any other plant. An employee accepting work shall retain any rights accrued for purposes of holiday pay, payment in lieu of vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

The placement provisions of M-7 Memorandum of Understanding - Employment Security System (ESS) Program and attendant letters as listed below shall remain in effect irrespective of the status of the Fund:

Letter 149 - Home Plant Return Procedure within a Labor Market Area

Letter 151 - Labor Market Area Placement Election

Letter 152 - Outside the Labor Market Area Placement Election

Letter 176 - Placement Election Exercise of Seniority

Letter 177 - Return to Former Labor Market Area

MOU-11 - Return to "Home" Plant

Letter 22 - Work Opportunity - Indiana

Very truly yours,
DAIMLER CHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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September 29, 2003

(130) ESS Administration

International Union, UAW

Attention: Mr. Nate Gooder

Dear Sirs:

During the recent negotiations, the parties discussed the benefits derived by the Automated BEL Reporting System in simplifying the administration of the reporting system and forms associated with the Employment Security System. The parties recognize that simplified, accurate information and reporting is essential in making informed decisions. In doing so, the Corporation developed a computer generated and transmitted monthly plant breakdown of charges against the Employment Security System and a computerized system which calculates and reports the status of the revised ESS Program in accordance with MOU 7.

The parties also agreed to implement computer programming which will consolidate BEL data for the following Parts Distribution Centers (PDC's) and the following manufacturing facilities comprising the membership of UAW Local 1248 into one (1) BEL Report and UAW Local 1685 into another individual BEL Report.

Centerline National PDC	(Location 3110)
Detroit PDC	(Location 3140)
New Detroit PDC	(Location 3141)
Warren PDC	(Location 3111)
Romulus Annex	(Location 3121)
<u>Kokomo Transmission Plant</u>	<u>(Location 5305)</u>
<u>Indiana Transmission Plant #16</u>	<u>(Location 5308)</u>

Implementation of this improvement will be undertaken following the conclusion of the 2003 negotiations. Sufficient resources will be allocated to complete this project within six months following the date of ratification.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

180

October 18, 1993

(131) Funding of National ESS
Committee Activities

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the discussions in the 1993 negotiations concerning the Employment Security System Program, the parties agreed that funding for the activities of the National ESS Committee would be provided from NATIONAL funds upon approval by the Joint Activities Board.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 18, 1993

(132) Employment Security System

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

This will confirm our understandings in the following three areas:

Emergency Absentee Replacements

1. This letter clarifies that the Corporation intends to continue the practice of limiting the use of Protected employees as absentee replacements to emergency situations only (e.g., snow days or other acts of God), and even then only with the consent of the Local ESS Committee unless otherwise directed by the National Committee.

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Volume Increases

2. When the workforce increases due to an increase in volume, Protected employees corresponding to the increase in volume are transferred to a regular plant department, and if there are seniority employees on layoff, the same number will be assigned to Protected employee status from layoff. The term "Protected Employee Status" as used by the Company is only a control against improper charging.

ESS Accounting

3. Within ninety (90) days of the effective date, the National ESS Committee will review the Corporation's accounting practices that relate to charges for the ESS program.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 14, 1996

(133) Additional Job and Income
Security Financial Liability

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During these negotiations, the Company agreed to increase by \$200M the total financial liability that is provided for under the Employment Security System, the Salaried Workers' Employment Security System, and the Supplemental Unemployment Benefit Plan. This additional financial liability, upon joint Company and Union determination, can be used for expenditures under the ESS, SWESS and SUB plans.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 14, 1996

(134) Employees with Automatic BEL Protection

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

This will confirm our understanding that employees who have BEL protection as of the expiration of the 1993 Agreement will not be disadvantaged by the eligibility rules of the 1996 Memorandum of Understanding, Employment Security System (ESS) Program. Such employees will be considered to have BEL eligibility in accordance with 1(A) of the Memorandum of Understanding - Employment Security System (ESS) Program for the purposes of the Agreement.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 14, 1996

(135) National Job Security Committee
- Unique Attrition Credit

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

Re: National Job Security Committee - Unique Attrition Credit

During these negotiations, the parties agreed that the principle of replacing normal attritions of eligible employees would be continued in this Agreement as the general rule. In addition, it was recognized that exceptions to this concept are appropriate in unusual situations. For example, if a location has a large number of Protected employees who cannot be effectively utilized, yet more Protected employees would be required because of the replacement concept, it may be appropriate not to do so.

Accordingly, this will confirm our understanding that the National Job Security Committee is specifically empowered to investigate unique situations and evaluate requests for full attritional credit at a particular location, and implement mutually satisfactory adjustments to Paragraph II(B) of the Memorandum of Understanding on Employment Security System (ESS).

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

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~~September 29, 2003~~

(136) Plant Closing and Sale Moratorium

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement, until ~~September 14, 2007~~, the Corporation will not close, nor partially or wholly sell, spin-off, split-off, consolidate or otherwise dispose of in any form, any plant, asset or business unit of any type, constituting a bargaining unit under the Agreement.

It is understood that conditions may arise that are beyond the control of the Corporation, e.g., act of God, catastrophic circumstances, or significant economic decline concerning the subject. Should these conditions occur, the Corporation will discuss such conditions with the International Union.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 28, 1985

(137) Plant Closing

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

This is to advise the Union that when a plant closing decision is contemplated, the Union members of the roundtable will be given at least sixty (60) days' written notice when

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practicable. The notice will include the reason for the plant closing.

Very truly yours,
CHRYSLER CORPORATION
By T.W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

~~September 29, 2003~~

(138) Sale of Operations

International Union, UAW

Attention: Mr. Nate Gooder

Dear Sirs:

During these negotiations, the Union requested the Corporation to agree that any sale of an operation as an ongoing business would require the buyer to assume the 2003 DaimlerChrysler/UAW Collective Bargaining Agreement. The Corporation agreed to do so in the case of any such sale during the term of the 2003 Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

186

October 28, 1985

(139) Liberty Project/Small Car Commitment

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the course of the current negotiations, the Union has expressed serious concerns about the job security of its members, particularly as it relates to sourcing actions on the part of Chrysler Corporation.

The Corporation recognizes the importance of the employment it affords its employees and shares the desire of the Union to preserve and create jobs on a competitive basis. The Corporation reaffirms its desire to remain a viable domestic enterprise and a major American employer and declares its objective to achieve a competitive posture within a framework that contributes to the job security of employees and that is responsive to the changing dynamics characterizing our industry.

The Corporation has been and is committed to having a manufacturing presence and employment in North America (i.e., U.S. and Canada). This commitment requires flexibility if it is to be achieved in a competitive manner. In addition, Chrysler cannot be unfairly penalized relative to competitors who have aggressive foreign sourcing plans or capabilities in place. The Corporation has been and continues to be reluctant to engage in a higher level of foreign vehicle and component sourcing in the hope that it can become a competitive producer of small cars.

The Corporation and the Union are keenly aware of the significant penetration achieved by the Japanese motor vehicle manufacturers in the U.S. small car market. Moreover, the parties are aware that of the major domestic automobile manufacturers, Chrysler Corporation has the largest percentage of its total production devoted to the production of small cars.

Given these conditions, it is understandable that the Union expressed considerable concern during these negotiations about the job security of its members, particularly as it relates to sourcing decisions by the Corporation. This is to advise that the long-term strategy is for Chrysler to continue with the major portion of its facilities, people, spending and assembly capacity

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in this country. To do this, however, the Corporation must be fully competitive on a worldwide basis in quality, design, cost and fuel economy. The success of this strategy involves modernized facilities, planning, and new products. The ability and willingness of both the Corporation and Union to produce fully competitive vehicles will be paramount.

In 1983, when the Corporation returned to profitability, it undertook extensive capital investment and product development programs. The purpose of these programs was to increase the efficiency of our existing facilities by adopting the latest state-of-the-art technology, production processes and design concepts, and to redesign and resize its vehicles in an effort to capture a larger share of the domestic market.

During this period, the Corporation spent about \$6 billion. Major investments during this period were directed toward the production of the T-115 Van, the Laser and Daytona and Lancer and LeBaron GTS. The investments undertaken between 1983 and 1985 are part of a long-range strategy of the Corporation to spend about \$11.5 billion in North America during the next five years to modernize and expand our existing facilities and to develop new products.

The Corporation and the Union jointly acknowledge that if the Corporation is to remain a viable producer of small vehicles in the U.S. as exemplified by the Liberty Project, a new and innovative labor relations approach must be established which emphasizes cooperation, mutual trust and good faith. Conversely, to the extent possible, traditional adversarial roles must be minimized.

We invite the UAW's participation in planning a new concept small car project seeking innovative approaches to product design, engineering and manufacturing - The Liberty Project. To this end, we will explore ways in which the Union's role can be expanded beyond its current levels of involvement in all aspects of the project including future development work.

In recognition of our common interest in the success of the Liberty Project, the parties acknowledge the desirability and need of achieving greater cooperation between the Union and Management in improving work practices and undertaking other measures which will permit the Corporation to effectively compete domestically in the manufacture of small vehicles. To the extent that the efforts of this project are successful, they would form the basis for Management's recommendation that the Board of Directors approve domestic production of these vehicles.

A key element of our strategy is Chrysler's commitment to provide the training necessary to promote the personal growth and development of our employees. The commitment made in the 1985 Agreement is expected to provide more than \$45 million for the training of our employees and is further evidence of the Corporation's enduring and fundamental commitment to its work force. The increased skills acquired through this training will enable Chrysler employees to form an effective partnership with tomorrow's technology to make a highly efficient team for the continued production of high quality, state-of-the-art vehicles and components in the United States.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 14, 1996

(140) National Job Security, Operational
Effectiveness and Sourcing Committee

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

In accordance with the Memorandum of Understanding - Sourcing and the Memorandum of Understanding Employment Security System (ESS), the National Job Security, Operational Effectiveness and Sourcing Committee (National Committee) is established.

The National Committee will be comprised of four (4) representatives of the International Union, UAW and four (4) representatives of the Corporation. Funding for the National Committee will be provided by the UAW-Chrysler National Training Center, where the representatives of the National Committee will be located.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 28, 1985

(141) Outside Supplier Quality

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During these negotiations the parties discussed their mutual commitment to produce Chrysler products with the highest quality possible. In that regard, the Corporation informed the Union that parts and components purchased from outside suppliers are required to meet the same rigid requirements as parts and components produced within Chrysler Corporation.

In the event the Union has information regarding the quality of parts or components purchased from suppliers or has information pertaining to other aspects of supplier relationships, the facts may be discussed with representatives of the Corporation's Industrial Relations Staff, who will investigate the matter.

The Corporation further stated that it would notify the supplier of the Union's concerns.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

190

October 28, 1985

(142) U.S. and Canadian Operations

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During the current negotiations, the parties discussed the Corporation's investment relationship between the U.S. and Canada in the years ahead.

Recognizing the important place that the automotive industry occupies in the industrial economy of the two countries, as well as the interest of industry, labor and consumers in sustaining high levels of efficient production, the Corporation assured the Union that its future U.S. investments would recognize job security for the Corporation's U.S. employees as an important element in its decision making.

The Corporation stated that it is committed to the U.S.-Canada Automotive Products Trade Agreement principle that its operations in both countries should participate on a continued fair and equitable basis in the North American vehicle market. The Corporation assured the Union that any major shift of component or automotive manufacturing operations to Canada would be discussed in advance with the Union.

Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

191

October 28, 1985

(143) Possible Changes in Corporate Structure

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

During these negotiations, the Union has expressed concern regarding possible changes the Corporation may make in its corporate structure during the term of the next National Collective Bargaining Agreements. Representatives of the Corporation and the Union have met and discussed this subject, with the result that each of the parties has gained a better understanding of the other's interests and concerns.

The Corporation has advised the Union that Management has certain structural changes under review. Other than this letter agreement, no specific provisions were negotiated or agreed upon with respect to this matter; but if any structural changes are made, the Corporation agrees that it will meet to fully review them with the Union. In reviewing such structural changes, Management will explain the nature and purpose of each and their potential effect, if any, on the Union and its members covered by these Labor Agreements.

Further, if there is likely to be any significant impact on the bargained-for rights of UAW-represented employees, good faith discussions between the parties will be undertaken promptly.

Any alleged violation of Chrysler Corporation's contractual obligations to the UAW and to its UAW-represented employees that is in dispute after such good faith discussions will be subject to special expedited arbitration within 60 days after being placed in issue regarding such restructuring. The Chairman of the Appeal Board designated in the National Agreements or another agreed upon arbitrator will have jurisdiction to remedy violations of this letter.

It is the objective of this letter to satisfy Chrysler's basic contractual commitments to the UAW and to its UAW-represented employees as if no restructuring had occurred. Therefore, Chrysler agrees that it and any holding company created as a member of the Chrysler family will agree to be bound by the results of the above-mentioned arbitration to the extent necessary to remedy a violation of such contractual commitments by Chrysler.

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Very truly yours,
CHRYSLER CORPORATION
By T. W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

September 29, 2003

(144) Mergers, Etc.

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation agrees that it will not engage in any merger, restructuring, or other business combination unless the merged, restructured or combined entity resulting from such merger, restructuring or combination agrees to assume the 2003 Agreements applicable to the facilities or operations affected by such merger, restructuring or combination.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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October 18, 1993

(145) Benefit Plans Representatives

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations the parties discussed the number, type and responsibilities of representatives in local bargaining units. The Union expressed considerable concern over the ability of the existing benefit plans representatives at certain locations to adequately service the employees.

Therefore, in an effort to address these matters, the Corporation and Union have agreed to provide up to one (1) additional full time Benefit Plans Representatives who shall be selected by the International Union, UAW and function as provided under Letter 2 of the P&M Agreement and the J. E. Camichael to H. Hawkins Letter Agreement dated April 16, 1991.

Accordingly, each of the following locations shall have one additional Benefit Plans Representative:

Belvidere Assembly	St. Louis II Assembly
Huntsville Electronics	Sterling Heights Assembly
Jefferson North Assembly	Sterling Stamping
Kokomo Transmission	Trenton Engine
Newark Assembly	Twinsburg Stamping
New Venture Gear	Warren Stamping
	Warren Truck Assembly

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

194

November 19, 1990

(146) Appeal Board Rules of Procedure

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sir:

During the course of these negotiations, a question was raised regarding the Appeal Board Rules of Procedure dated December 5, 1962, and specifically the rules regarding scheduling of a hearing. The parties agreed that it is not the intent to use those rules as a device to frustrate the arbitration process.

In the event the parties cannot agree to a satisfactory date, either party may request that the Impartial Chairman schedule and participate in a meeting of the Appeal Board to resolve the matter.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(147) Cooling Off Period

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

During the course of the current negotiations, the Union expressed concern that some disciplinary interviews escalated into confrontation because tempers flared. The Union suggested that in these situations a "Cooling Off" period would be beneficial to all concerned.

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The Corporation and the International Union agreed that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. In those situations where emotions preclude this from happening, the parties agreed that as a matter of practice and when possible such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing, the parties recognized that certain actions such as assault, or other serious acts of misconduct, would render the "cooling off" period totally inappropriate.

Additionally, it was mutually recognized that providing or not providing a "cooling off" period will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

November 19, 1990

(148) Encouraging Suppliers to
Hire Laid Off Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

As we discussed recently, Chrysler Corporation continues its concern for the future of our workers who have been placed on indefinite layoff. We have worked together on our mutual goal of finding re-employment opportunities for these employees as soon as possible looking both within and outside of the Company.

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In this regard, Chrysler Corporation intends to continue its policy of encouraging its suppliers to hire laid off Chrysler employees where possible. These employees are a valuable, well-trained resource that have demonstrated their ability to manufacture quality products, and our suppliers will be so advised.

Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 18, 1993

(149) Home Plant Return Procedure
Within a Labor Market Area

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During 1993 negotiations the parties discussed the administration of the six (6) month Home Plant Return Procedure within a Labor Market Area. The parties agreed that the purpose of the six (6) months waiting period was to minimize churning and not intended to create opportunities to hire shortly after individuals are placed from one plant to another.

Accordingly, the parties agreed that if unique situations involving the six (6) month Home Plant Return Provision arise, the National parties can review those situations and, if appropriate, provide a deviation to the application of the six (6) month waiting period.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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September 29, 2003

(150) Kenosha Engine/Milwaukee
Parts Depot Chrysler Agreement

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the course of the 2003 negotiations, the Corporation and the Union had considerable discussions relative to the Company's request to update obsolete provisions such as Letters 150, 153 and 200, of the National Production, Maintenance and Parts Agreement regarding Kenosha Engine and Milwaukee Parts employees.

The Corporation and the Union agreed that the below listed provisions of the 2003 National Production, Maintenance and Parts Agreement, which were not applicable to the employees at the Kenosha Engine Plant and the Milwaukee National Parts Distribution Center under the 1999 National Production, Maintenance and Parts Agreement shall now be applicable to the aforementioned employees.

- Section 64 - Work Opportunity for Laid Off Employees
- Section 65 - Offer of Work Under S.U.B.P.
- Section 67(a)&(c) - Transfer of Employees Between Plants
- Section 68 - Transfer of Operations Between Plants
- M-4 Memorandum of Understanding on Plant Closings

The Kenosha Engine Plant and the Milwaukee Parts Distribution Center are in the same labor market area. Additionally, the Corporation and the Union agreed that all former AMC employees recalled to the Kenosha Engine Plant or the Milwaukee National Parts Distribution Center with a seniority date of March 20, 1989 or earlier, who may be laid-off subsequent to the effective date of the 2003 Agreement from the Kenosha Engine Plant or Milwaukee Parts Distribution Center, and who make an election for placement outside of the Labor Market Area, will be assigned a March 20, 1989 seniority date for combined labor market list placement purposes. Furthermore, the Corporation and the Union agreed that all former AMC employees recalled to the Kenosha Engine Plant or

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the Milwaukee National Parts Distribution Center with a seniority date of March 20, 1989 or earlier, who may be laid-off subsequent to the effective date of the 2003 Agreement from the Kenosha Engine Plant or Milwaukee National Parts Distribution Center, will be assigned the March 20, 1989 date at their new location when transferring under Section 68 "Transfer of Operations Between Plants" of MOU-4 "Memorandum of Understanding on Plant Closings".

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(151) Labor Market Area
Placement Election

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 1993 negotiations, the parties discussed the procedures for developing the order of placement of employees within the Combined Labor Market Area list on job opportunities pursuant to Paragraph III(D) of the Memorandum of Understanding - Employment Security System. The parties agreed that, for placement purposes, employees on the Combined Labor Market Area list will be offered, in seniority order, the opportunity to volunteer for openings based on a non-revocable election made at such time as they are indefinitely laid off or assigned to Protected employee status. Volunteers will be placed in seniority order. Absent volunteers, the junior employee on the Combined Labor Market Area list must transfer to the new location or be separated from the Corporation as a resignation.

The parties further agreed that during the initial development of the Combined Labor Market Area list, a one-time canvass will be conducted of all laid off employees to provide

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them an opportunity to make a non-revocable election to volunteer for placement within the Labor Market Area. The laid off employee canvass will occur as soon as practicable, but no later than sixty (60) days following the ratification of the Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(152) Outside the Labor Market Area
Placement Election

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 1999 negotiations, the parties discussed the placement of employees on job opportunities outside the Labor Market Area pursuant to Paragraph III(D) of the Memorandum of Understanding - Employment Security System. The parties agreed that employees will be offered, in seniority order, the opportunity to volunteer for openings based on a non-revocable election made at such time as they are indefinitely laid off or assigned to Protected employee status. Volunteers will be offered placement in seniority order.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(153) Attendance Counselor

International Union: UAW

Attention: Mr. Nate Gooden

Dear Sirs:

For each Corporation plant, the Vice President and Director of the DaimlerChrysler Department of the International Union, UAW, may appoint an Attendance Counselor from among those hourly employees who have seniority under the National Production Maintenance and Parts Agreement and who at the time of the appointment are at work in the Corporation plant in which they are to function. The Vice President and Director of the DaimlerChrysler Department will advise Corporate Union Relations in writing of the names of the appointees and the plant to which each is assigned. No Attendance Counselor shall function as such until the Corporation is so advised. The Attendance Counselor shall serve an indefinite term and shall be replaced only with the concurrence of the Vice President and Director of the DaimlerChrysler Department of the International Union, UAW.

The maximum number of hours per week in which the Attendance Counselor of each plant will be allowed to perform the below listed functions shall be determined on the basis of the numbers of hourly employees in that plant in accordance with the following schedule:

Number of Employees	Hours Off Job Per Week
1501 or more	40
1201 - 1500	24
601 - 1200	16
101 - 600	8
Less than 101	4

Adjustments shall be made twice each calendar year in the maximum number of hours each Attendance Counselor will be allowed to perform his/her functions. Adjustments shall be effective (1) the second pay period in May, based on the number of hourly employees on the active roll in the plant on the third Wednesday of the preceding month of April, and (2) the second pay period in November, based on the number of hourly

employees on the active roll in the plant on the third Wednesday of the preceding month of October.

1. The duties of the Attendance Counselor are:

Counseling and early intervention of employee at the 5th, 6th, and 7th occurrence in the Memorandum of Understanding Absenteeism!

Determining cause of absenteeism and directing the employee to agencies or self-help to improve attendance.

Verifying employee attendance records, including absenteeism, tardy and call-in!

Assisting in developing and presenting joint programs and communications addressing the need of employees to improve attendance.

Reviewing specific attendance data provided by Management or the affected employee.

Analyzing attendance problems with Management representatives in a non-adversary manner.

2. Attendance Counselors shall be subject to the following:

(a) It is understood that the Attendance Counselor of each plant who does not qualify under the schedule herein to perform the above functions forty (40) hours per week, has a regular job to perform and will advise his/her Supervisor on each occasion when it is necessary for him/her to leave his/her job in order to function as a Counselor.

(b) It is understood that the Attendance Counselor will be paid only for such time spent in performing the above functions as occurs during the time when he/she is otherwise scheduled to work.

(c) The Attendance Counselor will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in his/her department and when so scheduled shall not perform any function as an Attendance Counselor.

(d) The privilege of the Attendance Counselor to perform the above duties during regular working hours without loss of pay is subject to the conditions (i) When the Attendance Counselor is permitted less than forty (40) hours a week away from work, those hours off their regular job are to be preplanned and mutually agreed upon with the Union Relations Supervisor or a designated representative. (ii) that the time be devoted to prompt handling of matters which are proper pursuant to the terms of the Memorandum of Understanding Absenteeism and the privilege shall not

be abused, (iii) that if it is necessary for an Attendance Counselor to speak to an employee about an attendance matter he/she shall make prior arrangements with the Union Relations Supervisor or a designated representative and that the counseling take place before or after the employee's scheduled shift; and (iv) that the Attendance Counselor will do the work to which he/she is assigned at all times except when it is necessary to leave it to handle duties as the Attendance Counselor.

(e) The Attendance Counselor shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production, Maintenance and Parts Agreement, however he/she shall be available to counsel employees before or after their scheduled shift. By mutual agreement with the Union Relations Supervisor or his/her designated representative, the Attendance Counselor may adjust his/her starting time to be available to perform his/her duties on the second or third shift, in which case Sections (86) and (87) shall not be applicable to the Attendance Counselor.

(f) Each plant will make available to the Attendance Counselor a place to write reports or review attendance material. In addition, they will be provided a filing cabinet or drawer to keep attendance material.

Notwithstanding the above, at Parts Distribution Centers the EAP will assume these responsibilities.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(154) College Credit Certificate/
Certification Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties agreed to continue and expand efforts toward the development of certificate and certification programs.

In order to recognize and encourage the enhancement of competencies and increased professionalism, the National Training Center will partner with Universities and other learning institutions to identify and develop NTC and TTC courses of study, appropriate for certification or certificates. These courses would also award college credit toward degree-seeking programs for completed studies associated with our joint programs.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Approved and Accepted:

INTERNATIONAL UNION, UAW
By Jack Laskowski

~~September 23, 2003~~

(155) Christmas Bonus

International Union, UAW

Attention: ~~Mr. Jack Laskowski~~

Dear Sir:

During negotiations leading to the new collective bargaining agreement, the parties agreed that the Corporation would provide to each eligible UAW-represented employee a Christmas Bonus payment in the amount given in the Bonus

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Schedule below in ~~2003, 2004, 2005 and 2006~~. This bonus shall be made by separate payment during the pay period following the workweek in which December 1st falls in those years.

An eligible employee is defined as one who:

(a)---has seniority on the following eligibility dates: November ~~17, 2003~~, November ~~15, 2004~~, November ~~11, 2005~~ and November ~~20, 2006~~, as well as

(b)---worked at least thirteen (13) pay periods in the fifty-two (52) pay periods immediately preceding the pay period in which the eligibility date occurs (i.e., the Christmas Bonus eligibility year).

The amount of the Christmas Bonus provided to an employee shall be determined according to the following schedule:

Bonus Schedule Pay Periods Worked During Eligibility Year	Christmas Bonus Amount
26 or more	\$600
20 - 25	\$450
13 - 19	\$300

During the Christmas Bonus eligibility year an employee will be credited with one (1) pay period worked for each pay period in which the employee:

(a)---performed some work for the company,

(b)---received jury duty pay, vacation pay, bereavement pay, holiday pay, or short term military pay, or

(c)---received Workers' Compensation payment while on an approved medical leave of absence due to a compensable injury or occupational disease provided that:

1. The employee would have otherwise been scheduled to work during the complete pay period; and

2. The employee is actively at work for at least one complete pay period during the Christmas Bonus eligibility year.

An employee who retires during the Christmas Bonus eligibility year and who, but for such retirement, would have had seniority as of the eligibility date, will qualify for a Christmas

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Bonus in accordance with the Bonus Schedule, above, if otherwise eligible.

An employee who dies during the Christmas Bonus eligibility year, if otherwise eligible, will have a Christmas Bonus payment determined pursuant to the Bonus Schedule, above, and paid to the estate, or if permitted by local law, to the next of kin.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(156) Outside Use of Joint Training
Facilities and Materials

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the current negotiations, the parties discussed the appropriateness of third parties such as non-Chrysler UAW represented employees, non-bargaining unit Chrysler employees or other mutually agreed upon persons using joint training and development facilities and/or programs and materials on a reimbursement basis.

As a result, the parties agree to make available such facilities and/or programs on a cost reimbursement basis after first ensuring that the needs of the National Training Center and the Local Joint Training Committees are met.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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October 18, 1993

(157) Skill Enhancement Program
For Spouses, Dependents and Retirees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the parties noted the substantial progress made in the joint development and implementation of basic skill enhancement programs throughout the plants.

Accordingly, the parties agreed to increase emphasis on basic skills enhancement by encouraging spouses, dependents and retirees, to participate at Regional Training Centers on a space available basis. It was further agreed to investigate opportunities for spouses, dependents and retirees in locations inaccessible to regional centers.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 27, 1993

(158) Training For Civil Rights
and Equal Application Committees

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the Company and the Union agreed to update equal application training within the terms of the Agreement. It was further agreed, that, equal application training will be included in the New Hire Orientation Program.

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In addition, the parties determined that specialized training involving the investigation and handling of employee complaints concerning alleged violations of the above would be beneficial to local Civil Rights Committees and Equal Application Committees in the discharge of their responsibilities under Section (4) of the National Agreement.

Moreover, the parties acknowledged the best way to minimize the incidence and impact of sexual harassment is to have positive training and education programs to sensitize supervisors, union officials and employees to sexual harassment concerns.

Accordingly, it was agreed that the National Training Center and the Corporation's Diversity & Work/Family Department will jointly develop and provide such training under the direction of the Joint Activities Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(159) Union and Company Awareness

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these 2003 negotiations, the parties reaffirmed their support of the jointly designed and developed employee awareness program regarding the long historical relationship between the UAW and DaimlerChrysler. Further, critical issues and problems resolved over the years, as well as the future needs and concerns of each party's respective constituencies, were also addressed. The parties agreed to strengthen the program by continuing the development of union and company historical presentations as provided for in the standardized new

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hire orientations for hourly employees. Additionally, local union presidents and plant/depot managers may continue to identify, through signage, the UAW local(s) representing workers at their locations. Also, the Corporation will continue to affix the UAW registered logo to DaimlerChrysler Corporation tractor doors.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(160) Voluntary Termination of Employment
Program - Plant Level Communication

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 negotiations, the Company and the Union discussed Attachment A of the Employment Security System Memorandum of Understanding as it relates to the Voluntary Termination of Employment Program (VTEP). The parties agreed that in the event that VTEP is offered during the Agreement, the National E.S.S. Committee will closely monitor the communication and administration of the Program at the local level to ensure that eligible employees are provided comprehensive information and counseling to ensure their complete understanding of Program provisions and the implications of accepting an offer.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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November 19, 1990

(161) New Payroll System

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the Union expressed concern regarding problems employees have experienced with their paychecks. During the course of the discussions, the parties acknowledged that not all payroll problems are related to the payroll computer system nor is it reasonable to expect that all errors can be avoided in the future. Administrative as well as human errors can be expected to occur during the normal course of business.

However, the Corporation stated it shared the Union's concern regarding the type of problems that are attributable to the payroll computer system. The system is old and is reaching the limit of its capacity to accommodate programming changes required in order to properly make payments of the wages and benefits provided by the Corporation to all of its employees.

In this connection, the Corporation informed the Union that a new payroll system has been purchased. Management Information Systems and Payroll Department personnel, in appropriate phases, are analyzing both the current system and new system to determine what changes to the payroll process are required; defining how the new system will interface with other Corporate functions that have payroll input; entering Chrysler specific data into the new system; developing testing procedures; developing a pilot program to run the new system in parallel with the current system; developing training programs; training Corporate personnel; and planning the process to convert from the current to the new payroll system.

Current problems are being addressed as they are encountered and the new payroll system is being implemented. In order to keep the Union informed, beginning in the calendar year 1991, the Corporation agrees to meet semiannually with two (2) representatives of the International Union and provide them a report on the status of this project. These meetings will continue to be held as long as they are required or until the new system is implemented and operating.

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Very truly yours,
CHRYSLER CORPORATION
By A. P. St. John

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(162) Ergonomics - Special Study Group

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the course of these negotiations, we agreed that two (2) issues within the area of ergonomics required further study and debate and, therefore, would be discussed following the conclusion of negotiations. Accordingly, following receipt of notification of ratification of the Collective Bargaining Agreements, a study group shall be formed. The composition of the study group shall be the Senior Manager of Current Safety Processes and the Manager of Ergonomics for the Corporation and the head of the DaimlerChrysler UAW Health and Safety Department, along with the UAW International lead ergonomist for the Union. The study group shall investigate and review their findings along with recommendations, if any, with the NJC on two subject matters relating to secondary ergonomic analysis as follows:

The parties utilize a variety of tools such as the 1981 NIOSH Lifting and the Three Dimensional Static Strength Predictor (3DSSP) to help determine manual material handling lifting exposures. The study group will continue to discuss the use of these tools as appropriate.

The study group will investigate the potential for the use of additional secondary quantitative assessment tools such as Rapid Upper Limb Assessment Postural Risk (RULA), the ACGIH Hand Activity Level, TLV, Multimedia Video Task Analysis (MVTA), Humanscale, U of M Energy Expenditure, BAKPAK and others. Such analysis will include practically (including cost, ease of use, redundancy, and efficiency).

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~~the effect on standardization within the company industry and suppliers and the potential benefit of using the tools.~~
The results of this study will be discussed and recommendations presented at the NJC before the end of the year 2002.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By ~~US Frances~~

Accepted and Approved:

INTERNATIONAL UNION, UAW
By ~~Nate Gordon~~

September 27, 1999

(163) Union Quality Recognition

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The parties fully recognize the success and achievements that the Product Quality Improvement Partnership (PQIP) has had on quality and the role of our employees in this improvement. During the recent negotiations, the Company renewed its commitment to recognize the contributions of UAW members to the significant improvements in DaimlerChrysler Corporation's product quality, and explore how PQI can be expanded, including the following:

-- Providing opportunity, through the Local PQI Partnership Committee and the Local Employee Participation Council (LEPC), for a joint label or decal certifying the product was proudly built by DaimlerChrysler Corporation employees who are UAW members to be displayed on assembled vehicles, and packaging and shipping labels.

-- Completion of a project to affix PQI decals to existing DaimlerChrysler Corporation truck trailers used to transport product produced by UAW-DaimlerChrysler-represented employees within twelve (12) months, if possible, and a commitment to identify new such trailers in a like manner.

-- Creation of a study group appointed jointly by the Vice President and Director of the UAW-DaimlerChrysler Department and the DaimlerChrysler Corporation Senior Vice President of Employee Relations which will meet with, among others, representatives of the Corporation's Sales and Marketing organization, to explore how PQI and its heretofore successful process can be broadened and/or energized.

-- Providing opportunity for input from the National Employee Participation Council (NEPC) in marketing campaigns.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

October 14, 1996

(164) Pre-Retirement Leaves

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During our continuing discussions surrounding the new provisions of the ESS Program, we addressed the desirability of having a new mechanism to help reduce the number of Protected employees in those situations where the sudden creation of a large number of Protected employees made it impractical to find meaningful assignments for those employees. The Corporation was concerned about large numbers of employees who could return to a plant that had no available work for them. The Union, on the other hand, expressed an interest in longer seniority employees being able to take advantage of a program which would permit them to take a layoff and grow into retirement, while being replaced by Protected employees.

A mutually acceptable program has been developed that permits the utilization of Protected employee slots for voluntary pre-retirement leaves or other appropriate leaves. Such leaves

will continue to be paid at eighty five percent (85%) of straight time pay and the BEL will be reduced as if the separation had occurred under a Special Program under Attachment A of this MOU.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 18, 1993

(165) Full Utilization of Protected Employees

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 negotiations regarding the Employment Security System - BEL, the parties discussed utilization of Protected employees at some length. The Corporation and the UAW have agreed that productive utilization of Protected employees is critical to the viability of our operations, and to the continued success of our Employment Security System.

It was agreed that local ESS Committees must make every effort to ensure that Protected employees are fully utilized on meaningful assignments. The parties have recognized that both underutilized employees and unproductive assignments are contrary to the spirit of the Agreement.

For purposes of the Employment Security System, "non-traditional" work could encompass any assignment(s) within the facility (except regular productive work, including the direct production, assembly or fabrication of vehicles or components) which can efficiently and safely be performed by the individuals involved.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 27, 1999

(166) Access to Procurement and Supply

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During the course of these negotiations, discussions took place concerning the role of the Procurement and Supply activity, particularly with respect to the sourcing process. To address the Union's concerns in this regard, the Company will provide an orientation meeting with senior Procurement and Supply Management within sixty (60) days following the effective date of the new Agreement. The purpose of the meeting will be to review the Procurement process. It is understood by the parties that Procurement and Supply, through the appropriate Program Management Director or Corporate Union Relations will continue to provide information to the National UAW DaimlerChrysler Department related to the purchasing process, sourcing actions and supplier quality concerns as specified in the Memorandum of Understanding-Sourcing (M-1).

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

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October 14, 1996

(167) Associations - Other Joint Venture Companies

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During 1996 negotiations, the Union expressed interest in the Company's association with companies which assemble vehicles sold by Chrysler Corporation or produce components in joint ventures, such as New Venture Gear.

Recognizing the Union's interest, the Corporation will meet with representatives of the UAW-Chrysler Department, upon request, to review and discuss such products and the effect they may have on UAW-represented hourly employees of the Corporation.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 18, 1993

(168) Jitney Repair - Industrial Truck Maintenance

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the parties discussed a program that is under review by the Corporation to replace over a five (5) year time frame its current fleet of industrial trucks. Under the proposal, the Corporation may either lease or purchase these new vehicles. As a result, the average age of the fleet would be dramatically decreased resulting in reduced industrial truck counts and improved up-time performance.

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With respect to the maintenance of this new fleet, the Corporation indicated that it will utilize its internal Jitney Repair workforce, under the guidance of the supplier whose equipment is either purchased and/or leased. The supplier's management would undertake a training program for Chrysler's Jitney Repair workforce and be responsible with respect to maintenance schedules, both predictive and preventative, as well as repair methodologies and procedures. Until this new fleet is acquired at a location, it is the Corporation's intent to perform jitney repair in the same manner as it is presently performed at that facility.

Coincident with the launch of the "NS" body at St. Louis, the jitney repair work will be performed by Chrysler skilled trades personnel consistent with the terms of this letter.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(169) Base Employment Level Snapshot Adjustments

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm the agreement of the parties that the Base Employment Level Snapshot for Units, as set forth in the Memorandum of Understanding Employment Security System (ESS) Program to the Collective Bargaining Agreement is subject to adjustment to reflect special situations by written agreement between DaimlerChrysler Corporation's Union Relations Staff and the International UAW - DaimlerChrysler Department.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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September 29, 2003

(170) Access to Automated Reports

International Union, UAW

Attn: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed the value of providing inquiry access, for selected International Union representatives assigned to the National Training Center, to certain attendance records, employment history and BEL Report information currently maintained in DaimlerChrysler Corporation information systems.

For the purposes of enhancing the discussions routinely conducted between the parties on these topics, the Corporation agreed to make available the following screens, or their equivalents, from the DaimlerChrysler Peoplesoft System to selected International Union representatives who are specifically assigned to such activities at their National Training Center offices:

Attendance History
BEL 42-Week Report
BEL Summary/Detail Report
Job Summary
Job Data

Access to these screens will include data from all DaimlerChrysler Corporation - UAW Production, Maintenance and Parts Agreement locations. It is understood that such access will require the Union to keep information confidential. Implementation will be undertaken following the conclusion of the 2003 negotiations. Sufficient resources will be allocated to complete this project, including extensive programming and infrastructure modifications, within nine (9) months of ratification, with related costs paid from joint training funds.

Sincerely,
DAIMLERCHRYSLER CORPORATION
By: J. Francios

Accepted and Approved,

INTERNATIONAL UNION, UAW
By: Nate Gooden

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September 27, 1999

(171) Americans with Disabilities Act

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations the parties discussed the effect of the Americans with Disabilities Act. The parties agreed that it is their mutual interest to jointly develop understandings covering the rights of qualified persons with disabilities.

Accordingly, the parties agreed that the Vice President of Employee Relations of the Corporation and the Vice President and Director of the Chrysler Department, International Union-UAW will each designate three (3) individuals to serve on an ADA Advisory Committee. This Committee may meet and confer at mutually agreeable times to discuss these matters.

Additionally, the Advisory Committee may discuss the concerns of either party relative to the Corporation's implementation of ADA legislation.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

219

October 14, 1996

(172) Utilization of Temporary Part-Time
Employees

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations the Union expressed concern that several plants are regularly scheduling temporary part-time (TPT) employees to work Monday through Friday.

Given the fact the Temporary Part-Time Employee Program is extremely critical to the efficiency of plant operations, the parties recognize the need to eliminate abuses and ensure temporary part-time employees are utilized as intended. Accordingly, the parties agreed to periodically conduct a joint review at each location currently utilizing TPT employees, and to re-emphasize the proper application of the S-1 - Supplemental Agreement Temporary Part-Time Employees.

In order to ensure that TPT employees are only being called to report to work pursuant to the provisions of S-1 - Temporary Part-Time Employees, the Corporation will instruct its Plant Personnel Departments to administer and coordinate the TPT Program. The Local Unions will be advised of the new policy.

Should the Local Union discover that authorization to report for work is being given without the Local Personnel Department's knowledge or approval, the matter may be brought to the attention of the Plant Labor Relations Department for resolution.

To ensure further compliance, Corporate Union Relations Administration will closely monitor the use of TPT employees and will give notice to the International Union, UAW in advance of hiring TPT employees.

The Union was assured that TPT employees would not be hired to circumvent the hiring of regular full-time employees. Notwithstanding the above, the Corporation will establish a process for considering TPT employees for Temporary Vacation Replacement or Full Time Employment

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 27, 1999

(173) Environmental Protection Agency (EPA)

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the Union expressed concerns relative to the importance of environmental protection issues. The Union was advised that any DaimlerChrysler Corporation report to the EPA that directly impacts an employee's health and/or safety will be made available upon request to the Local Joint Health and Safety Committee, who will forward a copy to the National Joint Committee.

Further, upon request, the DaimlerChrysler Corporation will notify the Local Joint Health and Safety Committee of significant environmental remediation projects, spills or releases that are subject to government reporting requirements. The Local Joint Health and Safety Committee will forward such information to the National Joint Committee.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(174) Safety and Health Audits

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the parties discussed the ongoing Joint Safety and Health Audit Program. With regard to this audit program, the parties agreed that future joint safety and health audits will continue to be conducted by a team of trained safety and health professionals under the direction of the National Joint Committee.

A joint audit team has been established at the National Training Center consisting of three (3) UAW International Representatives appointed by the Vice President and Director of the DaimlerChrysler Department UAW and three (3) Management Safety and Health professionals appointed by the Senior Vice President of Employee Relations. Both parties recognize the need to maintain a staff of qualified safety and health auditors. The National Joint Committee will develop specific training requirements for audit team members. Depending upon knowledge and health and safety experience, new members may be required to complete up to four (4) weeks of training within ninety (90) days of appointment or as soon thereafter as class availability permits.

A Nurse and a Fire Supervisor will accompany the audit team to verify plant compliance in medical and fire security programs and procedures. It is understood that these positions will be filled by utilizing existing staff on a rotational basis and that their time spent on the audit will be limited to their specific audit function.

The National Joint Committee will continue to review and provide input to the audit team on the audit program criteria as required.

The designated UAW-DaimlerChrysler Joint Safety and Health audit team will conduct audits as deemed necessary, but in no case less than once every two years, of all facilities covered under the M-3 MOU as directed by the NJC.

The parties recognize the critical importance of these audits to the Corporation, the Union, and the employees. To that

extent, the parties agree to use their optimum efforts to (i) maximize the number of audits performed and (ii) to ensure scheduled audits are conducted on a timely basis. Adjustments to approved audit schedules or staffing levels must be authorized by the National Joint Committee. The parties further recognized the demands put upon audit team members and the Union expressed concern that, on occasion, outside intervention has impeded audit schedules and training program development. In the future, if outside intervention forces a change in the audit schedule or delays program development, the matter will immediately be taken up with the Joint Activities Board for prompt resolution.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Approved and Accepted:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(175) Health and Safety - Outside Contractors

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the current negotiations, the parties discussed the issue of outside contractors in Company plants as it relates to Chrysler employee health and safety and the means by which the Local Joint Committees on Health and Safety can help to ensure that outside contractors comply with all DaimlerChrysler Corporation health and safety directives.

With regard to this issue, a contractor manual has been jointly developed to facilitate appropriate controls. The parties agree to have a joint committee review the Contractor Manual and submit any recommendations to the National Joint Committee (NJC). Among the modifications will include a notification to the Union when a contractor on-site has a serious near-miss incident that could have potentially injured UAW represented employees in the immediate area. Upon NJC

approval, any agreed to changes will be incorporated into the next revision of the Contractor Manual. The manual addresses contractor safety program qualifications, means to communicate directives, and the role of the Local Joint Committee and its part in enforcement measures.

Within thirty (30) days of ratification of this Agreement, each Operating Vice President of their respective division shall write a letter to each plant under their jurisdiction reaffirming this policy which applies to all non-DaimlerChrysler employees that perform work in Company facilities. If specific employees of a contractor continue to violate health and safety rules and regulations, the matter should be referred to the Local Senior Management for immediate resolution.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(176) Placement Election Exercise of Seniority

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the course of these negotiations, the parties discussed at great length the placement election system as it is currently administered and the need to provide greater latitude for employees faced with an election which may adversely impact them. In order to alleviate these concerns, it was agreed that, following the effective date of the Agreement, the election process at the time of an indefinite layoff would be accomplished as follows:

I. In Labor Market Area Placement

(a) An employee indefinitely laid off from their primary ("Home") plant who is placed pursuant to Memorandum No. M-7

at, and is subsequently indefinitely laid off from, a second plant in their Labor Market Area, will retain seniority at both plants and shall not be required to make a seniority election until he/she is recalled or returns to their primary ("Home") plant. At such time, the employee shall elect to (i) retain seniority at the second plant and in such case their seniority at their primary ("Home") plant shall terminate or (ii) return to their primary ("Home") plant with full accumulated seniority and in such case their seniority at all other plants shall terminate.

(b) An employee who is indefinitely laid off by the second plant who is neither recalled by or returns to their primary ("Home") plant and is subsequently recalled and returns to work at their secondary plant will retain seniority at both plants until one of the conditions outlined in (a) above occurs or he/she is placed at a third plant in the same Labor Market Area.

(c) An employee who is indefinitely laid off by their secondary plant and who is then placed at a third plant in the Labor Market Area shall, at the time of such placement, elect either their primary ("Home") or secondary plant as the plant at which he/she choose to retain seniority along with that gained at the current plant.

In no event shall any employee retain seniority at more than two (2) plants.

II. Out of Labor Market Area Placement

a) An employee who is indefinitely laid off from their primary ("Home") plant and who is placed at, and is subsequently laid off from, a secondary plant outside of their Labor Market Area, will retain seniority at both plants.

b) An employee on indefinite layoff from their secondary plant who refuses placement at their primary ("Home") plant shall have their seniority terminated at that plant.

c) An employee on indefinite layoff from their secondary plant who is placed at a third plant in that same Labor Market Area, shall elect to have their seniority at either the secondary or third plant, along with the seniority at their primary ("Home") plant.

d) An employee on indefinite layoff who accepts placement at their primary ("Home") plant shall have their seniority terminated at their former plant.

In addition to the above, the following understandings shall apply:

1. Employees retaining seniority at two (2) plants shall have no rights to return to their former plant unless they have a "Return Home" application on file or until they have been indefinitely laid off from the new plant.

2. The separation of an employee from one plant for a reason other than specified in Section (64) of the P&M Agreement shall result in the termination of their seniority at all Corporation plants.

3. An employee who maintains seniority at two plants shall retain any rights accrued for purposes of holiday pay, payment in lieu of vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

The parties recognize that the provisions of this Letter have complex administrative implications. Accordingly, the Corporation shall not incur any operational problems or any liability for claimed violations or errors in administration of the understanding.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 18, 1993

(177) Return to Former Labor Market Area

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations, the Union expressed concern for employees of closed plants who on or after February 13, 1982 were placed at another Corporation plant in a different Labor Market Area pursuant to the provisions of the Memorandum of

Understanding on Plant Closings. In some instances such placement created a personal hardship and, therefore, the Union requested those employees be provided an opportunity to return to work in a plant in their former Labor Market Area.

The Corporation agreed to allow such employees to make a one (1) time request to return to their former Labor Market Area. Within thirty (30) days following notice of ratification of this Agreement, such employee may make a single application on a form to be provided at the Employment Office at the plant in which the employee is working. A copy of the signed application will be given to the employee. Any employee on an approved leave of absence spanning the aforementioned thirty (30) day period shall within five (5) days after their return to work be given an opportunity to make the request provided for in this paragraph. The application may be revoked at any time prior to notice of transfer, however once the employee is given notice of transfer, it may not be revoked.

When hiring to fill open jobs in any plant in a Labor Market Area, the Corporation will review and consider the applications of employees requesting transfer to that Labor Market Area. Where reasonably practicable, employees with a valid application on file will be given preference over new hires. In any event, the release of any employee is subject to the condition that they have the ability and are physically able to do the available work at the new plant and the productivity and efficiency of the current plant is not affected adversely.

An employee transferring pursuant hereto shall (i) retain their seniority in the plant from which they were transferred for a period of twelve (12) months from the date they last worked in the plant but shall have no right to return to the former plant unless and until they are indefinitely laid off from the new plant during the aforementioned twelve (12) month period; (ii) rank for seniority as of the date of entry in the new plant; (iii) retain any rights accrued for purposes of holiday pay, payment in lieu of vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

An employee accepting transfer will be eligible to receive a relocation allowance as provided in the exhibits to the National Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated.

The Corporation shall not incur any liability for claimed violations or errors in the administration of this Understanding.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 27, 1999

(178) Additional Bereavement Provisions

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

This letter will serve to confirm the understandings reached in previous negotiations and the current negotiations concerning the application of the bereavement pay provisions in Section (81) of the Collective Bargaining Agreement in the following instances:

-- An employee who, in conjunction with an approved absence due to bereavement, requests limited additional time off for the disposition of financial, administrative or legal matters associated with the death of an immediate family member as defined in Section (81), should be given consideration for additional time off (up to three (3) days) as unpaid personal time or unused available Paid Absence Allowance. It is further understood that the request must be in advance and the time off, itself, should not negatively impact operations.

-- An employee who is notified of the death of an immediate family member and meets the eligibility criteria for bereavement pay during a week(s) in which the employee was previously scheduled and approved for vacation leave, may request equivalent hours of Paid Absence Allowance for each day (eight (8) hours) up to three (3) (or five (5) in the case of the death of an employee's current spouse, parent, child or stepchild) total, in lieu of bereavement pay for which the employee otherwise would be eligible except for the employee's nonwork status during such vacation week(s). Such requested hours will be in addition to those Paid Absence Allowance hours

which the employee is otherwise eligible and are to be scheduled under the terms of Section (104)(e).

-- In the event an employee's spouse of five (5) years or longer has predeceased his or her parent, and in the event of the death of a parent of that former spouse, the provisions of Section (81), Bereavement Pay, of the National Production and Maintenance Agreement will apply, provided the employee has not remarried.

-- Notwithstanding the bereavement pay eligibility requirements of Section (81), this will confirm our understanding that representatives of the UAW National Chrysler Department and representatives of Union Relations Staff of the Employee Relations Office, may discuss the disqualification of certain employees from bereavement pay due to the unique circumstances associated with the death of an immediate family member to determine on a case-by-case basis the possibility of providing bereavement pay to these otherwise ineligible employees.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 27, 1999

(179) Family and Medical Leave Act of 1993

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties discussed the Family and Medical Leave Act (FMLA) of 1993. The Company assured the Union that it will comply with the provisions of the FMLA.

As part of its compliance, the Company presently plans to establish a new category of unpaid leave called "FMLA Leave".

In some instances, FMLA Leaves will be concurrent with leaves of absence covered by Section (66)(a) and (78)(a) of the Office, Clerical and Engineering and Production and Maintenance Collective Bargaining Agreements, respectively. Accordingly, in those cases where the employee is eligible for leave under the DaimlerChrysler-UAW Collective Bargaining Agreement and the leave also qualifies under the FMLA, the Company intends to comply with the requirements of the FMLA as well as the separate provisions of the Collective Bargaining Agreement regarding covered leaves of absence.

Pursuant to the Company's present plan for compliance with the FMLA, the Company's rights under the Act will be modified to:

-- Provide that an employee on FMLA Leave will continue to accumulate seniority in the same manner as the employee also would be eligible under Section (66)(a) and (78)(a) of the Office, Clerical and Engineering and Production and Maintenance Collective Bargaining Agreements, respectively, as appropriate;

-- Permit but not require employees to substitute vacation and/or excused absence allowance for unpaid FMLA Leave;

-- Provide that employees who are married to each other will be each entitled to a maximum of 12 weeks of qualifying leave under the Act;

-- Provide that, when a third opinion is necessary under the medical certification and dispute resolution sections of the FMLA, the neutral provider will be selected jointly by the Company and the Union from a list, provided by the appropriate local or state professional medical association, of board-certified specialists in the field of medicine in which the point of controversy exists;

-- Continue Company-paid Group, Life, Accidental Death and Dismemberment, and Disability Insurance during all FMLA Leaves that are not also DaimlerChrysler-UAW Medical Leaves as if such leaves were DaimlerChrysler-UAW Personal Leaves of Absence.

In addition, the Company's plan for compliance would:

-- Not automatically designate and apply absence time that is compensated under the Sickness and Accident Insurance

provisions of the Life, Disability and Health Care Benefits Program against an eligible employee's FMLA entitlement.

-- Use, initially, a calendar year as the 12-month period of the leave entitlement (for example: in 1993, from the effective date through December 31, 1993; in 1994, from January 1, 1994 through December 31, 1994);

-- Require repayment of the cost of health care coverage provided during the leave from employees who fail to return from FMLA Leave to the extent permitted by law.

The Department of Labor has not yet issued final regulations regarding this Act. The Company may make changes in its compliance plans to reflect final regulations and/or subsequent court decisions and the gaining of additional administrative experience but without reducing leaves provided by the Collective Bargaining Agreement.

Problems related to the implementation of this letter may be discussed by representatives of the UAW National Chrysler Department, and the Company's Employee Relations Staff.

Very truly your,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(180) Tobacco Smoking in the Workplace

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the Company and the Union discussed concerns regarding tobacco smoking in the workplace, including second-hand tobacco smoke. It was discussed that the Company shall continue to comply with all

applicable local, state, and federal laws, ordinances, and regulations regarding tobacco smoking in the workplace. In the event it is alleged that a facility is not complying with all such applicable laws, and such issue cannot be resolved locally, then the issue shall be elevated to the International Union DaimlerChrysler Department and Corporate Union Relations Offices.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

September 29, 2003

(181) Technology Training Center

International Union, UAW

Attention: Mr. Nate Gooder

Dear Sirs:

During the 1993 negotiations, the parties agreed to establish the Technology Training Center (TTC) to provide the Corporation a centralized location in which to train and upgrade employee skills. Since its inception, the TTC has become a major provider of technical training for UAW represented DaimlerChrysler workers.

UAW/DaimlerChrysler National Technology Committee will serve in an advisory capacity to the Joint Activities Board. It will review upcoming technology and make recommendations of future training plans to the Joint Activities Board.

The Technology Training Center will be responsible for five (5) major components:

1. Skilled Trades Core Skills Training and Salaried Technical Training

-- Equipment, materials, machine and state of the art technology

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2. Production Worker Technical Skills Awareness Program

-- Coordinate a Production Technology course for UAW-represented DaimlerChrysler workers to:

-- Familiarize them with Industry related Technologies and,

-- Train them in the primary automotive components and systems. The training includes how the various components, such as power trains, suspensions, steering, brakes, electrical systems, etc., function with one another.

3. New Processes Training

4. Apprenticeship Core Skills Training

5. Safety Training

During these negotiations, the parties discussed at great length the many issues impacting the effective utilization of the UAW-DaimlerChrysler Technology Training Center. Issues that negatively affect opportunities to increase participation were also discussed. We concurred that the complexities and ramifications of these issues require more in depth review and study. Accordingly, it was agreed that a Joint Study Group, to include representatives from TTC, Manufacturing, Parts & Service, Engineering and other interested parties will be formed to discuss issues relative to:

1. Roles and responsibilities of Local Technical Training Committees (LTTTC)
2. Releasability of students for training
3. Applicable NTC training that meets the current and future technical manufacturing needs
4. Measures to determine effectiveness of training
5. Potential opportunities and redundancies of other DaimlerChrysler training efforts
6. NTC registration and acknowledgment process
7. More active LEPC involvement in Local Technical Training efforts and reporting
8. Benchmark training operations in world class activities
9. Other issues of interest which may result from these negotiations

The Joint Study Group will meet and present its findings to the National Employee Participation Council (NEPC) within six

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(6) months of the date of ratification of the Agreement at its next scheduled meeting and at subsequent NEPC meetings

The TTC will maintain an Education and Training Tracking System.

Technology Training Center Funding

Funding for the Technology Training Center will be determined by the Joint Activities Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 18, 1993

(182) Support Order Deductions

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During the 1993 bargaining, the parties discussed a variety of unusual payroll related issues impacting certain employees' pay. While a number of issues were covered, a specific area of concern involved employees subject to support orders when certain lump sum payments are made. For these employees, such payments can be delayed because of the legally required arrearage verification and adjustment procedures.

The Company advised the Union of existing procedures for the advance notification to the respective courts, in a manner consistent with legal requirements, of pending lump sum payments to employees subject to support orders. Further, the Company recognizes that processing adjustments to those lump sum payments should be done in a timely manner consistent with the law.

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Following negotiations, the respective Plant Personnel Manager will advise the Chairperson of the legal notification and adjustment procedures and timing applicable for employees subject to support orders at their locations.

Where these procedures are not functioning in a timely manner, the respective Chairperson may bring the matter to the Plant Personnel Manager for appropriate corrective steps. If the matter continues unresolved, the National Chrysler Department may bring it to the attention of the Employee Relations Office of the Company.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(183) Extension of Seniority Recall Rights

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This will confirm our understanding that, notwithstanding the provision of Section (49)(f) of the Production and Maintenance Agreement, laid off employees who have not broken their seniority as of September 29, 2003 shall retain their seniority recall rights through the term of the new Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Nate Gooden

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October 18, 1993

(184) Personnel Practices
Job Opportunity - Regular Full-Time Work

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

During these negotiations the parties discussed the problems regarding temporary openings that are filled by vacation replacements/temporary employees and such openings later become regular full-time work.

The Corporation assured the Union that one hundred-twenty (120) day vacation replacement/temporary employees will not have their status changed to a regular full-time employee until all the applicable provisions of the National Production and Maintenance Agreement and the 1988 Kenosha Preferential Hiring Agreement have been fulfilled.

Should circumstances arise which are mutually agreed to by the International, UAW and Corporation that require the vacation replacement/temporary employee to remain beyond the normal one hundred-twenty (120) day period in order to accommodate the arrival of a seniority employee or preferential hire who has accepted work, it is agreed that notwithstanding Section (45)(b), the vacation replacement/temporary employee shall not acquire seniority as a result of the accommodation.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

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October 14, 1996

(185) Vacation Replacement Hiring

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the Union voiced concern regarding the hiring of vacation replacement employees to fill temporary openings which in effect were regular full-time jobs.

To address this concern, the parties agreed to the following procedure:

-- Vacation replacements may be utilized for the period beginning the first Monday in May and ending no later than the first Saturday following the Labor Day Holiday to replace seniority employees who take vacation leaves of absence.

-- Plant Management will give advance written notification to both the Local Union and Corporate Union Relations Administration with regard to the anticipated number of vacation replacement employees that will be required. Upon receipt of this information, Corporate Union Relations will meet with the International Union no later than the third Monday in April and identify the number of vacation replacement employees that may be hired at each respective location.

Notwithstanding the above procedure, the parties recognize that some local unions and plant managements have negotiated periods, other than the summer months, when employees may take vacation leaves of absence. In order to provide leaves of absence for vacation purposes during such periods, it is agreed vacation replacement employees may be utilized subject to mutual agreement with the International Union.

When implementing this understanding, the Corporation will advise local managements to meet with the Local Plant Shop Committee to review the vacation requests received. In addition, whenever vacation replacements are employed, management will, upon request, provide to the appropriate Plant Shop Committee person the names and departments of the vacation replacement employees working in their district.

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Although the parties agreed that the Corporation has the right to determine which prospective temporary employee may be selected for additional employment opportunity, the Corporation commits to giving serious consideration to a vacation replacement employees becoming regular full-time employees provided the vacation replacement employee expresses the wish to become a seniority employee, there is a regular, full-time opening in the plant, and management agrees to make such change in the employee's status. If such employees are not made seniority employees, they shall be separated from the roll. Corporate Union Relations will meet with the International Union and apprise them of the number of temporary employees that are scheduled to be laid off. It is further agreed that the International Union, UAW and the Local Union will be provided the names of those vacation replacement employees who have been separated from the rolls and those whose status will become that of a regular full-time employee. In the event the Local Union claims the layoff of a vacation replacement employee is not for cause, it shall promptly refer the matter to Corporate Union Relations and the International, UAW for resolution.

Problems relating to the implementation and administration of the above provisions may be raised by either party in a timely fashion each year, before vacation schedules have been finalized, and resolved by mutual agreement of the Local Plant Shop Committee and the Company. In the event a problem cannot be resolved by the local parties, the matter may be submitted to the International Union, UAW and Corporate Union Relations.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 18, 1993

(186) Medical Treatment During Working Hours

International Union, UAW

Attention: Mr. Stan Marshall

Dear Sirs:

In the event an employee sustains a work-related injury or occupational disability in the course of employment with the Corporation which requires the employee to leave work with the permission of supervision to receive medical treatment during working hours, on that day, such employee will be compensated for the working time lost on their regular scheduled shift.

In addition, if the medical treatment continues beyond the regularly scheduled work hours on that day, the employee will be paid for up to four (4) hours or until the time the treatment is completed, whichever occurs first. Payment will be made at the employee's straight-time hourly rate provided the employee presents evidence satisfactory to management of the time spent receiving medical treatment.

Very truly yours,
CHRYSLER CORPORATION
T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

October 14, 1996

(187) POW/MIA Flags

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During the current negotiations, the Union requested that Chrysler facilities fly POW/MIA flags. As discussed, flying of

flags at Chrysler locations is a matter of Corporation policy administered by the Corporate Identity Office.

In view of the special sensitivity associated with Vietnam era MIA and POW issues, the Corporation indicated a willingness to consider exceptions to its normal policy on flags when so requested by a Local Union. These exceptions may include: individual special requests, special days recognized by the U.S. government to honor or remember POW's or MIA's or other appropriate holidays, such as Memorial Day and Veterans Day.

It is understood that this matter is one of Corporate Identity Policy, and if revisions to the policy are made, the Union will be notified.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 18, 1993

(188) Recycling Programs

International Union, UAW

Attention: Stan Marshall

Dear Sirs:

During these negotiations the parties discussed the Corporate Policy and directives relative to vehicle recycling and waste minimization program. Both of these directives affirm the Corporation's commitment to natural resource conservation and the protection of the environment.

Vehicle recyclability and the use of recycled materials are an increasingly integral part of the Company's vehicle program planning and development process. The Corporation's goal is to facilitate recycling of our products through such means as material selection, assembly techniques and manufacturing

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processes. We also encourage recycling by purchasing recycled materials.

The Corporation continues to be a strong supporter of recycling programs and has implemented numerous recycling initiatives at its locations. Chrysler is also active in recycling initiatives in the various communities in which it operates. Chrysler supports many community projects to increase the awareness of environmental issues and to promote ways of establishing recycling as a way of life. The involvement of Chrysler employees in these projects has been well received and is a major reason for their success.

The Corporation will continue to encourage and support recycling efforts of local communities, Local Unions and employees, consistent with Corporate Policy, which will support the protection and the conservation of the environment, both at the Corporate level, as well as the Local level.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stan Marshall

September 29, 2003

(189) Up-Front Lump Sum Payment

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

During the present negotiations, the parties agreed to provide an up-front lump sum payment of \$3,000 to each member of the Union (excluding such members who are temporary part-time employees of the Corporation) on the active roll on the effective date of the Agreement. As has been our practice with prior up-front lump sum payments, the payment is conditioned solely on the membership's ratification of the Agreement and is paid to such eligible members whether or not the eligible member votes for ratification or performs any

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services for DaimlerChrysler Corporation. Such payment shall be made in the second pay period following receipt by the Corporation of written notification of ratification of this Agreement.

In addition, should the National DaimlerChrysler Department raise any questions of equity in application regarding specific such members, the Company agrees to meet on such cases to review the facts.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francos

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

September 27, 1999

(190) Local Technical Training Committee

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, there was extensive discussion regarding the roles and responsibilities of the Local Technical Training Committees (LTTC). The parties agreed to continue the presently established LTTC's and to create such committees at UAW-represented DaimlerChrysler facilities where they do not currently exist. These committees will be responsible to plan and coordinate local technical training for production, as well as skilled trades employees, by jointly reviewing current and approved planned equipment timing, identifying training needs, developing training plans, and coordinating training activities between the plant and the UAW-DaimlerChrysler Technology Training Center.

The committees will be comprised of no more than four (4) Union and four (4) Management members, which shall include a production representative, a skilled trades representative, and the facility's Human Resource Manager or designee. Committee members, preferably with training responsibilities or expertise,

will be selected by the Co-Chairpersons of the Local Employee Participation Council (LEPC). The LEPC will ensure appropriate Salary representation on the Local Technical Training Committee to address training which has been identified for the Salary unit(s).

Additional internal resource personnel may attend LTTC Committee meetings, as appropriate. It is understood that non-UAW and non-DaimlerChrysler persons will not serve in a decision-making capacity on these committees, but may provide professional assistance to the committee, as needed.

The LTTC will be a subcommittee of the Local Employee Participation Council and will meet monthly or as required by the LEPC Co-Chairs.

The National Training Center will develop Local Technical Training Committee guidelines and procedures, recommend training for members of the LTTC, and monitor the progress of these committees on a regular basis.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(191) Retiree Tuition Assistance Plan

International Union, UAW

Attention: Mr. Nate Gooder

Dear Sirs:

During these negotiations the UAW-DaimlerChrysler National Training Center agrees to continue the Retiree Tuition Assistance Plan for retired UAW-represented DaimlerChrysler employees.

Retirees will be eligible to take classes approved on-site at the plant or local Union hall at the location from which they

retired. The courses offered to retirees must be those that are available to the active workforce.

Type of Assistance

The Plan will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. Maximum eligibility is up to \$1,500 per calendar year per retiree.

School

Acceptable schools are those approved by the UAW-DaimlerChrysler National Training Center including, but not limited to, those generally recognized by accrediting agencies or under governmental education agencies.

Funding

The plan shall be funded by the UAW-DaimlerChrysler National Training Center.

Administration

The plan will be jointly administered by the UAW-DaimlerChrysler National Training Center.

The National Training Center has the authority and discretion to interpret the terms of the plan, including but not limited to, the authority and discretion to approve schools and courses under the plan and to issue guidelines interpreting the plan.

Payments under the UAW-DaimlerChrysler Retiree Tuition Assistance Plan will be subject to applicable federal, state, and local income tax provisions.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(192) Retiree Use of Plant Employee Fitness Centers

Attention: Mr. Jack Laskowski

Dear Sirs:

This will confirm the understanding reached during the present negotiations regarding retired UAW-represented Chrysler employee use of in-plant Employee Fitness Centers. Retirees will be eligible to utilize the in-plant fitness center at the location from which they retired on a space available basis, at non-peak usage periods, when the local fitness center is in operation. The schedule of usage will be determined by the local joint parties based on factors such as location of the fitness center, present hours of operation, present plant membership usage, and other locally determined criteria. No incremental staffing, equipment, or extension of operating hours will be approved for retiree use of local fitness centers.

Retirees will be required to complete the proper registration process (membership registration, physician consent form, liability waiver, fitness assessment, etc.) that regular employees are required to complete in line with the UAW-Chrysler Fitness Center Guidelines.

It is further understood that nothing contained herein or in existing or future statements concerning Employee Fitness Centers or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Company's or the Union's rights or responsibilities under the Collective Bargaining Agreement, nor are the Centers intended in any way to create for any employee or retiree any enforceable obligation against the Company, the Union, or their representatives.

In addition, it is the parties' intent that any programs, approaches or related services provided in or through employee fitness centers are not to be construed as benefits or insurance programs.

Sincerely,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Jack Laskowski
October 14, 1996

(193) UAW-Chrysler Collective Bargaining
Agreement Training Program

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations, the parties discussed training of representatives responsible for administration of the Collective Bargaining Agreement (Agreement), and related understandings. Both parties recognize the benefits that can be achieved when Company and Union representatives are knowledgeable concerning agreements which affect their roles and responsibilities.

Following ratification of the 1996 Agreement, the UAW-Chrysler National Training Center will coordinate, with the Company's Union Relations Staff and appropriate representatives of the UAW-Chrysler Department, the development of a training program which will address the Agreement and related understandings. A training session will be piloted as soon as practical following program development. Candidates for participation in the training could include Plant/Division/Operations managers and supervisors whose responsibilities include Agreement administration, elected and appointed Union representatives, and Human Resources personnel. Participants in the training program will be designated by Chrysler's Union Relations Staff and the UAW-Chrysler Department.

Funding for this training program, including development costs, travel, and lodging of participants, shall come from the existing National Training funds. The Grievance Procedure, as set forth in the Agreement has no application to, or jurisdiction over, any matter relating to this training program.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

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September 29, 2003

(194) UAW-DaimlerChrysler Scholarship
Program for Dependent Children

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

DaimlerChrysler Corporation and the UAW recognize the importance of continuing education for college-aged dependent children of UAW-represented workers. In this regard, the Union and the Company agreed to continue the UAW-DaimlerChrysler Scholarship Program for Dependent Children.

The joint committee established by the Joint Activities Board will continue to direct the delivery of a program based on the following:

- Eligibility: Dependent children of active, retired, or deceased UAW-represented DaimlerChrysler employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency are eligible to apply for tuition assistance. For purposes of this program, the definition of dependent will be as defined in the UAW-DaimlerChrysler Legal Services Plan.

- Scholarship Amount: The program will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. The scholarship is limited to an annual benefit level of up to \$1,500 per eligible dependent.

- Funding: Funding for this program, including administrative costs, will be provided through the UAW-DaimlerChrysler National Training Center as determined by the Joint Activities Board.

- Administration: The Plan will be jointly administered by the UAW-DaimlerChrysler National Training Center (NTC).

The National Training Center has the authority and discretion to interpret the terms of the Scholarship Program, including but not limited to, the authority and discretion to approve schools and courses, and to issue guidelines.

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Payments under the UAW-DaimlerChrysler Scholarship Program for Dependent Children will be subject to applicable federal, state, and local income tax provisions.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(195) Apprentice Diversity

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During 1996 Negotiations the parties discussed many aspects of the Chrysler-UAW Apprenticeship Program, including diversity issues. The parties recognized that additional methods and strategies must be considered which might better prepare individuals who may want to select the skilled trades as a profession. Further, it was agreed that every effort must continue to be made in outreach activities to inform, educate, and encourage potential minority and female candidates to consider skilled trades work as a future career option.

To this end, the parties have agreed to establish within ninety (90) days of ratification of the National Production and Maintenance Agreement, a committee composed of four (4) members of the National Apprenticeship Committee, two (2) of whom shall be Representatives of the International Union and two (2) of whom shall be Representatives of the Corporation. The Committee will study and recommend new approaches to attract a more diverse pool of qualified candidates for future skilled trades opportunities. The recommendations of this committee shall be presented to the full membership of the Chrysler-UAW National Apprentice Committee for consideration and implementation.

Very truly yours,
CHRYSLER CORPORATION
By: T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Jack Laskowski

October 14, 1996

(196) Apprentice Selection Common
Labor Markets St. Louis and Indiana Plants

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

The parties continue to agree that the Chrysler-UAW Apprentice Program is the benchmark of the industry. This has been accomplished through joint cooperation, a strong collaborative commitment to secure the best candidates available, and by ensuring such candidates are trained and placed in the most efficient manner possible.

Building upon the success we have recognized in our Detroit area operations, and in response to current skilled trades demographics, the parties have agreed the St. Louis, Missouri area will comprise one (1) labor market for the purpose of apprentice selection and placement into the two (2) St. Louis facilities. Further, Indianapolis Foundry, New Castle Machining and Forge, and the Kokomo area facilities will comprise one (1) labor market area for the purpose of apprentice selection and placement into those facilities for those candidates who voluntarily agree to placement in a plant other than the one in which they are currently working or would otherwise normally be scheduled for placement

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 29, 2003

(197) Hourly Vacation Leave of Absence Form -
Payment in Lieu of Vacation and Paid Absence Allowance

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 negotiations, the Union discussed its concern regarding an eligible employee being unsure of their entitlement hours relative to basic payment in lieu of vacation with pay and Paid Absence Allowance at the time they are completing the hourly Vacation Leave of Absence form.

This is to confirm our understanding with respect to providing the entitlement hours for basic payment in lieu of vacation with pay and Paid Absence Allowance to employees at the time the hourly Vacation Leave of Absence form is distributed to employees by local plant management. Notification of projected eligibility will be provided to local plant management for distribution to each employee including the employee's name and entitlement to payment in lieu and Paid Absence Allowance based upon information contained on the pay in lieu of vacation and paid absence predetermination report.

Effective with the 2005 hourly vacation eligibility year, the Corporation will provide each eligible employee with their projected entitlement hours for payment in lieu and Paid Absence Allowance based upon information contained in the pay in lieu of vacation and paid absence predetermination report developed by Corporate Payroll. The Union understands that the payment in lieu of vacation and Paid Absence Allowance information contained in this report is the projected entitlement assuming an employee's continued on-roll status with the Corporation and agrees that employees are still subject to the provisions of Section (104) Payment Schedules and Section (105) Eligibility and any other Letters pertinent thereto in determining actual eligibility.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

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September 27, 1999

(198) Joint Leadership Involvement in Health & Safety

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Each DaimlerChrysler location has established a Local Employee Participation Council to coordinate leadership involvement in all Joint Activity Programs including the area of Health and Safety. This committee was developed for the purpose of reinforcing direct involvement, by upper management and elected union official leadership, in joint activity programs including the attainment of the plant's general health and safety goals and in the resolution of ongoing plant health and safety issues.

During these negotiations, the parties mutually agreed that the Local Employee Participation Council shall provide active support for Health and Safety related matters.

Very truly yours,
DaimlerChrysler Corporation
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(199) Metal Working Fluids

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed at length the exposure levels of metal working fluids within the Corporation's facilities. The parties recognize that the Corporation has made great strides in the past few years in

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improving our plants' environments. Our new facilities have been engineered with significant attention to employee health and safety, resulting in metal working fluid levels well below 1.0 mg/m³. Moreover, as new equipment has been placed in existing facilities, similar results have been achieved. Likewise, in existing facilities, a variety of means and efforts associated with current systems have resulted in impressive improvements over pre-existing conditions. These efforts and new tooling (installed and projected) at existing facilities have dramatically reduced our overall Corporate mist levels. In fact, in those locations with new installations, we believe the overall environmental average for the area or plant is at or below 0.5 mg/m³.

The Corporation advised the Union of our intent to continue similar efforts throughout the life of the current Agreement. To that end, we will endeavor to engineer and design new equipment to attain a level of 0.5 mg/m³ time weighted average (TWA) for initial production start-up. Furthermore, efforts will be made to attain this level after start-up. Moreover, the Corporation agreed that, for its existing equipment, it will strive to obtain a DaimlerChrysler exposure guideline of 1.0 mg/m³ or less on or before the year 2004.

Medical surveillance (consisting of a standardized respiratory symptoms questionnaire) for respiratory effects of machining fluids will be offered to employees who regularly work in operations with machining fluids.

Powertrain plants performing machining operations will submit a copy of their mist mapping on a quarterly basis to the National Joint Committee on Health & Safety (NJC) highlighting any process changes that could affect the environmental concentration of MWF since the last submission. The NJC will review the submissions and determine if any additional mapping is required. Beginning in the first quarter of 2004, the Corporation agrees to commence a re-map of the Kokomo Transmission Plant of those areas that have had a major change since the last map and areas over 1.0mg/m³.

Records of laboratory testing and coolant additions will be maintained and, upon request, made available to the Local Joint Health and Safety Committee. The Corporation will continue to implement its fluid testing and maintenance as defined in its IH 4 Bulletin. Any modifications to IH 4 will be reviewed, in advance of issuance, to the Union at a NJC meeting. In order to assure the quality of these records, they will be included in the S-58 audit. Furthermore, for machining plants, metalworking fluid

maintenance will be added to the agenda of the plants Monthly Safety Review Board (MSRB) Meeting. At that MSRB Meeting, any available data regarding mapping and air sampling results may be discussed. The parties also may review their performance on the ventilation system preventive maintenance program. Finally, for the 2004 audit cycle, a metalworking fluid maintenance audit module will be developed and added to the NTC audit.

A subset of the NTC Audit Team consisting of one (1) Management and one (1) Union auditor will be trained to conduct a performance review of ventilation equipment. During 2004, this team will perform two (2) unannounced spot-checks of the KTP ventilation systems to confirm compliance with preventive maintenance requirements. The team will be trained, utilizing supplier(s) of air handling equipment for the Corporation, in the process and procedure required to conduct such an assessment.

Periodic joint industrial hygiene visits will continue to be conducted by the Corporate and UAW Industrial Hygiene staffs. Reports of these visits, along with their findings, shall be reported annually to the NJC.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(200) Health & Safety - UAW Safety Representative
Participation in the Design of Safety Systems for Energy Control

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

The Corporation and Union have made significant progress over the years in implementing and enhancing a procedure that mandates the early involvement of the Plant Local Joint Committee in the key development phases of new equipment

programs. This effort has led to the inclusion of a milestone meeting procedure in the Advance Manufacturing Engineering Specifications to provide that the Plant-Local Joint Committees are included, at appropriate steps, in the project build cycle. In addition, the Corporation advises that the Engineering Specifications require that the Original Equipment Manufacturer (OEM) design processes with control reliable architecture, and lockout/energy control systems that facilitate safe worker access and simplicity of operation. Annually, any modifications to the AME specifications (Do's and Don'ts Section 16) will be reviewed with the Union at an NJC meeting.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

September 29, 2003

(201) Movement of Employees on Protected Status

International Union, UAW

Attention: Mr. Nate Gooder

Dear Sirs:

This letter confirms the Parties' understanding that when movement of employees on Protected Status to replace attrition would involve relocation between Units in different Labor Market Areas, such placement would be subject to prior review and approval of the National Job Security, Operational Effectiveness and Sourcing Committee. In such cases, the National Committee may effect alternative measures to satisfy the parties' needs and obligations, depending upon the situation and circumstances.

Very truly yours,
CHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooder

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October 14, 1996

(202) Job Security Program(s) -
Appeals to the National Committee

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During these negotiations, the parties discussed procedural requirements for submission of unresolved local issues to the National Committee. To assist in providing timely resolution of issues and responses to appeals, it is agreed that the local parties are required to follow these established procedures:

The local Job Security, Operational Effectiveness and Sourcing Committee (JSOESC) is obligated to review all complaints regarding the administration of the program.

The Agreement provides that the national parties will limit their review of complaints to those raised, in writing, within 60 days of the BEL Evaluation Date or other event giving rise to the complaint.

Local management will provide its written position within ten (10) working days of receipt of a written appeal from the local union.

The local union shall, within ten (10) working days of receipt of the Company position, give written notice that the matter will be appealed to the National Committee.

Appeals should be jointly submitted and clearly state the position of both of the parties. The appeal must be signed by both chairpersons of the local JSOESC as an acknowledgment that the issue was discussed locally.

Complaints received from only one side - - Company or Union - - are not considered joint appeals. These unilateral complaints may be returned to the sending party by their respective national staff for consideration by the other local party.

Copies of completed appeals should be forwarded simultaneously to both the National Chrysler Department and Employee Relations, Chrysler Corporation.

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Appeals shall be promptly reviewed by the national parties. The local parties will be advised, in writing, within thirty (30) working days following disposition of the matter by the National JSOESC (NJSOESC). The NJSOESC will also advise the parties if the national parties are unable to reach consensus.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 14, 1996

(203) Working on a Holiday/Conversion Option

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

During the negotiations, the parties agreed that employees who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their Paid Absence Allowance, in lieu of receiving holiday pay.

To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday occurs.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

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October 14, 1996

(204) Jury Duty - Third-Shift Employees

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

This will confirm our understanding with respect to Section (82) Jury Duty of the National Production and Maintenance Agreement. A third-shift employee will be excused from work on either the shift immediately preceding the jury duty, or the shift immediately following the completion of the jury duty, at the option of the employee. Such employee must notify their immediate supervisor of their election prior to being absent from work.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

International Union, UAW
By Jack Laskowski

September 27, 1999

(205) Payment of Shift Premium
During In-Plant Training

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations lengthy discussions were held regarding in-plant training of employees. Both parties continue to support training initiatives and maximum participation by employees in efforts which will enhance skill levels and fully utilize the talents and abilities of employees to meet the competitive challenges that lie ahead.

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The Union expressed concern that maximum participation is being hindered because of a pay practice which results in the loss of shift premium to employees who attend training on a shift other than the shift on which they would otherwise normally work. The Union further maintains such loss of shift premium has adversely impacted morale and plant efficiency, resulted in certain employees not attending such training thereby, missing the opportunity to upgrade their skills.

In an effort to seek maximum participation in available in-plant training, the parties have agreed that notwithstanding the provisions of Section (85) of the National Production and Maintenance Agreement, employees who are required to attend in-plant training necessary to upgrade their skills in their classification on a shift other than they would otherwise normally work, will be paid the shift premium normally paid for their regularly assigned shift during the period they are attending such training.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 29, 2003

(206) Procedure to Correct Pay Shortages

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sir:

During these negotiations the parties discussed the importance of developing and encouraging processes focused on reducing and/or eliminating pay shortages. The parties acknowledge that, during the term of the 1999 Agreement, pay shortages have been reduced by seventy-five percent (75%) at all plants combined. Model practices at specific locations have been shown to greatly reduce and, for some periods, eliminate pay shortages.

In an ongoing effort to minimize pay shortages, the Corporation agreed to regularly communicate to each of its plants the number of such shortages occurring at that location. Further, communications will be sent to all plants outlining model practices and encouraging each plant to adopt the practices that best enable it to reduce and/or eliminate pay shortages. This will confirm our understanding that

-- Upon employee request, pay shortages of five (5) hours or more will be processed by Corporate Payroll Services.

-- Corporate Payroll Services will prepare a check with the employee's statutory deductions applied and send this check to the plant using next day delivery service. Pay shortages will be paid by check. For employees who receive their regular pay by Electronic Funds Transfer (EFT or e-Pay), the Corporation agreed to explore and, if feasible, implement paying the pay shortages by EFT or e-Pay and delivering the corresponding pay statements electronically.

-- Requests received by Corporate Payroll Services by noon each day will be processed in time for next day (excluding Wednesdays, Saturdays, Sundays and Holidays) delivery. Due to the processing of regular payroll checks on Tuesday, pay shortage check requests received on Tuesday will be processed on Wednesday for delivery to the plants on Thursday.

During the term of this Agreement, issues related to this letter may be discussed by representatives of the UAW National DaimlerChrysler Department and the Corporation's Employee Relations Staff

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francos

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

October 14, 1996

(207) Union Dues Deductions

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

Notwithstanding the provisions of (M-5) Memorandum of Understanding Union Dues Deductions, the Company will remit all sums deducted from pay to the Financial Secretaries of the Local Unions pursuant to (M-5) using the present method or via electronic transfer to the Local Unions financial institution.

It is understood that the Financial Secretaries of the Local Unions will notify the Company of their desire to have deductions electronically transferred. This change will be effective within ninety (90) days following notification to the Company.

If electronic transfer is selected, the payment will be made within two (2) to three (3) days after the first pay period in each month.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW
By Jack Laskowski

October 14, 1996

(208) Probationary Employees

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

The parties reaffirmed their understanding in interpreting Section (45)(a) of the 1996 National Production and Maintenance Agreement and the corresponding section of the National Parts Agreements. A probationary employee acquires seniority at the completion of his shift on his ninetieth (90th) day of employment, provided however:

1. If he works any part of the ninetieth (90th) day and is laid off on that day, he will be considered a seniority employee. If he is discharged before the end of his shift on the ninetieth (90th) day, he will be considered a probationary employee.

2. Days lost during the probationary period for the following reasons will not be considered as "days of employment."

a) Any period of five (5) or more consecutive normal work days on which the employee does not work such as model change, temporary adjustments, inventory, non-occupational disability, or personal absence or any combination thereof.

b) Days lost due to a strike or other interference with production whether authorized or not.

c) Days lost due to disciplinary layoff.

3. A probationary employee whose ninetieth (90th) day of employment falls on a designated holiday, or a Saturday, or Sunday, and who is not scheduled to work that day, will be considered a seniority employee as of the completion of his shift on the ninetieth (90th) day provided he reports for work as scheduled following such holiday, Saturday or Sunday. If the employee fails to report for work as scheduled following a designated holiday, Saturday or Sunday on which his ninetieth (90th) day of employment fell, and is thereafter separated from employment without returning to work he will be considered a probationary employee and separated as of his last day worked.

4. For Third Shift employees only, when calculating the first day of work for new employees to the plant, "Sunday night starts" will be considered Sunday, and "Monday night starts" will be considered Monday.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 14, 1999

(209) Full Utilization of Skilled Trades

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs

During our discussions relative to outside contracting, the utilization of DaimlerChrysler skilled trades employees has been a matter of mutual concern. Although no agreement was reached regarding the definition of "full utilization", the parties did agree that the appropriate forum in which to address this issue is at the local level, in conjunction with the outside contracting review process. It was indicated that the definition of full utilization will vary from location to location, depending upon the circumstances of each contract, including the number of skilled personnel involved, the number of hours allocated to the project, and the extent to which outside contractors are contemplated for utilization on weekend work.

The parties agreed that the following additional considerations may also bear on the definition of full utilization:

- i) Whether a contractor will perform work on overtime during the workweek and/or on a weekend.
- ii) Whether skilled trades employees are on layoff or in Protected status.

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iii) The necessity for specialized equipment not readily available at a cost which, when added to other factors, exceeds the cost of a contractor performing the work and/or contractor work skill sets or competencies that the Company may not possess.

iv) The percentage of affected trades, if any, to be assigned work along with outside contractors.

v) The requisite number of plant skilled trades employees available and/or willing to work overtime during the workweek and/or on a weekend which may be required to complete the project under review, consistent with cost and timing parameters.

Although no one of these considerations is necessarily controlling, each may be instrumental in assisting the parties in determining whether the skilled trades workforce is fully utilized as that concept relates to the decision to use an outside contractor.

Very truly yours
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(210) Skilled Trades Licensing Fees

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The parties have agreed that where either federal, state, or local ordinances require licenses to perform the specific work historically or traditionally assigned to a skilled trades classification, the Corporation will ensure that an employee or employees, if so required of the Corporation will be trained in accordance with licensing requirements. The Corporation will also reimburse employees who are required to obtain such

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governmentally required licenses, provided the particular license is necessary for performing available work in the plant. Reimbursement shall be limited to the fee for such licenses or their renewal which will be used in the performance of subject employees specific job within the Corporation.

Additionally, in cases where licensing requirements include specialized training, the Local Joint Training Committee will meet to discuss and resolve training issues related to the procurement of such licenses on a case by case basis. Should the local parties be unable to resolve an issue, such issue may be referred to the International Union, UAW and Corporate Union Relations for appropriate disposition.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

International Union, UAW
By Nate Gooden

September 27, 1999

(211) Skilled Trades Project Coordinator

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties discussed the utilization of skilled trades employees on project work and the effectiveness of the Skilled Trades Project Coordinator classification, which was first established on a pilot basis with the 1996 Production and Maintenance Agreement.

The parties have agreed that the classification of Skilled Trades Project Coordinator will be expanded and made available to all U.S. manufacturing and assembly plants, covered by the 1999 National Agreement under the following conditions:

- Both local parties agree to participate;

- The plant submits a joint request in writing to the Corporation and the DaimlerChrysler Department of the International Union defining the scope and anticipated duration of the project; number of employees by classification in the project work group; training plans and the role to be performed by the Skilled Trades Project Coordinator;

- The local parties jointly establish selection criteria for the Skilled Trades Project Coordinator which assures that the most qualified employee(s) are selected. Suggested criteria guidelines may include, but are not limited to, blueprint reading (if required), knowledge of the work content to be performed, planning and communication skills.

- The rate for the Skilled Trades Project Coordinator who leads such work groups will be \$1.00 above their normal classification rate for the duration of a specific project meeting the guidelines of this letter. The Project Coordinator must assume the key responsibilities as well as the majority of the representative task, contained in the attached exhibit;

- Normally no more than three (3) employees at a location may be classified as Skilled Trades Project Coordinators at any given time. In the event a plant determines that there is a legitimate need for additional Project Coordinator(s), a joint written request shall be submitted to the Corporation and the DaimlerChrysler Department of the International Union for their consideration;

- The local parties will evaluate and measure completed projects for cost, timing, quality and efficiency and provide such information prior to requesting approval for any additional projects; and,

- The program may be suspended at any plant based upon the recommendation of either party and with the concurrence of the DaimlerChrysler Department of the International Union and the Corporate Union Relations Staff.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Stephen P. Yokich

EXHIBIT

Skilled Trades Project Coordinator Job Duties

Key Responsibilities

Accountable for operational and administrative aspects of the project work group, including progress toward group goals, shift start-up, overtime, record keeping, team training progress, safety and housekeeping. (Not responsible for employee discipline nor for authorizing hours of work or pay.)

-- Function as a liaison between groups members and other internal and external support functions.

-- Provide information and advice to Management and outside contracting subcommittees, as appropriate.

-- Plan, organize, and facilitate project work group meetings to resolve problems, competitiveness, and other issues in the spirit of continuous improvement.

-- Coordinate the activities and assignments of all employees assigned to the project work group including different skilled trade classifications and non-skilled employees based on the specific requirements of the project.

Representative Tasks

1. Plan, schedule, and facilitate project work group meetings.
2. Coordinate maintenance and project activities between production, engineering, and scheduling activities.
3. Solve problems using authority delegated- including discussions with appropriate plant personnel or outside project representatives.
4. Plan and coordinate project work group activities and assignments as necessary.
5. Plan and provide or arrange for appropriate training (OJT or classroom).
6. Promote safety, quality, and housekeeping.

7. Promote and ensure constant improvement in the group (e.g., quality, cost, and efficiency).

8. Obtain materials and supplies for the group.

9. Be knowledgeable of all operations within the project work group, provide coverage for group members who are away from the work area (i.e., absent, emergency first aid, etc.), and perform other tasks to facilitate project goals.

10. Maintain team records, such as overtime scheduling/equalization, training, etc.

11. Participate in management meetings and communicate the needs of the team.

12. Responsible for morale and performance of the team.

13. Encourage group to meet responsibilities.

14. Other tasks as determined by the specific project requirements.

September 27, 1999

(212) Warranty and Service Agreements

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the 1999 Negotiations, there was considerable discussion regarding the subject of warranty and service agreements. The Union expressed serious concern relative to warranty arrangements that extend beyond those customarily provided by suppliers and certain service contracts. They further asserted that certain locations fail to provide the Union with proper notice when suppliers are in the plant to perform particular warranty or service agreement work, especially during off-shifts and overtime periods. The Corporation reaffirmed that good business practice includes the use of warranty arrangements sufficient to assure that equipment purchased by the Corporation performs according to specifications required by the purchase contract. The Corporation further explained that to

remain globally competitive, it must be able to utilize warranty arrangements and/or service contracts ordinarily provided by suppliers.

In an effort to address the Union's concerns, it is agreed that any time a supplier visits a facility to perform warranty or service agreement work, as provided in the purchase agreement between the parties, the Union will be notified and an employee on that shift with the appropriate skilled trades classification will be assigned with the supplier. Additionally, in the event other employees from the same supplier are performing different warranty or service agreement work in other areas of the plant, an employee with the appropriate skilled trades classification will be assigned with the supplier. The purpose of this assignment is for the employee to receive training, become familiar with the new equipment, and to help ensure a smooth transition of responsibilities to our skilled trades upon expiration of the warranty and/or service arrangements.

Where concerns or abuses are cited by either party regarding the aforementioned understanding, such matters will be discussed in Outside Contracting Review Team Meetings in an attempt to reach a mutually satisfactory resolution.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Stephen P. Yokich

October 14, 1996

(213) Payment of Deferred Vacation

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sir:

This will confirm our understanding with respect to the release of vacation paychecks to employees who have deferred some or all of their Payment in Lieu of Vacation With Pay.

-- The Company will release an employee's deferred vacation paycheck on Thursday prior to a scheduled vacation of 40 hours or more, assuming the check is at the plant.

-- To receive the deferred vacation paycheck on Thursday, the employee must make the request, in writing, using a locally provided form, at the time the vacation request is processed.

The parties agree if a plant experiences higher than normal absenteeism on the following day (Friday), after initial counseling of the employees and discussion of the issues with the Local Union and the National UAW Chrysler Department, the early release of vacation paychecks will be discontinued at the plant.

Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW
By Jack Laskowski

Appendix D

worked. If the result in both of the preceding two (2) quarters is a number higher than the EMPLOYEE'S existing EWW, the EMPLOYEE will be reclassified to the classification represented by the lower of the two (2) quarters. If the result in one (1) of the two (2) preceding quarters is equal to or lower than the EMPLOYEE'S existing EWW, and the result of the other quarter is equal to or greater than the EMPLOYEE'S existing EWW, then the EMPLOYEE'S existing EWW will remain unchanged. If the result in both the preceding two (2) quarters is a number lower than the EMPLOYEE'S existing EWW, the EMPLOYEE will be reclassified to the classification represented by the higher of the two (2) quarters.

5 Treatment of Part-Time EMPLOYEES

- (a) For payment purposes, all Vacations, Paid Excused Work Days and Floating Holidays will be converted to a Paid Time Off Bank (PTO) calculated as follows:
- (1) Eight (8) hours X EMPLOYEE'S annual eligibility in days for Vacations, Paid Excused Work Days and Floating Holidays (if any) = total annual hours of PTO eligibility.
 - (2) Total annual hours of PTO eligibility shall be pro-rated based on the EMPLOYEE'S Equivalent Work Week (EWW).
 - (3) Such pro-rated PTO will be established in January of each CALENDAR YEAR and adjusted in July if the Part-Time EMPLOYEE'S EWW changes.
 - (4) In the event a Full-Time EMPLOYEE converts to a Part-Time EMPLOYEE during the year, the PTO will be established at the time of the conversion by applying a factor of 40 for the number of weeks prior to the conversion and a factor based on an EWW for the remainder of the year. The PTO shall be further adjusted in July, as applicable.
 - (5) In the event a Part-Time EMPLOYEE converts to a Full-Time EMPLOYEE during the year, the PTO will be adjusted at the time of the conversion by applying a factor of 40 for the remaining number of weeks in the CALENDAR YEAR. Such result will establish the Full-Time EMPLOYEE'S entitlement to remaining Vacation, Excused Work Days and Floating Holidays in that year.

September 27, 1999

(216) Saturday Paid Absence
Allowance Requests

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the Union expressed concern about employees not being provided the opportunity to request payment of Paid Absence Allowance entitlement when the employee is pre-excused by management from having to work a scheduled Saturday overtime shift.

The parties recognized the need to run production operations efficiently and agreed that excessive absenteeism adversely impacts the Corporation in terms of product quality, operating costs, efficiency of operations and employee morale and places an unfair burden on those employees who regularly work as scheduled.

The parties agreed that an employee who is scheduled to work a Saturday overtime shift and who, in advance of that Saturday shift, is pre-excused by management from working such shift, may request payment of Paid Absence Allowance for such pre-excused shift.

An eligible employee will be paid for eight (8) hours (or the balance of unused Paid Absence Allowance hours if the balance is less than eight (8) hours) at the employee's straight time base hourly rate inclusive of applicable cost-of-living allowance and shift premium but exclusive of overtime premium.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: T. Gallagher

Accepted and Approved

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

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September 29, 2003

(217) Payroll Matters

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the current negotiations, the Union expressed concern regarding a number of payroll related matters. In resolution of these payroll matters, the Corporation agreed to implement the following:

- At those facilities where the Local Union so requests, employees who are scheduled to work on a payday during (i) the Christmas Holiday Period or (ii) a model changeover will receive their paycheck in the workplace during such period except for employees who receive their regular pay by Electronic Funds Transfer (EFT). In order to provide sufficient time for the processing and handling of these checks, Corporate Payroll Services must receive a list of such employees from the local Plant Management no later than the last scheduled weekday prior to the Christmas Holiday Period or such model changeover;

- Local Unions may request and receive monthly union dues deduction information from both regular pay and Supplemental Unemployment Benefits (SUB) on a 3.5" disk or other acceptable format from Diversified Data Corporation, or such other third party computer services provider as determined by the Corporation. The cost of the creation and distribution of these disks will be paid for by the Corporation. The Local Unions will be responsible for any costs related to computer software and/or hardware necessary to process the monthly data.

In addition, the Corporation and the Union agree that delivery of the separate union dues listing by electronic means rather than paper, provides overall efficiencies and benefits for all parties. Further, the Corporation and Union agree to encourage each Local Union to convert from paper listings to other acceptable electronic media (e.g., e-mail) where feasible.

The Corporation agrees to continue to provide the International Union an electronic file of all Voluntary Community Action Program (V-CAP) deductions on a monthly basis. This detail supports the electronic transfer of funds to the International Union for all V-CAP deductions.

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In addition, the Corporation and Union agree that V-CAP deduction detail will be provided by the Corporation to the Financial Secretary of each Local Union. The Corporation and Union will jointly study the best means to accomplish this. Local Unions will receive their detail listings in the same format as determined for union dues solicitation (e-mail or paper) with electronic means being the mutually preferred method.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999

(218) Sexual Harassment Counseling for New Hires

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations, the parties have engaged in considerable discussion about providing counseling to employees with less than eight (8) months of service who allege that they have been sexually harassed. To that end, the corporation has agreed to create a special counseling program to address this concern, which will begin during the first quarter, 2000.

Criteria for participation are the following:

- A formal complaint alleging sexual harassment must be filed with the corporation,
 - A joint UAW-Management investigation of the complaint must have begun, and
 - The employee must request counseling services.
- The employee may then go to the Employee Assistance Program representative for a referral to an approved treatment program. Under the provisions of this program, employees will

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be eligible for up to the same number of counseling sessions as provided by the regular corporate mental health benefit. Costs for such services will be paid for through the Joint Activities Fund, and will terminate at the time that the employee qualifies for regular corporate benefits.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
Stephen P. Yokich

September 27, 1999

(219) P&M, OC&E, Parts Agreements
Use of Past Record

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During these negotiations there was considerable discussion regarding the application and intent of Section (43), Use of Past Record.

The Union asserts Section (43) bars consideration of prior discipline beyond the immediate preceding twelve (12) months of active employment when imposing a penalty on a current charge and that the same time restriction is applicable regarding the use of an employee's discipline record when presenting appeals to the Chairman of the Appeal Board.

The Corporation has no disagreement with the Union's interpretation of Section (43) as it regards management's initial act of "imposing" a penalty on a current charge. However, when presenting appeals to the Chairman the Corporation may respond with evidence as to the employee's total disciplinary record unrestricted by Section (43), if a grievant or the Union advances a claim of prior lengthy good conduct as a ground for reduction of penalty. In the absence of such claims the Corporation will not attempt to include in the arbitration record, either orally or in writing, disciplines which occurred prior to the

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twelve (12) month period of active employment immediately preceding the current charge.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(220) Family Services Program

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

The Corporation and the UAW recognize the importance of addressing societal changes and the demands of balancing work and family life. In this regard, the parties agreed to establish a Joint Study Committee composed of an equal number of UAW and DaimlerChrysler Corporation employees. Members of this committee shall be appointed by the Co-chairs of the Joint Activities Board (JAB).

The purpose of the Joint Study Committee shall be to explore opportunities to expand provisions of existing programs, including but not limited to, Child/Elder Care, Employee Assistance Program, Personal Financial Planning, and Youth Programs, in an attempt to be more responsive to family needs.

These initiatives will focus on the needs of the multigenerational workplace and recognize the workers and their families as whole family units. Program services to be explored could include, but not be limited to: counseling referrals for understanding family and adolescent relationships, parenting education, tutorial services and other family related support services.

The parties further agreed that findings and recommendations from the Joint Study Committee will be presented to the Joint Activities Board (JAB) within 90 days of

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ratification. The JAB shall have the authority to allocate resources from the National Training Center to implement those recommendations deemed appropriate.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 16, 1999

(221) NEPC Joint Study Group Agenda

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Letter 124 appended to the Production, Maintenance and Parts Agreement and Letter 30 appended to the Office, Clerical and Engineering Agreement, provide for a joint study group appointed by the chairpersons of the National Employee Participation Council (NEPC), empowered to use whatever resources it believes necessary to develop the UAW-DaimlerChrysler Employee Participation Process. The joint study group is to meet regularly and report its findings and make recommendations to the NEPC, which may then agree on a plan of action on how new employee participation processes contemplated by the two letters will be implemented.

Among those issues, programs and processes the joint study group will examine during the term of the 1999 Agreements, beginning within thirty (30) days following ratification, with the requirement to make recommendations to the NEPC as soon as practicable thereafter, are the following: [i] the manner in which the several Modern Operating Agreements can be made more meaningful and productive; [ii] how, using third party facilitators if needed, the team coordinator concept at Modern Operating Agreement (MOA) locations can be energized, improved and made more meaningful and, then, launched at non-MOA locations, considering the peculiar and

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unique attributes and direction of each location, using joint design teams, hopefully obtaining maximum local participation, ownership, accountability and commitment; [iii] how the contractual language providing for the many joint programs, should be updated to reflect the thrust and intent of Letters 124 and 30; and [iv] what redeployment guidelines and processes should be established and followed relative to those instances when employees are impacted by jointly initiated product quality and operational effectiveness improvements, such redeployment guidelines placing emphasis on the redeployment of effected employees to meaningful, regular and/or "non-traditional" work including, but not limited to, LEPC-directed training and/or facilitating assignments, as well as efforts to competitively retain or insource work.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By. T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By. Stephen P. Yokich

September 27, 1999

(222) UAW Flag

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During the current negotiations, the Union requested that all DaimlerChrysler facilities, where employees are represented by the UAW, fly the UAW flag. As discussed, flying of flags at DaimlerChrysler locations is a matter of Corporation policy administered by the Corporate Identity Office.

In view of the historical ties between the UAW and the DaimlerChrysler Corporation, the Corporation indicated a willingness to change its policy on flags to meet the Union's request.

It is agreed that all DaimlerChrysler facilities, where employees are represented by the UAW, will make the necessary arrangements to fly the UAW flag. UAW flags will be

provided to the Plant/Distribution Center Manager at each DaimlerChrysler facility by the Local Union President or Unit Chair Person.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(223) Diversity Training

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During discussions leading to the 1999 Agreement, DaimlerChrysler and the UAW discussed at length those social issues facing our workers. The parties unanimously agreed that diversity in the workplace was one of the most important issues facing the Union, Corporation, and its workers.

Accordingly, a joint study team, consisting of UAW and management members of the National Training Center staff, along with representatives from the Corporation's Diversity and Work/Family department was established to develop, implement, monitor and evaluate a diversity training program for all employees. The parties reaffirmed their strong commitment to the program during the 2003 discussions and agreed to explore and implement the inclusion of diversity training in other National Training Center Programs such as Employee Participation, Paid Education Leave and the Local Joint Training Facilitators Program. Status updates for existing programs and recommendation for continued diversity training opportunities will be presented to the Joint Activity Board (JAB) and the National Employee Participation Council (NEPC) quarterly. Funding for this activity will be provided from National Training Funds upon approval by the Joint Activity Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Nate Gooden

September 29, 2003

(224) Clarification of Letter (209)
Full Utilization of Skilled Trades

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

In our negotiations leading to the Production and Maintenance Agreement dated today, we discussed in great detail the meaning of full utilization of skilled trades manpower, as referenced in Letter (209) Full Utilization of Skilled Trades, during periods when outside contractors are being utilized to perform work on the plant premises.

The Union insisted that the Company do everything it can to "perform maintenance, construction and tool & die work with its own employees," placing "primary reliance on its own skilled trades employees", "fully utilize its seniority employees," and maintain "maximum employment opportunity", and "always keep the interest of our personnel in mind".

In response to this matter, the Corporation assured the Union that its policy is to fully utilize its own employees to perform maintenance, tool & die, and construction work provided skilled trades employees are available to work and can complete the project under review consistent with cost and timing parameters as well as supporting production requirements of the plant.

The parties agreed the definition of "full utilization" may not necessarily be limited to skilled trades employees working five (5) days per week, eight (8) hours per day but, also, is not necessarily seven (7) days per week, twelve (12) hours per day

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but may extend to daily, weekend and other overtime periods, when outside contractors are on the plant premises and are performing work customarily and historically performed by UAW bargaining unit personnel.

Any alleged abuses of the aforementioned may be referred to Corporate Union Relations and the UAW DaimlerChrysler Representatives to assist in resolving these issues.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(225) Industrial Truck Maintenance

International Union, UAW

Attention: Mr. Nate Gooden

During the course of these negotiations there was considerable discussion with respect to Letter (168) Jitney Repair - Industrial Truck Maintenance and the definition of an industrial truck.

The parties agreed that the fleet of industrial type trucks referred to in the aforementioned Letter will vary from location to location and include industrial trucks other than what are commonly referred to as Jitneys. Furthermore, the practice of maintaining AGV's and SGV's, at locations where they are in service as of the date of the Agreement will continue.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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September 27, 1999

(226) Skilled Trades Employees Assigned
to Another Skilled Classification

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During negotiations leading to the 1999 National Production and Maintenance Agreement, the Union cited instances of work being performed by outside contractors while Journeyman or Permanent Employees in that trade have been assigned to work in another skilled trade classification.

In response to this concern, the Union was informed that it is not the intention of the Corporation to assign skilled trades employees to work in another skilled trade classification for the sole purpose of utilizing outside contractors to perform work in their trade. Furthermore, in those instances where the Union has evidence to support assertions that a plant has acted contrary to the intent of this letter, the matter may be referred to the International Union's Skilled Trades Representative who will discuss the issue with the Corporation's Skilled Trades Representative.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

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September 27, 1999

(227) Apprentices Used as Regular Manpower

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During discussions leading to the 1999 Production and Maintenance Agreement, the Union expressed concern that there have been incidents wherein a small number of plants were using apprentices as "regular manpower" which, among other things, precludes the apprentice from receiving the required schedule of work process training under the guidance of journeymen.

The parties agree such alleged inappropriate activity should be investigated and resolved by the Local Apprentice Committee. In the event the matter is not resolved, the Local Apprentice Committee will submit a report, with supporting documentation, to the DaimlerChrysler UAW National Apprentice Committee (DUNAC) for resolution.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By: Stephen P. Yokich

September 27, 1999

(228) Equipment Training

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

During these negotiations the parties discussed the need for specialized training of skilled trades employees and making available supporting documentation and materials such as

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instruction manuals and software relevant to new machinery and equipment.

The Corporation recognizes that equipment downtime will be minimized and quality and performance improved if training and supporting documentation relevant to the servicing of new equipment is provided to its skilled trades workforce. Toward that end, the Corporation, through the Equipment Supplier Training Group, will monitor new equipment purchases to ensure training and supporting documentation are, when not considered proprietary in nature, made part of the purchase specifications.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By. T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(229) Clarification of Letter 34 - Utilization of
Skilled Trades Manpower and Facilities

International Union, UAW

Attention: Mr. Stephen P. Yokich

During the course of these negotiations, the Union raised objections and cited examples of alleged abuse by Management of the "except where time and circumstances prevent it" provision of Section (11) (f) of the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees, and as outlined in Letter (34) Item (4) Maintenance and Construction - of the Production & Maintenance Agreement.

The parties acknowledge there are legitimate instances, such as emergencies, where time and circumstances prevent the required advance discussions with the Union prior to work being contracted out. However, absent legitimate reasons, the aforementioned provisions will not be used by Management solely to circumvent the contractual requirements relating to outside contracting notification.

In order to address the concerns of the Union, the importance of the requirement of holding "advanced discussions" before work is contracted out will again be communicated to the appropriate parties at each location. In the event a Local Union experiences continued problems in this regard, the matter may be referred to the DaimlerChrysler Department of the International Union, which may then raise it with the Skilled Trades Representative of the Corporate Union Relations Office.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 27, 1999

(230) Product Development and
Product Transformation

International Union, UAW

Attention: Stephen P. Yokich

Dear Sirs:

During these negotiations the parties discussed various issues related to product development and product transformation. Both the Company and the Union recognize that future jobs depend on, among other things, continuing investments in product development. Shifting markets, changing consumer tastes, new governmental regulations, international harmonization of such requirements, and a host of other factors have a direct impact on vehicle development and manufacturing. The products manufactured and services delivered must meet evolving customer preferences and demands at a competitive price.

The Company fully understands the Union's concerns relative to investment in new products and services, and that such investments, while absolutely necessary, may not alone guarantee good future jobs. New products require additional skills, spur changes in labor demand, and entail new sourcing

decisions. The parties acknowledge that involving the Union at the earliest stages of the product development cycle is key to attaining job security while meeting the global challenges of improved quality, speed to market, product innovation, and lowering total costs. To that end, the Corporation has been, and continues to be, fully committed to working with the Union to seek and identify appropriate jointly developed technical training programs that will match new skill requirements with evolving technologies, products and services, along with the implementation of new programs to cushion unavoidable dislocative effects of rapid product transformation and development. The Company recognizes that working together will help preserve and grow good paying jobs for all current and future UAW-represented employees at DaimlerChrysler Corporation.

In preceding National Agreements and during these negotiations, the parties have recognized the importance of the Union's role and involvement in the product development cycle and product transformation through provisions, such as the Memorandum of Understanding-Sourcing (M-1), which provide a mechanism for early UAW involvement in the Corporations' plans to proceed with a new or redesigned vehicle. To that end, it is understood and reaffirmed that early during the product development cycle, matters such as sourcing patterns, possible changes in assembly, sub-assembly, stamping, power train and other component sourcing patterns, possible insourcing opportunities, and technology which may impact the represented workforce will be reviewed with the International Union in accordance with the provisions of the Memorandum of Understanding-Sourcing (M-1). Such early and up front involvement will allow the Union to continue to be provided with current and anticipated major product developments/product transformations that are having, are expected to have, or could potentially have an effect on employment levels such as projected changes in the major components for motor vehicles (e.g. shift to new propulsion technology and energy storage devices), in materials (e.g. increased use of plastics and/or aluminum in body panels, shift to aluminum castings), in assembly and design (e.g. for easier assembly/manufacturing methods and for disassembly for recycling purposes).

Further, the Union's early involvement during the product development process allows for discussions relative to issues such as the impact of a traditional gas-fueled internal combustion engine vehicle, and, for example, the comparable electric, hybrid electric, fuel cell, or dedicated and flexible alternative-liquid-fuel vehicle with respect to major components, materials, and assembly methods. In each case, the Company

will indicate the extent to which changes in specifications will be handled through the revamping of existing UAW operations, by means of technology residing in other divisions of the Corporation or by outside sourcing arrangements.

Finally, it is recognized that the Memorandum of Understanding-Sourcing (M-1) provides an avenue for discussions as early as practicable in the product development cycle relative to projected production volume of new materials, components, and products, and the potential impact, if any, on UAW represented jobs.

Very truly yours,
DaimlerChrysler Corporation
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(231) V-CAP Contributions

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

This is to confirm our understanding regarding contributions to the UAW V-CAP program

The Corporation will establish, as soon as practicable following the conclusion of these negotiations, a system allowing voluntary V-CAP contributions to be deducted from the monthly pension payable to any retired employee or surviving spouse who provides the International Union with a signed authorization form.

This will be accomplished by the Corporation's processing of a monthly file from the International Union containing the detail necessary for processing said deduction. The Corporation will forward the amount deducted and a corresponding data file to the International Union in the same manner as for active workers.

The trustee of the Pension Plan shall be authorized by the Board of Administration of the Pension Plan during the life of the collective bargaining agreement applicable to employees covered by this Pension Plan, to deduct such UAW V-CAP contributions and forward them to the treasurer of V-CAP.

The Company further agrees to develop and provide the UAW Accounting Department, an agreed-upon file (template) containing necessary information concerning V-CAP contributions from active members on a monthly basis. Once the data is confirmed, the exact amount of money contributed would then be transmitted to V-CAP, care of the International Union, in a timely manner.

The Company and the Union have also discussed the administrative cost associated with maintaining the voluntary deduction program described above for both the active employees and retired former employees, and have estimated the cost of such administration. The Company and the Union agree that, as an element of the full package of wages and benefits described in the 2003 National Agreement, the Company shall not seek reimbursement from the Union for any of the costs associated with administering the voluntary deduction program for both active employees and retired former employees.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(232) Conversion of Cost-of-Living Calculation to New Reference Index

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed the relationship between the employer-paid health care benefits received by UAW-DaimlerChrysler workers and the overall cost-of-living. As a result of these discussions, the parties agreed to base future cost-of-living adjustments on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W Current Series) for All Items Less Medical Care, U.S. city average, not seasonally adjusted, 1982-84=100, as published by the U.S. Bureau of Labor Statistics. This will become the new reference index.

This letter is to confirm that the changes to Section 109 of the Collective Bargaining Agreement and to the Letter of Understanding on COLA Calculation and Notification required for the conversion to the new reference index are intended to maintain the same mathematical wage replacement ratio as existed for the May-July 2003 quarter.

In this regard, it is our intention to construct cost-of-living adjustment tables in the following manner:

Tables shall be based on a new formula value that bears the same relationship to the May-June-July 2003 average for the new reference index that the previous formula value of 0.25 bears to the May-June-July average for all items CPI-W on the 1967 base. This yields a new formula of a one cent adjustment for each 0.08159 change in the new reference index.

New adjustment brackets will be taken to two decimal places, and will follow a repeating cycle of 0.08, 0.08, 0.08, 0.08, 0.08, 0.09, 0.08, 0.08, 0.08, 0.08, 0.08, 0.09, etc.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(233) Retiree Vehicle Purchase Certificate

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation and the Union agree how valuable having the ability to purchase or lease new Chrysler Group vehicles is for retirees under the DaimlerChrysler Corporation UAW Pension Plan and their surviving spouses:

During these negotiations, the parties agreed to provide, to eligible retired employees and surviving spouses, two Vehicle Purchase Certificates in the amount of \$1,000.00 each. One certificate shall be mailed to each eligible retiree and surviving spouse in October, 2003 and will be valid until the end of December, 2004. A second certificate shall be mailed in August, 2005 and will be valid beginning September, 2005 and through the end of September, 2006.

The parties agree that the certificates:

(i) may be used only towards the purchase or lease of a new 2004 model year or later Chrysler Group vehicle assembled in the United States or Canada and available under the Employee Advantage Chrysler Group Employee Purchase/Lease Program (excluding vehicles not covered under that program);

(ii) may be used towards only one vehicle each, and no more than one certificate shall be used for the same vehicle;

(iii) are transferable to family members living in the retiree's or surviving spouse's household who are eligible under the Employee Advantage Chrysler Group Employee Purchase/Lease Program rules; and

(iv) may only be applied to vehicles ordered or purchased/leased from a participating U.S. Chrysler Group dealership.

The parties further agree that all transactions related to such certificates are subject to being audited, and that retirees and surviving spouses may not sell or barter such certificates. Any violation of program rules will result in permanent

suspension from the Employee Advantage Chrysler Group Employee Purchase/Lease Program

Very Truly Yours,

DAIMLERCHRYSLER CORPORATION

By J. Franciosi

Accepted and Approved!

INTERNATIONAL UNION, UAW

By Nate Gooden

September 29, 2003

(234) B.E.S.T. II

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the 1999 National Negotiations, we embarked upon a new journey when we conceptualized a process known as B.E.S.T. (Bringing Excellence to Safety Teams). The core foundation of B.E.S.T. was that only through total ownership and mobilization can optimal health and safety results be achieved. The bedrock of our process was built upon lean concepts and an acknowledgment that personal commitments by all participants from senior leadership all the way to the shop floor would be required. The parties also acknowledged that a significant commitment in terms of training resources would be essential.

During the interim period of the last Agreement, we began to put in place the foundation and fundamentals of B.E.S.T. The results have been nothing short of dramatic. Injury and Lost Work Day cases have dropped by significant amounts. Increased ownership and accountability for safety performance is spreading throughout the enterprise. Outside organizations, such as the National Safety Council, have bestowed numerous awards, and we have been recognized as one of the Safest Companies in America for 2003!

Yet, as far as we have come, we know much remains. We must pursue continuous improvement in our processes and our culture change initiatives. We must drive standardization and

alignment throughout our organizations. And, finally, we must build the process in a dynamic and robust manner that provides for perpetual sustainment!

In that context, the following next steps for B.E.S.T. are envisioned:

1. The full day of leadership training for the LEPC Co-Chairs at our Annual UAW-DaimlerChrysler Meeting will be continued. This has proven to be an effective tool in addressing roles and responsibilities, as well as setting forth expectations!

2. Specific training for the L/HSC will take place at the Annual Health & Safety Meetings. They shall be coached on their roles and changing responsibilities and be trained in three flow (material, process, information), root cause analysis, PDCA and other relevant tools!

3. The Operating Principle tools will continue to be utilized to ensure alignment and standardization!

4. We need to complete our Phase 1 rollout by driving standardization and placing appropriate mechanisms in place to aid sustainment!

5. In Phase 2, we need to validate the ongoing leadership base commitment, develop a plant floor safety infrastructure with defined roles for all employees, train and communicate on an ongoing basis, and continue to drive enterprise-wide accountability!

6. Risk assessment and hazard control will be conducted for high hazard jobs. This includes identification of tasks, identification of hazards associated with each task, risk assessment and selection of method(s) to control. Selection of controls will be based on the hierarchy, which gives preference to engineering solutions over procedures and personal protective equipment. High hazard jobs to be targeted will be determined by the NJC!

The responsibility for the development and rollout of B.E.S.T. shall be with the NJC in conjunction with the NERC. Funding for B.E.S.T. development, rollout and institutionalization shall be from National Training Center allotment!

B.E.S.T. is becoming a benchmark for other companies and unions. We are excited about the past and the future in which B.E.S.T. can bring even greater improvements in our workplace

environments, thereby enhancing overall Corporate performance and employee morale/well-being!

Very Truly Yours!
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(235) Lockout Validations

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

We have spent considerable time discussing our lockout policy and compliance with its provisions. We have concluded that our process for lockout is valid and sound. While we continue to struggle with methods to maintain full compliance of energy control lockout, we continue to explore means to enhance its utilization, all the time, in the proper manner on the manufacturing floor. During this round of negotiations, we collectively conceived a means in which to enhance compliance!

In that regard, we agreed to institute some additional processes, which will perform validations of the knowledge and ability of maintenance, trades and service employees to exhibit their proficiency in de-energizing equipment they service. These process flows are as follows:

1) L/HSC members, when performing their S-58 floor audits, will randomly select a tradesperson or service personnel each time they complete a cycle of their audit and have them exhibit their knowledge of how to lockout a specific piece of equipment and/or work cell!

2) During their audit of a facility, the NTC audit team will randomly select five (5) tradespeople or service personnel and

have those individuals exhibit their knowledge and proficiency to lockout specific equipment they service!

3) During their weekly safety observation tours, the appropriate steward(s) and maintenance/service personnel supervisors shall randomly select two (2) employees to exhibit their knowledge and proficiency to lockout specific equipment they service. During the WSOT, the supervisor and stewards should also inspect and verify the accuracy of placards!

4) At the Monthly Safety Review Board meetings, the LEPC will review the reports of the LHSO, the NTC audit team and the WSOT data to determine the level of lockout compliance proficiency. The LEPC will take immediate actions to remedy any deviations or short-comings in training, proficiency or adjustments to their Local Lockout Program!

Both parties recognize the importance of this issue and pledge their full support in ensuring DaimlerChrysler has a compliant program!

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios!

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(236) Early Warning Program

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

The parties acknowledge that through significant effort during the term of the last Agreement, tremendous gains have been made in reducing ergonomic recordable injuries. We also recognize that, while our priorities need to be focused on remediation of jobs creating injuries and lost work time, there may also be value on a prospective basis to look at jobs in the

future that are producing employee complaints which have not yet risen to the level of recordable injuries. In that context, we explored the feasibility of the Company's Occupational Health Manager (OHM) to be used as a tool. It was explained that an injury/illness database to capture such signs and symptoms exists within OHM which has the capability of matching job station data to key medical data!

In the assembly facilities, job stations are automatically fed into OHM via the Advanced Manufacturing Engineering's AMPs software program. However, the AMPs feed is not currently present in every manufacturing location and therefore Early Warning will be used in the assembly plants only!

Access to this data for the Ergo Analysts will be made available via key screens in OHM after each Analyst signs a medical confidentiality agreement. This information must be used for the sole purpose of injury identification and not be shared with other parties. The ultimate purpose for obtaining such data is to identify potential high-risk jobs that may ultimately create injuries to our employees!

Very Truly Yours!
DAIMLERCHRYSLER CORPORATION
By J. Francios!

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(237) KTR Pilot

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

A recent study for the UAW-DaimlerChrysler Scientific Advisory Committee (SAC) by the University of Illinois trialed a unique and highly successful application of microfiltration to metalworking fluids (MWF). This Phase I study demonstrated that microfiltration can be used successfully on MWF. Phase II of the study is to test the process in a "real world" application

Accordingly, it is proposed that, if sufficient SAC funding is available, a pilot study of microfiltration be performed in a small MWF system at Kokomo Transmission Plant. An appropriate test system will be selected by the KTR, LEPC, the NJC, SAC and the University of Illinois.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION UAW
By Nate Gooden

September 29, 2003

(238) NPG Mist Suppressant Pilot

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Mist suppressants have been shown to be effective in reducing metalworking fluid (MWF) mist levels. A study for the NTC Scientific Advisory Committee by Wayne State University demonstrated that mist suppressants can be worked with in a DCC machining environment. Since that study, new mist suppressant chemistries have been developed which might be worked with more easily and may be more cost effective. Accordingly, it is proposed that, if sufficient funding is available, a pilot of the new mist suppressant type be done at New Process Gear. Selection of the MWF system will be done by the plant LEPC and the NJC.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION UAW
By Nate Gooden

September 29, 2003

(239) SPEEDLINK to Injury Reduction

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed new and innovative ways to move our joint process forward to higher and better levels, enhancing our position as a Center of Excellence for health and safety which others will seek to benchmark. Toward this end, we will begin the SPEEDLINK process moving the Corporation to the next paradigm. SPEEDLINK is capturing potential injury-producing hazards and jobs information on the plant floor swiftly and efficiently. We have taken dramatic steps toward injury reduction to date, but the next level will be even more challenging as we direct our attention closer to zero injuries.

To complement our health and safety initiatives, an electronic database for ErgoPal providing data retention reporting capabilities will be created. All of this data is to be readily input and accessed through PDAs, which will allow the ergonomic analysts and ergonomic safety remediation specialists to use the systems on the plant floor at the work station level, gathering data on the spot.

The Company agrees to finance and develop the database application software and reside it within our Corporate systems. Development of the system will begin after the ratification of the agreement and a deliverable will be targeted for the end of the 4th quarter of 2003. The parties agreed that SPEEDLINK will be jointly developed and implemented.

PDA devices shall be made available to the Union and management representatives in all major manufacturing facilities, National Depots and eight (8) for Regional PDCs which will be rotated on a divisional basis. The cost of the PDA's will be borne by the NTC, except that if an individual loses the device, he/she shall be responsible for the cost of replacement.

The parties recognize that the data and information contained within such databases is confidential and proprietary. No information on data is to be released outside the Corporation.

without express written approval by the Corporation.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(240) FLEXIBLE OPERATING PATTERNS

International Union, UAW

Attention: Nate Gooden

Dear Sirs:

During these negotiations, the parties discussed the need for the Corporation to be flexible and adaptive to rapid changes in customer demand in the market place. When implemented Flexible Operating Patterns will allow the Company to increase competitiveness, provide greater job security for our employees, more efficiently utilize assets and improve profitability.

This letter will confirm our understanding regarding models for the Alternative Work Schedule (AWS), 3/2/120 and Four Day Work Week Flexible Operating Patterns (FOP's).

It is anticipated that the AWS and 3/2/120 work patterns will require increased employment levels and will be appropriate for implementation when customer demand dictates a need for incremental production capacity. The Four Day Work Week is suitable in situations where more efficient plant operations can be realized with the additional benefit of a shorter work week for our employees.

When the UAW Vice President and Director of the National DaimlerChrysler Department and the Senior Vice President of Employee Relations agree to implement a Flexible Operating Pattern at a facility, the provisions of the applicable models will apply. The local parties may negotiate administrative guidelines

specific to their location for the purpose of implementing the Operating Pattern.

In the event a Flexible Operating Pattern would affect and requires changes in the administration of other wage or benefit payment practices, the parties agree that such changes shall maintain the original intent of those practices to the extent practical, but shall not increase their cost to the Company in comparison to their application to work schedules traditionally recognized by the National Production, Maintenance and Parts Agreement.

Local agreements affected by a Flexible Operating Pattern described herein shall be interpreted in such a manner to make them consistent with the terms of this agreement. Either party may refer specific unresolved local issues to the International UAW-DaimlerChrysler Department and DaimlerChrysler's Corporate Union Relations Department.

To accommodate the implementations of a Flexible Operating Pattern, the parties agree to the application or waiver of certain provisions of the National Production, Maintenance and Parts Agreement. It is further understood that in implementing a Flexible Operating Pattern, the Corporation does not prejudice its right to schedule and determine working hours pursuant to Section (2) of the National Production, Maintenance and Parts Agreements, or its right to determine, assign and schedule manpower to work a regular five (5) day, eight (8) hour schedule with daily overtime and weekend work.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

ALTERNATIVE WORK SCHEDULE (AWS)

Provision	AWS Administration
Production Employees Monday through Friday	<input type="checkbox"/> Three (3) crews, three (3) shifts working 8.0 hours each; <input type="checkbox"/> Includes all non-production, non-skilled employees.
Production Employees Saturday	<input type="checkbox"/> AWS provisions apply; Corporation may schedule one or more of the three (3) shifts as required.
Production Employees Sunday/Holiday	<input type="checkbox"/> AWS provisions not applicable; Production shifts manned on voluntary basis.
Skilled Trades	<input type="checkbox"/> The number of skilled trades crews will be established to protect the efficiency of the operations; <input type="checkbox"/> If three (3) crews are established, the following schedule should be adhered to: <input type="checkbox"/> Crew (A) works eight (8) hours Monday, Friday; Saturday is scheduled as required and Sunday work is voluntary; <input type="checkbox"/> Crew (B) works eight (8) hours on Monday, Tuesday, and Wednesday, and twelve (12) hours on Sunday; <input type="checkbox"/> Crew (C) works eight (8) hours on Thursday, Friday, and Saturday, and twelve (12) hours on Sunday.
Non-skilled Maintenance	<input type="checkbox"/> Same as production employees. Three (3) crews, three (3) shifts, working 8.0 hours each.
Rest	<input type="checkbox"/> AWS production employees receive forty-six (46) minutes per 8.0 hour shift.
Pay Provisions Monday through Friday	<input type="checkbox"/> AWS employees paid 8.0 hours for 8.0 hours worked.
Pay Provisions Daily Overtime	<input type="checkbox"/> Per National Agreement.
Pay Provisions Saturday Overtime	<input type="checkbox"/> Per National Agreement.
Pay Provisions Sunday Overtime	<input type="checkbox"/> Per National Agreement.
Holidays	<input type="checkbox"/> Per National Agreement.

Temporary/Part Time Employees (PTTs)	<input type="checkbox"/> Receive pay for actual time worked.
Shift Premium	<input type="checkbox"/> Applicable premium per National Agreement.
Benefit Payments	<input type="checkbox"/> Per National Agreement.
Training Funds/Overtime Penalty	<input type="checkbox"/> Per National Agreement.

AWS SATURDAYS

The Corporation may schedule one (1) or more of the three (3) shifts for Saturday production as required, in accordance with the following four (4) week schedule of consecutive Saturdays:

- 1st Saturday - three (3) shifts working eight (8) hours each
- 2nd Saturday - two (2) shifts working up to ten (10) hours each
- 3rd Saturday - two (2) shifts working up to ten (10) hours each
- 4th Saturday - two (2) shifts working up to ten (10) hours each

The following is an example of the Saturday work schedule:

A	A		A	A	A		A	A
B	B	B		B	B	B		B
C		C	C	C		C	C	C

3/2/20

Provision	3/2/20 Administration
Production Employees Monday through Saturday	<input type="checkbox"/> Three (3) crews, two (2) shifts working 10 hours each; <input type="checkbox"/> Includes all non-production and non-skilled employees.
Production Employees Sunday/Holiday	<input type="checkbox"/> One (1) production shift may be scheduled as required.
Skilled Trades	<input type="checkbox"/> Mimic the three (3) crew, (3) shift production operation.
Non-skilled Maintenance	<input type="checkbox"/> Mimic the three (3) crew, (3) shift production operation.

Relief	<input checked="" type="checkbox"/> Machining - employees receive 30 minutes per shift, plus 30 minutes unpaid lunch. <input checked="" type="checkbox"/> Assembly - employees receive 58 minutes per shift, plus 30 minutes unpaid lunch.
Pay Provisions Monday through Friday	<input checked="" type="checkbox"/> Employees will be paid time and one-half for hours worked over eight!
Pay Provisions Saturday	<input checked="" type="checkbox"/> Per National Agreement
Pay Provisions Sunday Overtime	<input checked="" type="checkbox"/> Double time for hours worked on calendar Sunday except for B Crew working Saturday into Sunday which will be paid time and one-half!
Holidays	<input checked="" type="checkbox"/> Must work qualifying day(s). Ten (10) hours straight time paid for holidays falling on a scheduled work day. Eight (8) hours straight time paid for holidays falling on a scheduled day off.
Bereavement	<input checked="" type="checkbox"/> Three (3) days converted to 24 hours and five (5) days converted to 40 hours. Taken in 10 hour segments Monday through Saturday except for the one four (4) hour segment in which the employee may choose to report to work for the remaining 6 hours or take it off unpaid without penalty.
Military & Jury Duty	<input checked="" type="checkbox"/> Pay up to ten (10) hours straight time for scheduled work shifts including Saturday.
Vacation	<input checked="" type="checkbox"/> Taken in full weeks with the employee being charged ten (10) hours vacation for each day taken!
PTA	<input checked="" type="checkbox"/> Taken in five (5) and ten (10) hour segments!
Shift Premium	<input checked="" type="checkbox"/> Applicable premium per National Agreement!
Benefit Payments	<input checked="" type="checkbox"/> Per National Agreement. Neither party to be advantaged or disadvantaged!
Training Funds/Overtime Penalty	<input checked="" type="checkbox"/> Funding of programs will be achieved on the basis that the Corporation, Union and employees will be neither advantaged nor disadvantaged!

8/27/20

	Mon	Tue	Wed	Thurs	Fri	Sat	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Sun
Machining	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	A	A	A	A	C	C	I	A	A	A	A	C	C	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	C	C	C	C	B	B	I	C	C	C	B	B	B	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I

Machining

11.5 hrs

10.5 hrs

11.5 hrs

10.5 hrs

Assembly

11.5 hrs

10.5 hrs

11.5 hrs

10.5 hrs

	Mon	Tue	Wed	Thurs	Fri	Sat	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Sun
Assembly	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	A	A	A	A	C	C	I	A	A	A	A	C	C	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	C	C	C	C	B	B	I	C	C	C	B	B	B	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I

Maintenance

11.5 hrs

10.5 hrs

11.5 hrs

10.5 hrs

	Mon	Tue	Wed	Thurs	Fri	Sat	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Sun
Maintenance	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	A	A	A	A	C	C	I	A	A	A	A	C	C	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I
11.5 hrs	C	C	C	C	B	B	I	C	C	C	B	B	B	I
10.5 hrs	I	I	I	I	I	I	I	I	I	I	I	I	I	I

NOTE: Gap between shifts (11.5 hours) will be covered by staggered work times for small maintenance groups and overtime as needed

FOUR DAY WORK WEEK:

Provision	FDWW Administration
Production Employees Monday through Thursday	<ul style="list-style-type: none"> ☐ Two (2) crews, two (2) shifts working 10 hours each. ☐ Includes all non-production and non-skilled employees.
Production Employees Friday	☐ Employees may be required to work.
Production Employees Sunday/Holiday	☐ Production shifts manned on voluntary basis.
Skilled Trades	☐ Normal five day work week.
Non-skilled Maintenance	☐ Same as production employees: Two (2) crews, two (2) shifts; working four (4) ten (10) hour shifts.
Relief	☐ Per applicable agreement.
Pay Provisions Wages Monday through Thursday	☐ Employees paid ten (10) hours straight time for ten (10) hours worked Monday through Thursday.
Pay Provisions Monday through Thursday Overtime	☐ Time and one-half will be paid for hours worked in excess of ten (10) hours.
Pay Provisions Friday	☐ Paid at time and one-half.
Pay Provisions Saturday/Sunday Overtime	☐ Per National Agreement.
Holidays	☐ Must work qualifying day(s). Ten (10) hours straight time paid for holidays falling on a scheduled work day. Eight (8) hours straight time paid for holidays falling on a scheduled day off.
Bereavement	☐ Three (3) days converted to 24 hours and five (5) days converted to 40 hours. Taken in 10 hour segments Monday through Thursday except for the one four (4) hour segment in which the employee may choose to report to work for the remaining 6 hours or take it off without pay or penalty.
Military & Jury Duty	☐ Pay up to ten (10) hours straight time for scheduled work shifts Monday through Thursday.

Vacation	☐ Taken in full weeks with the employee being charged ten (10) hours vacation for each day taken.
PBA	☐ Taken in five (5) and ten (10) hour segments.
Sick Premium	☐ Applicable premium per National Agreement.
Benefit Payments	☐ Per National Agreement. Neither party to be advantaged or disadvantaged.
Training Funds/Overtime Penalty	☐ Funding of programs will be achieved on the basis that the Corporation, Union and employees will be neither advantaged nor disadvantaged.

Implementation of this work pattern requires advance discussions and approval of the local LEPC.

MEMORANDUM OF UNDERSTANDING SOURCING

During the 2003 negotiations the Union raised numerous concerns about the Corporation's sourcing actions and the impact on employment opportunities. To that end, the Corporation will work with and assist the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing action, and to create jobs for Protected employees and laid off employees. It is the Corporation's intention to grow the business by increasing market share through new product offerings, and to continue to rely upon its employees and facilities as the source of its products. However, the opportunity to grow the business may be limited by market conditions, or the availability of funding for new product investment. The Corporation agrees to incorporate the procedures and structure outlined herein when making sourcing determinations during the 2003 Agreement.

National Committee Members

The parties have agreed to maintain the National Job Security, Operational Effectiveness and Sourcing Committee (National Committee), comprised of Corporation and Union representatives. The National Committee shall be co-chaired by the Vice President and Director of the DaimlerChrysler Department, UAW (or his designated representative) and the Senior Vice President of Employee Relations (or his designated representative). The members of the National Committee shall have specific responsibility for

interfacing with individual vehicle Product Teams (their equivalent and/or successors).

Product Team Sourcing Meetings

The Corporation and Union representative for each Product Team will meet on an as required basis, as frequently as weekly, but no less than twice a month.

In order to facilitate these discussions, the Corporation shall also appoint one (1) Product Team Specialist from each Product Team to ensure that information regarding Product Team sourcing is provided on a timely basis to the designated UAW Sourcing Representative for the respective Product Team while new or redesigned vehicles are being developed, and to serve as the Corporation representative through whom the UAW Sourcing Representative may arrange for a meeting to present their competitive in-house alternatives to Corporation sourcing decisions. In addition, the Product Team Specialist shall be responsible for advising the UAW Sourcing Representative of meetings, which may occur as frequently as weekly, but no less than twice monthly, and assuring access to same, regarding Corporation sourcing decisions. The Product Team Specialist will also provide notice of potential make/buy studies, along with prototype and related salaried sourcing information. With such early access to and involvement in the sourcing decision-making process, the UAW Sourcing Representative shall be able to develop an in-depth understanding of their respective Product Team's sourcing patterns along with the possible impact which sourcing decisions may have on the hourly and salaried bargaining unit(s). They shall meet upon request with senior members of the Product Team so as to gain information and knowledge and to provide

input into sourcing patterns and sourcing determinations for that Product Team.

Pre-Program Start

In order to involve the UAW Sourcing Representatives at the earliest stages of the product creation cycle, quarterly discussions will be conducted with the Vice President of Advance Vehicle Engineering (AVE) and/or Product Strategy at the Pre-Program Start phase.

Program Start Meeting

During these negotiations, the Union expressed concern relative to full involvement at the earliest stages of the decision-making process. To that end, the Corporation Product Team Specialist shall inform the respective UAW Sourcing Representative of New Major Vehicles or Major Redesigned Vehicles at the Program Start Meeting. Information discussed at this meeting will typically include program objectives, CDS quality gate dates, marketing objectives and customer requirements, and potential assembly and stamping plant loading capability.

Chrysler Development System (CDS)

It is imperative that sourcing discussions and notification become an effective and trusted tool. It is recognized that early involvement by the UAW in the CDS process will greatly enhance the chances for mutual success and will not jeopardize the product creation objectives of quality, speed to market, product innovation, and lower total cost.

The Corporation's continuing objective is to further compress the CDS process timeframes and improve speed to market. The timing for achieving various CDS process quality gate dates will

fluctuate depending on the risk inherent in each product program. Therefore, future sourcing notification timing will vary uniquely with each program on a case-by-case basis. Specific CDS quality gate target dates will be disclosed at the Program Start Meeting. The reality of variable program timing and ongoing system change dictates frequent and structured communication for effective sourcing discussion and notification.

Supplier Selection Period

The International Union will be notified in writing by the Corporation of plans to proceed with a new or redesigned vehicle, sub-system or component part. At or around the completion of the Preliminary Program Specification (Rahmenheft) date, provided in the Program Start Meeting, the National Committee Co-Chairs, Administrative Assistant(s) to the Vice President and Director of the DaimlerChrysler Department, UAW, Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing, other designated senior management representatives, and the appropriate UAW Sourcing Representative(s) shall be provided a Program Overview by senior Product Team management. Such information shall include a review of current sourcing patterns, including the names of suppliers producing components for the current vehicle, any possible changes in assembly, sub-assembly, stamping, power train and other component sourcing patterns which have been identified by the Product Team, possible insourcing opportunities, targeted market and cost objectives, and technology which may impact the represented workforce.

All contemplated sourcing decisions which impact tooling programs, process changes, die

construction, die design, tool design, stamping tooling, assembly tooling, processes, technology and design and prototype work at Assembly, Stamping, Power Train and Component manufacturing locations shall also be provided subsequent to the Program Overview. With the information provided during the Program Start Meeting, Program Overview and subsequent meetings, and as appropriate during the meeting cycle with the UAW Trades Effectiveness Coordinator, the UAW Sourcing Representative may provide input or alternatives to sourcing pattern(s) during the Supplier Selection Period which coincides with the Program Start Meeting and the Final Program Specification (Lastenheft) date. If, during these meetings, issues between the UAW Sourcing Representative and their respective Product Team cannot be resolved, the matter may be referred to the National Sourcing Council (Council) for early resolution. The Council shall consist of the Vice President and Director of the DaimlerChrysler Department, UAW, Administrative Assistant(s) to the Vice President and Director of the DaimlerChrysler Department, UAW, Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing, Executive Vice President of Manufacturing, Executive Vice President of Product Development, Vice President of Corporate Quality and Senior Vice President of Employee Relations, and other appropriate designates. The Council may meet to review issues brought to their attention by either party in the interest of reaching a resolution which serves the mutual goals and competitive challenges of the parties.

Final Program Specification (Lastenheft)

Assuming the Program has received approval, on or around the completion of the Final Program

Specification (Lastenheft), the UAW Sourcing Representatives and UAW Trades Effectiveness Coordinator shall be provided updated and confirming sourcing documentation of the types provided during the Supplier Selection Period as notification of contemplated changes in sourcing patterns. The Corporation's Product Team Director of Program Management and Product Team management will also supply a copy of such documentation to the Union Relations Sourcing Administration office. This documentation, which will provide the design and engineering sourcing information and prototype sourcing information where different than the production source, shall be forwarded to the appropriate Salaried Local President or Unit Chairperson.

National Committee representatives will monitor sourcing, address sourcing concerns, as well as monitor and oversee employment levels and the administration of the ESS Programs. They shall be provided timely access to all data, including financial and cost information, to evaluate potential sourcing actions and their impact on UAW-represented jobs.

The National Committee shall meet on a quarterly basis. At the quarterly meeting, data regarding work brought in-house and work outsourced will be provided and discussed. Moreover, the members of the National Committee shall be advised of all Appropriations Requests as they are received, including the number of potential jobs affected. (In addition to providing hard copies, the Corporation will provide a summary of this data on a computer disk.)

Roundtable Meeting

An annual Roundtable Meeting will be conducted involving senior management from Source Planning, Procurement and Supply, Product Strategy, Engineering, Manufacturing, Union Relations and the National Committee and the leadership from the UAW DaimlerChrysler Department. The agenda for meetings will include a review of vehicle plans for assembly, stamping, power train and components. Related Source Planning actions to support these plans also will be the subject of the meeting.

It is understood that the Corporation's frank discussion with the Union about sourcing and related plans may require the Union to keep information confidential until the Corporation consents to its release. The Corporation, on its part, also agrees not to use the results of such discussions to obtain more attractive contract terms from outsiders in lieu of keeping the work in-house.

Power Train Meeting

An annual Power Train Meeting will also be conducted by senior management from Power Train Operations for the National Committee and the leadership from the UAW DaimlerChrysler Department. The agenda for meetings will include a review of the Power Train Long Range Plan (LRP) and the anticipated effect on Power Train plant product loading.

Sourcing Rationale

The rationale for sourcing actions will consider the following criteria: the degree to which the Corporation's resources can be allocated to further capital expenditures, cost, technology, timing, quality, statutory requirements, proprietary rights, overall financial stability of affected facilities,

occupational and related environmental health and safety issues, the impact on related facilities, and the impact on long-term job stability. Other factors considered by the Corporation before a final sourcing decision is made will include the effect on employment, and job and income security costs on both a short and long-term basis. Such criteria shall give equal weight to the full impact of a sourcing action on DaimlerChrysler Corporation-UAW represented employment levels and the job and income security of DaimlerChrysler Corporation-UAW represented employees. The National Sourcing Committee may form Joint Task Forces to ensure full implementation of such criteria throughout the Corporation and, on an as needed basis, to address any specific sourcing areas of concern identified by the Union.

The National parties will jointly further develop the above criteria to be used to address sourcing issues. In developing financial criteria, appropriate Corporate return on investment and burden will be considered. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability.

Local Committee

The appropriate member(s) of the National Committee will assist the Local Job Security, Operational Effectiveness and Sourcing Committee (Local Committee) in implementing the provisions of the Sourcing Memorandum. If the parties cannot resolve a sourcing issue, the Local Union may file a grievance at the third step of the regular Grievance Procedure. If the grievance cannot be resolved, the grievance may be appealed to the Appeal Board in accordance with the Grievance Procedure. In the event the Appeal Board is unable to resolve the issue, it may be appealed to the Impartial

Chairman. The Impartial Chairman can only provide a remedy where he finds that (1) a violation of the express commitments set forth in this Memorandum has been established; (2) the established violation resulted from the exercise of improper judgment by Management; and (3) any employee who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a result of work being outsourced or not being brought in-house. The Impartial Chairman's remedy shall be limited to back wages for the affected employees, and the recall and/or placement of affected employees on regular productive work.

Temporary Offloading

When a temporary offloading action is being contemplated, the Plant Manager or his designate will provide to the President of the Local Union, a written notice containing the reasons under consideration for the temporary offloading at that location. The notice of the offloading action will be given as soon as practicable, consistent with the reasons such offloading becomes necessary and expected date of return. Copies of this notice also will be provided to the UAW Assistant Director responsible for Sourcing and other National Sourcing Council members.

Temporary offloading notification is not intended to provide a means for circumvention and abuse of the normal outsourcing notification procedures outlined in this Agreement. Should circumstances arise that an offloading action may be viewed as no longer temporary, the local parties will meet to discuss their respective concerns relative to the projected return of the work. Should these issues remain unresolved at the Local Union and Plant Management level, such matters shall be

referred to Corporate Union Relations and the Assistant Director of the DaimlerChrysler Department, UAW responsible for Sourcing in an attempt to reach a resolution. If after discussions, it is deemed appropriate, the Corporation shall forward a copy of the temporary offloading notice to the Vice President and Director of the UAW DaimlerChrysler Department.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of UAW members:

Insourcing

The National Committee and, where appropriate, the Local Committee will discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which the Union identifies as that which might be performed competitively within the location based on the criteria outlined above.

To assist in this process, the International Union will be furnished a complete list of work similar to that currently performed at the location that (1) has been outsourced from that location, or (2) is currently performed by non-DaimlerChrysler UAW suppliers for DaimlerChrysler Corporation. These lists will be updated and will include the suppliers' location (city and state), union affiliation and the supplier contract expiration dates, if any, and will be furnished on an annual basis during the second quarter. The parties will initiate efforts to insource particular work consistent with the aforementioned criteria to create prospects for growth and to provide jobs for Protected employees and employees on layoff.

If it is established that certain work can be performed competitively, judged by the above criteria, Management will adopt the Committee's proposal and, barring unique or unforeseen circumstances, bring the work in-house. The Union shall obtain any necessary approval or ratification within thirty (30) days of the decision to bring the work in-house.

Outsourcing

Outsourcing as used herein means the Corporation's sourcing of work from DaimlerChrysler Corporation UAW locations, including work connected with current, new or redesigned vehicles, fabricated parts, power train, component products, dies and fixtures.

If changes to the published and distributed sourcing pattern are contemplated at any time during the vehicle development or production cycle through the initiation of make/buy studies, or when any change in sourcing direction for a process unrelated to vehicle development is contemplated, the International Union, the UAW Sourcing Representative, and the Local Union at the affected location will be given written notice. When the Source Planning function, or the equivalent function at either the Corporate, Division or plant level, contemplates an outsourcing decision, the International Union, the UAW Sourcing Representative, and the affected Local hourly and salary Unions will be provided written confirmation of the action. The notice shall be provided to the Union as far in-advance as possible or promptly following approval, and consistent with the timing requirements of the product's development cycle. The notice will provide, on a confidential basis, the reason for the outsourcing, a description of the work involved, the number of jobs affected on both

a short-term and long-term basis, if known, at both the affected facility and any other DaimlerChrysler Corporation-UAW represented facility, the identification of the sourcing authority, the quality status of the recommended supplier, and all financial and cost information. Proposals to keep the work in-house will be made by the Union within ninety (90) days of the receipt of written notice.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in the Memorandum of Understanding, Management will, barring unique and unforeseen circumstances, keep the work in-house. The Union shall thereafter obtain any necessary approval or ratification within thirty (30) days of the decision to keep the work in-house.

Where make/buy study findings do not impact the current sourcing pattern, the notice of contemplated sourcing will be withdrawn.

When such an outsourcing decision is contemplated at any level of the Corporation, the written notice will be given to the Vice President and Director, DaimlerChrysler Department, UAW. A copy of such notice will be given to the Chairperson of the Local Committee at the same time.

When such a contemplated outsourcing decision is initiated by the Corporation at a level external to the affected location(s), the Corporation will provide sufficient advance written notice to allow the designated Management representative at the affected location(s) to comply with the notification procedure.

Additionally, International Union and Local Union input will be sought by the Corporation as early as possible in the outsourcing decision-making process. The intent of the evaluation period and Union input being sought as early as possible is to allow for more thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of employees and the financial viability of given Corporate locations.

The Corporation will not enter into a contractual relationship with a non-DaimlerChrysler UAW supplier until such time as the designated Management representative of the impacted location provides written verification that the above notification procedure and discussion by the Local Committee has taken place.

The Corporation agrees to a full disclosure to the International Union of the procedures utilized in the sourcing decision-making process.

Full implementation of the processes contained within this Memorandum should provide the parties the mechanisms to take advantage of every opportunity to use internal resources.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

MEMORANDUM OF UNDERSTANDING ON OVERTIME U.S. PLANTS

Introduction

The parties recognize that the manufacturing operations of the Corporation are highly and completely integrated. An interruption at one stage of the production process, whether during the regular workday, workweek, or overtime or other, premium hours, can, and probably will, cause costly interruptions of the process at earlier and/or later stages. This Memorandum represents an accommodation between the needs of the Corporation and the rights of individual employees to decline overtime work on occasion for a variety of individual and personal reasons.

The parties have earnestly sought during negotiations resulting in the contract dated today, feasible steps that the Corporation might take in scheduling overtime work to provide employees an opportunity to accept or decline work opportunities during such periods, and have reached the following understanding which shall constitute a supplement to the National Production and Maintenance Agreement.

1. Daily Overtime.

In all plants, daily overtime hours in excess of nine (9) shall be voluntary. The Local Union and Plant Management at each plant shall, by mutual agreement, determine the minimum notice that

shall be necessary in order to require an employee or employees to work the ninth hour and shall provide for exceptions to such minimum notice requirements in emergencies or situations in which it is not practical or feasible for management to provide the agreed minimum notice (e.g., breakdowns, interruptions of electric or other essential services, delayed delivery of necessary parts or materials, or other such identifiable emergencies). If the Local Union and the Plant Management are unable to reach agreement, as hereinbefore set forth, they shall refer the matter to the International Union and Corporate Union Relations.

2. Saturdays.

Employees may be required to work Saturdays; provided, however, that an employee who has worked two (2) or more consecutive Saturdays may decline to work the following (third) Saturday if (a) the employee so notifies his supervisor, on a form to be provided by the Corporation, before the end of the shift on (i) the preceding Monday or (ii) any later day of the week on which the plant notifies him that he is scheduled to work on the Saturday and (b) the employee has not been absent on any day in the week preceding such Saturday excluding absences for which pay is received under Sections (81), (82), (95) and (104) (e)(i). Absences excluded under (104) (e)(i) above must be approved in advance.

For the purposes of this Paragraph 2 the first Saturday immediately following the end of any Annual Automatic Exemption period in effect at a plant pursuant to Paragraph 5 of this Memorandum shall be deemed at that plant to be consecutive with

the last Saturday immediately preceding the beginning of such period.

3. Sundays.

Overtime work on Sunday shall be voluntary and employees may decline to work Sunday; provided that the employee who does not wish to work on Sunday shall so notify his supervisor, on a form to be provided by the Corporation, before the end of his shift on (i) the preceding Monday or (ii) any later day on which the plant notifies him that he is scheduled to work on the Sunday, and provided, further, the employee has not been absent on any day during the week preceding such Sunday; excluding absences for which pay is received under Sections (81), (82), (95) and (104)(e)(i) and a Saturday that the employee declined pursuant hereto. Absences excluded under (104)(e)(i) above must be approved in advance.

4. Critical Plants.

A. Critical plants or parts of plants are those that are crucial to the integrated supply system of the Corporation and whose output is essential to meeting the scheduled production of one or more other plants or of customers, and as a result, must operate, in whole or in part, seven (7) days a week.

B. During the life of this Agreement, the Corporation may, from time to time, designate plants or parts of plants as critical, provided, however, that fifteen (15) days prior to making such designations, it will inform the DaimlerChrysler Department of the International Union, which will indicate its objections, if any, to a plant or plants being so designated.

C. Any plant or part thereof that the Corporation designates as critical shall, for a period of ninety (90) days after it is so designated, be exempt from the provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require employees to work daily overtime or on Saturdays or Sundays or entitle employees to decline to work at such times. Once a plant or part thereof has been designated as critical for a period of ninety (90) days pursuant to this Memorandum that plant or part thereof may not thereafter again be so designated.

5. Annual Automatic Exemptions.

A. The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require employees to work daily overtime or Saturdays or Sundays shall be ineffective in each assembly plant (a) beginning on a date two (2) weeks preceding the announced build-out date and ending on the build-out date, i.e., when the plant produces for sale the last unit of the model it has been producing; provided, however, the above-mentioned provisions may be ineffective for up to two (2) additional weeks, provided the Corporation gives advance notice of supply or other problems which would interfere with the build-out, and (b) for the week in which it launches, i.e., after the build-out, frames the first unit of a new model, and for three (3) weeks thereafter or until the line speed reaches scheduled production, whichever is later.

B. Said provisions shall likewise be ineffective during model change time each year in plants other than vehicle assembly plants for periods to be designated by Plant Management that shall not exceed, in the aggregate, four (4) weeks. Local

Union will be advised in advance of such designated periods.

6. Concerted Activity.

A. Any right to decline daily overtime or Saturday or Sunday work that this Memorandum of Understanding confers on any employee may be exercised only by each employee acting separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or employees or the Union or pursuant to any other concerted action or decision. No employee shall seek by any means to cause or influence any other employee to decline to work overtime. Violation by any employee of the terms, purpose or intent of this Paragraph shall, in addition to subjecting him to discipline, nullify for one (1) month (not including the periods mentioned in Paragraph 5, above) his right to decline overtime.

B. The Corporation shall have the right to suspend for a period of two (2) weeks (not including the periods mentioned in Paragraph 5, above) as to an affected plant or part of a plant the provisions of this Memorandum of Understanding that limit or restrict its right to require employees to work daily overtime or Saturdays or Sundays, or that entitle employees to elect not to work daily overtime or on Saturdays and Sundays, in the event employees collusively, concertedly or in response to the influence of any employee, or group of employees, or the Union (i) fail or refuse to report for daily overtime work or work on Saturday or Sunday that they have not declined as herein provided or (ii) decline, as so provided, daily overtime work or work on Saturday or Sunday. If employees who are scheduled to work daily overtime in a plant or

department or on Saturday or Sunday fail or refuse to work as scheduled in significantly greater numbers than the Corporation's experience under this Memorandum can reasonably lead it to expect, such evidence should be carefully considered by the Impartial Chairman in any decision involving the question of whether their failing or refusing to work the scheduled hours was collusive, concerted or influenced by other persons.- The Union shall have the right to present directly to the Appeal Board any claim that the Corporation has acted wrongly in suspending the provisions of this Memorandum as to employees or a plant or part thereof. If the Impartial Chairman sustains the Union's claim, the Corporation shall within sixty (60) days of the date of the Impartial Chairman's award, give each affected employee the right to decline work on as many daily overtime days or Saturdays or Sundays as such right was suspended.

7. Emergencies.

The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require employees to work daily overtime or Saturdays or Sundays shall be suspended in any plant whose operations are interrupted by emergency situations, such as breakdowns, government mandated work, power shortages, strike, fire, tornado, flood or acts of God for a period of time necessary to overcome such emergencies.

8. New Plants.

The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require daily overtime work or work

on Saturdays and Sundays shall be ineffective at any plant the Corporation builds or buys and remodels for a period of one year after regular production in such plant starts.

9. Vehicle Assembly Plants.

A. Whenever the Corporation launches a new car line or truck line at a vehicle assembly plant or assigns for assembly at such a plant a car line or truck line that is new to that plant, the provisions of the Memorandum shall be ineffective at any such plant for the period of one (1) year beginning with the start of regular production of such new car line or truck line at such plant.

B. Whenever the Corporation adds or restores a production shift at a vehicle assembly plant the provisions of this Memorandum shall be ineffective at such plant for a period of six (6) months thereafter.

10. SUB.

Daily overtime hours or Saturday or Sunday work that an employee declines under the terms of this Memorandum of Understanding shall be deemed "Compensated or Available Hours" within the meaning of the Supplemental Unemployment Benefit Plan.

11. General.

A. In order to implement this Memorandum, the Corporation may hire temporary part-time employees for straight-time, overtime or weekend work in any plant pursuant to the provisions of the Supplemental Agreement, Temporary Part-Time Employees.

B. Nothing herein shall preclude a plant from expanding its work force beyond the normal requirements of its operations by hiring new employees and adopting a program pursuant to which employees of said plant may have one (1) or two (2) days off per week (which days need not be Saturdays or Sundays); provided, however, that work performed on Saturday or Sunday shall be at present premium rates. Plans for such a program shall be discussed in advance with the DaimlerChrysler Department of the International Union, and any system of rotating days off among some or all of the employees shall be by mutual agreement between the Local Union and the Plant Management.

C. Nothing in this Memorandum of Understanding shall make ineffective any local past practice or agreement concerning voluntary overtime that is mutually satisfactory to the Local Union and the Plant Management. It is the intention of the parties to provide relief from excessive overtime while assuring the availability during overtime of the needed manpower possessing the proper skills. The Local Union in each plant shall select one of the following alternatives and will notify the Plant Management of its election in writing on or before December 1, 1985.

1. The term of this Memorandum will apply at the plant and all local past practices and agreements concerning the schedule of overtime shall be discontinued; or

2. The terms of this Memorandum will not apply at the plant and overtime arrangements will be handled in accordance with agreements and practices in effect at that plant; or

3. The terms of the Memorandum will apply in any overtime equalization group at the plant on days on which 80% or more of the employees in that group are scheduled to work overtime; but will not apply in any overtime equalization group on days on which less than 80% of the employees in that group are scheduled to work overtime, in which latter event overtime arrangements will be handled in accordance with prior agreements and practices in the plant.

The selection of one of such alternatives by the Local Union shall be irrevocable during the term of the National Production and Maintenance Agreement. If the Local Union fails or refuses to select one of the alternatives by December 1, 1985 it will be deemed to have selected the agreements and practices presently in effect and such selection will remain unchanged during the term of the Agreement. However, exceptions may be made for proper reasons by agreement between the DaimlerChrysler Department of the International Union, UAW and the Corporation.

D. This Memorandum of Understanding shall not apply to existing plants of DaimlerChrysler Canada Ltd.

E. There shall be no strike, picketing or other concerted activity with respect to any dispute arising out of this Memorandum of Understanding.

F. This Memorandum of Understanding shall not apply to employees working on what are normally classified as seven (7) day operations. The International Union may bring to the attention of the Corporation any overtime problems connected with employees on such operations.

G. If the DaimlerChrysler Department of the International Union and the Corporation so agree the terms of this Memorandum may be suspended for a fixed period of time for any plant to which it is applicable or for any department or part of such a plant.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

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M-3

MEMORANDUM OF UNDERSTANDING HEALTH AND SAFETY

I. Joint Commitment to Health and Safety

This Memorandum of Understanding supplements the National Production and Maintenance Agreement between DaimlerChrysler Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and certain of its Local Unions dated September 29, 2003 as follows:

WHEREAS, no subject is of greater concern to the Corporation and the Union than the physical well-being of employees in DaimlerChrysler's plants, and in our recent negotiations no subject received or deserved a higher priority than promoting safe and healthful working conditions in the plants; and

WHEREAS, the parties agree that an on-going program, in which both will participate and cooperate, will aid in achieving this objective; and

WHEREAS, the Corporation shall have the obligation to continue to make reasonable provisions for the safety and health of its employees during the hours of their employment; and

WHEREAS, the Union shall cooperate with the Company's efforts to carry out its obligations,

NOW, THEREFORE, it is hereby agreed as follows:

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II. Corporation Responsibilities

The Corporation agrees to:

(a)--Recognize its obligation to provide as safe and healthful a working environment for employees as it reasonably can and both parties agree to use their best efforts, jointly, to achieve that end. Responsibility for health and safety matters remains, however, with the Corporation.

(b)--Provide annual training for members of the Local Joint Committee on Health and Safety hereinafter referred to as the Local Committee and appropriate education and training in health and safety for all employees and the regular replacement representatives. In addition to initial instruction, members of the Local Committees will receive specialized training appropriate to the nature of the work performed in their plants. The International Union's DaimlerChrysler Department will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations.

(c)--Provide access to the Union member of the Local Joint Committee on Health and Safety the following reference material available to the Management member of the Local Committee such as:

National Safety Council Publications
Governmental Standards on Health and Safety
Corporate Health and Safety Bulletins
Trade Publications
Publications of Local Safety Councils

(d)--Provide by March 1 of each year to the health and safety professionals of the International Union's staff a copy of OSHA Form No. 300 as it is now constituted, and the corresponding manhours worked and incidence rate for each plant.

III. National Joint Committee on Health and Safety

A National Joint Committee on Health and Safety (NJC) will be established, consisting of three (3) representatives of the International Union appointed by the Director of the Union's DaimlerChrysler Department, and three (3) representatives of the Corporation appointed by the Senior Vice-President of Employee Relations of the Corporation, herein referred to as the National Committee. Each party will appoint at least two (2) members who have professional training in industrial hygiene or safety. This Committee shall:

(a)--Meet at least quarterly at mutually agreeable times and places. Minutes will be prepared for each meeting and a copy given to the International Union members.

(b)--Review the Corporation's safety and health programs and make necessary or desirable recommendations.

(c)--Develop and recommend to the Corporation an appropriate annual training program to be established for Union members of the Local Committees.

(d)--Develop and recommend to the Corporation guidelines for employee training and education.

(e)--Review and analyze federal, state or local standards or regulations which affect the health and safety programs within the Corporation. In the event that a governmental institution modifies a standard, regulation, guideline, and/or exposure limit, the NJC will discuss in advance, if practicable what impact, if any, such change may have upon DaimlerChrysler health and safety programs.

(f)--Review problems concerning serious or unusual situations affecting plant health and safety and make necessary or desirable recommendations.

(g)--Receive, review and analyze the injury and illness data for all plants that the Corporation is now required to compile on OSHA Form No. 300 as it is now constituted with corresponding manhours worked and incidence rate.

(h)--Receive and deal with matters referred to them by Local Committees.

IV. Health and Safety Review Board

A Health & Safety Review Board is established in each division (Assembly, Stamping, Power Train, Advanced Manufacturing and Engineering, Parts Distribution Centers, and Component Operations) which consists of the General Plants Manager/Vice President or their designated Division representative and the designated representative of the Vice President and Director of the DaimlerChrysler Department-UAW. Also, the Review Board shall include the Plant Manager, Plant Human Resource Manager, Local Union President, International Servicing Representative, and the National Joint Health and Safety Committee. The Review Board may convene at the

request of the NJC, generally within two (2) weeks after a fatality, to review results of the initial investigation and develop and recommend appropriate improvements in health and safety practices within the plant where the incident occurred and at other plants where deemed proper within that division. The National Joint Health and Safety Committee will provide technical support to the Board and monitor compliance to directives requiring the enactment of preventive measures. The primary tool to accomplish their objective will be a complete safety hazard analysis of the job or operation involved.

V. Local Committee

(A) Establishment of Local Committee and Representation

A Local Committee will be established in each plant, consisting of one (1) representative appointed by the Plant Management and one (1) representative appointed by the Director of the Union's DaimlerChrysler Department. The maximum number of hours per week in which the Union member of each Local Committee will be allowed to perform their functions shall be determined on the basis of the number of hourly employees in their plant in accordance with the following schedule:

Number of Employees	Hours Per Week
600 or more	40
250 to 599	8
Less than 250	4

In those facilities where there is more than one (1) Health and Safety Representative, the NJC will determine which meetings they may attend.

(1) Hours of Work

Adjustments with respect to the maximum number of hours each Union member of the Local Committee will be allowed to perform their functions shall be made twice each calendar year, (1) effective the second pay period in May, based on the number of hourly employees on the active roll in the plant on the third Wednesday of the preceding month of April, and (2) effective the second pay period in November, based on the number of hourly employees on the active roll in the plant on the third Wednesday of the preceding month of October. The Director of the Union's DaimlerChrysler Department shall advise the Corporate Union Relations Staff in writing of the names of the appointees and the plant in which each is assigned. No Union member of a Local Committee shall function as such until the Corporation is so advised. The Union member of the Local Committee shall serve an indefinite term and shall be replaced only with the concurrence of the National Joint Committee on Health and Safety as hereinafter provided for. The Union member will receive training as outlined hereinafter, without cost to them.

(2) Regular Replacement

(a)--In the event the Union member of the Local Committee is absent for one (1) week or more, the member may be replaced by an employee who has been designated as the regular replacement by the International Union with the concurrence of the National Joint Committee on Health and Safety provided, where possible, the Union member of the Local Committee has given local Management advance written notification of the expected absence of the regular Union member. The regular

replacement will be allowed to function in the absence of the Union member of the Local Committee when such absence is occasioned by the Union member's absence for the annual joint training conference. As soon as practical following the effective date of this Agreement, the International Union shall provide to the Corporation the names of the employees who have been designated by the International Union as regular replacements.

(b)--Notwithstanding paragraph (a) above, the Union member of the Local Committee may be replaced by the regular replacement when the member is absent for less than a week to investigate work related fatalities, serious accidents, and, in accordance with V(C), conditions involving imminent danger when such fatalities, accidents or conditions occur during the Union member's absence. In proper cases, the Union member of the Local Committee may be replaced by the regular replacement for absences of less than one (1) week and (i) plant management receives advanced written notification of such absences and (ii) the absence is due to a vacation leave of absence, illness, or casual absence for one (1) full shift.

When replacing the Union member of the Local Committee, the regular replacement shall be subject to all the provisions of the Agreement applicable to the Union member of the Local Joint Committee on Health and Safety.

(3) Part Time Health and Safety Representative Obligations

(a)--It is understood that the Union member of each Local Committee who does not qualify under

the schedule herein to perform their functions forty (40) hours per week has a regular job to perform and that they will advise their Supervisor on each occasion when it is necessary for them to leave their regular job in order to function as a member of the Local Committee. The Union member of the Local Committee shall be permitted to meet in the regular meeting of the Plant Shop Committee and; at the request of the Local Union President, attend Special Conferences during the portion of such meeting or conference when health and safety issues or grievances thereon are discussed.

(b)--It is understood that the Union member of each Local Committee will be paid only for such time spent in performing their functions as occurs during the time when they are otherwise scheduled to work.

(c)--When a Union member of the Local Committee is permitted less than forty (40) hours a week away from work the designation of such time shall be made by mutual agreement between the Local Union and the Local Management.

(4) Overtime Scheduling

The Union member of the Local Committee will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in their department and when so scheduled shall not perform their function as a Union member of the Local Committee; provided, however, when three hundred (300) or more, or more than 50% of the regular hourly work force on their shift in a plant of 600 or more hourly employees are scheduled to work during hours for which they are entitled to receive premium pay under either Section (86) or Section (87) of the National Production and

Maintenance Agreement, the Union member of the Local Committee for that plant will also be scheduled to work and to function as Union member of the Local Committee during such hours. In addition, they shall be scheduled when new equipment and/or major process changes are being installed or tried out which may affect employee safety and one hundred (100) or more of the employees on their shift are scheduled to work.

(5) Function Under Reduced Workforce Conditions

During a reduction in the work force in a plant of six hundred (600) or more employees the Union member of the Local Committee shall be permitted to perform the functions of the office when fifty percent (50%) or more of the people on the member's shift are working, except that during a reduction in force due to model change or plant rearrangement the member shall be permitted to perform the functions of the office when one hundred (100) or more of the employees on the member's shift are working.

(6) Conduct

The privilege of the Union member of a Local Committee to perform their duties during regular working hours is subject to the following conditions; (a) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of the Memorandum and the privilege shall not be abused and (b) that if it is necessary for a Union member of a Local Committee to speak to an employee about a health and safety matter they shall make prior arrangements with the employee's Supervisor to do so.

(7) Working Hours

The Union member of a Local Committee shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production, Maintenance and Parts Agreement.

(B) Local Committee Functions

The Local Committee shall:

(a)--Meet at least once each month at a mutually agreeable time and place to review health and safety conditions within the plant and make recommendations in this regard as they deem necessary or desirable. A summary list of items discussed shall be provided to the Union member of the Local Committee.

(b)--Make weekly systematic inspections of the plant, as provided hereinafter, to assure that there is a safe, healthful and sanitary working environment in each plant.

(c)--Accompany Governmental Health and Safety inspectors and International Union Health and Safety professionals on plant inspection tours. Also accompany Corporate Health and Safety professionals on regular surveys and audits at the plant and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys. In plants of less than six hundred (600) employees, the time spent by the Union member accompanying such inspectors and professionals shall not be charged against the members weekly allotted hours.

(d)--Be notified in advance, of health and safety inspections by private agency officials, and licensed

inspectors required by statute or by consultants retained by the Corporation, and whenever possible by Government officials including state, city and county code enforcement, and be afforded an opportunity to accompany such officials or consultants and provide any pertinent information to them. A copy of such reports, including those of insurance inspectors, will be provided, upon request, to the Local Health and Safety Committee regarding violations of applicable local, state, or federal code or standard violation(s).

(e)--Be informed of lost work day accident cases, review results of the plant safety investigation of such accidents and make any necessary or desirable recommendations. Investigate work related fatalities and serious accidents, and upon request, review completed OSHA Form No. 301 reports or their equivalent. When such events occur during the 2nd or 3rd shift, the Management member of the Local Committee will endeavor to notify the Union member, inform them of the facts, and arrange upon request, for them without pay to enter the plant and investigate such events.

(f)--Receive a copy of the plant's report on OSHA Form No. 300 and the plant's manhours worked and the incidence rate for the pertinent period.

(g)--Periodically review the OSHA 301 data in the Occupational Health Manager (OHM) computer system.

(h)--Periodically review deletions of cases from the OSHA 300 log and the rationale.



(i)--Periodically review the "54-08" report to ensure the correlation between Workers' Compensation cases and the OSHA 300 log.

(j)--Review, recommend, and participate in local safety education and information programs.

(C) Imminent Danger

When either member of the Local Committee has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be communicated without delay to the committee members so that a joint investigation can be conducted immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

(D) Information, Equipment and Resources

(1) Notification of Fatalities and Serious Accidents

The Corporation agrees to:

Provide to the Union member of the Local Committee and to the National Committee prompt notification of fatalities and serious accidents.

(2) Safety and Industrial Hygiene Equipment

(a)--Provide equipment for measuring noise, air contaminants, and air flow which will be available for use by the Local Committees. Proper arrangements shall be made to permit the Union member of the Local Committee to use the safety and industrial hygiene equipment available to the Management member of the Local Committee and

in which the members of the Local Committee have received training.

(b)--Where necessary, measure noise, air contaminants, and air flow with approved direct reading equipment provided by the Corporation as set forth hereinafter. The Local Committee shall also use, or observe the use of appropriate industrial hygiene and safety testing equipment as required where available in the plant. Recirculation of air will not be permitted where employees' health and safety cannot be assured.

(c)--Permit the Union member of the Local Committee to participate in and observe Management measurement or sampling of the occupational environment. Whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000, Air Contaminants, Code of Federal Regulations, such information shall be entered in the employee's medical record. The Local Committee shall be informed in writing of such exposure and shall advise the employee. The Union member of the Local Committee shall also be informed in writing of the corrective action to be taken. In addition, in those instances where a breathing zone air sample is collected, the employee will be notified by the Local Committee of the results which will be entered on the employee's medical record. Upon written request of the employee such results shall be provided to the employee or their physician.

(3) Use of Camera/Video Camera

In those plants in which a plant camera/video camera is available the Local Committee will be permitted its use as an aid in conducting joint

investigations and inspections where special circumstances dictate the need, such as where photographs/video tapes are necessary to enable the Local Committee to adequately explain or describe serious safety or health problems to responsible plant management. The Local Committee may also use the camera/video camera to photograph health and safety items that are being referred to the NJC.

Upon request, the Union Member of the Local Committee will be provided with copies of photographs/video tapes which relate to health and safety matters in the plant. Such photographs/video tapes shall remain the property of the Corporation and shall be for the internal use of the Local and National Joint Committees only and shall not be reproduced, published or distributed.

(4) Place To Work

Each plant will make available to the Union member of the Local Committee a place where the member can write reports or review health and safety material. In addition, the member will be provided a filing cabinet or drawer to keep health and safety material.

(5) Mortality Data

Local Committees may request the mortality experience pertaining to the facility they represent. Such requests will be referred to the NJC for prompt response using information available to the Corporation. The NJC will investigate coding programs for injury/illness cases to determine the feasibility of making information more useful for identifying potentially hazardous conditions. If

feasible, such a system will be implemented at each facility.

VI. Research

The Corporation agrees to permit the NJC to continue to be responsible for evaluating the need for occupational safety and health research, including additional projects to be designated. Such research is to be conducted after the mutually selected Scientific Advisory Committee has approved the protocol and the feasibility of the research. The results of research conducted within DaimlerChrysler facilities will only be used for purposes specifically authorized by the NJC. The NJC will be responsible for prompt communication of research findings to affected employees.

VII. Training

(A) Training Program Design

The Corporation agrees to provide additional joint health and safety training to enhance the safety awareness, hazard recognition and technical skills of DaimlerChrysler employees covered under the terms of this agreement. To assure basic uniformity, the NJC will develop guidelines to be used by the plants and Local Committees to design training programs to meet local needs. The NJC will also develop a system to review and approve health and safety training programs. In addition, the NJC will establish needs assessment and evaluation processes to determine and evaluate existing and future training programs.

The NJC will pursue the most cost effective means for developing effective training programs.

Further, the NJC will explore the feasibility and practicability of sharing development costs on common programs with other joint Union-Company training centers.

(B) Establishment of Joint Health and Safety Training Sub-Committee

In that connection, a Joint Health and Safety Training Sub-Committee comprised of two (2) representatives of the Corporation appointed by the Senior Vice-President of Employee Relations of the Corporation and two (2) representatives of the Union appointed by the Director of the Union's DaimlerChrysler Department will be established to serve as a resource of the NJC to assist in achieving the National Committee's training objectives.

(C) Training Programs

During the 2003 Negotiations, the parties discussed various potential subjects for training, including topics such as: leadership, roles and responsibilities, and general awareness, as contained within our Bringing Excellence to Safety Teams (BEST) program. We believe BEST has significant opportunities for breakthrough results and are committed to its development and rollout. We also discussed the potential training topics that were more specific in nature to particular job functions. Accordingly, we agreed that the NJC shall evaluate the needs and define specific training programs for development and delivery during the term of this Agreement. Programs under consideration, subject to resources and funding allocation issues, are:

- (1) general risk assessment and hazard control,
 - (2) skilled trades,
 - (3) non-routine use of powered material handling equipment,
 - (4) ladder safety,
 - (5) office health and safety, and
 - (6) non-routine jobs related to power generation and distribution, waste handling, and storage and distribution of hazardous liquids and gases.
- (7) update all existing training programs as necessary.

Jointly developed training efforts will be concentrated in the following areas:

(1) Hazard Communication training, including basic refresher training. In addition, the parties will conduct trial programs directed at chemical hazard communication issues concerning specific manufacturing processes.

- (2) Skilled Trades safety training
- (3) Union representatives and supervisors, and
- (4) Local Committees.
- (5) General Hazard Recognition
- (6) The NJC will oversee additional programs in areas such as:

- Refresher training for all employees in existing programs within three (3) years;

- Annual Train-the-Trainer instruction in Health and Safety developed by the NTC;

- Orientation training for new Health and Safety Representatives, regular replacement and Management members of the Local Committees;

- Annual first aid, CPR and rescue technique training for confined space Rescue Team members and emergency response personnel;

- Production safety awareness;

- Hazard communication for machining operations;

- Hand tools; and-

- NTC Health and Safety Certification Training.

(D) Job Specific Training

Continue to provide jointly developed health & safety training programs and job specific training of affected employees during scheduled work hours based upon the recommendations of the National Joint Health & Safety Committee.

It is understood that the parties will pursue a program development cost-sharing arrangement between General Motors, Ford and DaimlerChrysler.

(E) Computer Training for Access to OSHA Data

Provide access and training to the Local and National Committees through existing terminals to on line OSHA 301 and 300 data and reports of ergonomics activity and accident investigation

status. During the 2003 Negotiations, the parties discussed the desire to provide refresher training on the Health & Safety information system to the UAW Health & Safety representatives. Training of designated users will be conducted at the Annual Health & Safety Conference. Initial and refresher training for the UAW Health and Safety representatives and the regular replacement on the H&S Information System (OHM) will be developed within ninety (90) days of the ratification of the Agreement. This training will be a self-tutorial model that users will be able to use at their worksite and the OHM Help Desk will be available for questions. Similar training will be conducted for the Ergonomic Analysts on the specific screens of OHM they may access.

VIII. Ergonomics

During the current negotiations, the parties discussed the comprehensive ergonomics program covering facilities under the National Production Maintenance and Parts Supplemental Agreement which had been agreed to by the Corporation and the UAW.

The Corporation explained to the Union that Advance Manufacturing Engineering (AME) has developed a set of internal guidelines for ergonomics. These guidelines are contained within the DaimlerChrysler Do's and Don'ts for Tool Design Standards and will be reviewed with the UAW DaimlerChrysler Department and the International Union. The parties understand the importance of implementing sound ergonomic guidelines at the earliest stages of the product/process development cycle. In that context, Design and Process personnel, including suppliers, will review the principles of the

DaimlerChrysler Do's and Don'ts and take them into account when working on advance programs. The Corporation will review the internal guidelines for ergonomics with the NJC every six (6) months.

The parties agreed that to facilitate proper control, training and communication of ergonomic factors, the various phases of the jointly developed ergonomics program will be applied to employees at all UAW represented facilities including Skilled Trades, O&C and Engineering Bargaining Unit employees.

(A) Coordination of Activities

The UAW-DaimlerChrysler National Training Center shall coordinate its ergonomic activities under the direction of the NJC with coordination of Corporate Occupational Safety and Health (OSH) and Advance Manufacturing Engineering ergonomic activities and provide on-going technical support to plant/PDC ergonomic efforts. Such support may include:

- a. Data collection and analysis
- b. Job analysis methodology
- c. Advanced job modification design
- d. Training for Ergonomics personnel
- e. Training for Engineering personnel
- f. Training for Medical staff in medical data management
- g. Communication of solutions/failures to other facilities
- h. Ergonomics program evaluation analysis and follow-up

The NJC will use the NTC to coordinate activities and disseminate information, as required, to facilitate on-going ergonomics efforts. The NJC

will make recommendations to the Joint Activities Board regarding resources needed to implement these activities. Quarterly, Corporate OSH and AME shall report to the NJC, summarizing current ergonomics activities and future plans. Ergonomic analysts will be required to complete the ergonomics certification training to be developed by the National Training Center.

(B) Local Ergonomics Committees

Each facility has established a Local Ergonomics Committee with the objective of introducing and exploring ways to reduce injuries and illnesses through the application of sound ergonomics principles. Upon request, the NJC shall assist the Ergonomics Committees in determining proper allocations of resources. The Local Health and Safety representatives will serve as co-chairpersons of the Local Ergonomics Committees as specified in the appropriate NJC directive. In the event Corporate Health and Safety representatives and/or Regional Safety/Ergonomic remediation specialists visit a facility to work on an ergonomic issue, they will coordinate their activities with the Local Co-Chairpersons.

Given the effect that ergonomic injuries may have on employees and the costs associated with Workers' Compensation, and to address the interrelationship between Workers' Compensation and ergonomic injuries in our Parts Distribution Centers and P&M facilities we agreed to the following:

1. One (1) of the facility's Health & Safety trainers will be allowed time away from their job to

perform ergonomic functions and to assist in reducing Workers' Compensation costs.

2. This individual shall be allowed to function in these activities up to forty (40) hours per week in P&M facilities and up to sixteen (16) hours per week for PDC operations.

3. This individual and a designated Workers' Compensation representative shall be members on the Local Ergonomics Committee. The Local Ergonomics Committee shall continue to function as initially established, and the local parties, including the Local Employee Participation Council (LEPC), are encouraged to ensure their committees are active and performing their intended responsibilities. A quarterly report of their activities will be submitted to the NJC.

4. This individual's duties are to be determined by the NJC.

5. Tools used in analyzing jobs shall include ErgoPAL to identify general risk factors, the NIOSH 1981 Lifting Formula to look at lifting and lowering conditions, the Snook-Cirello Tables to evaluate push and pull motions, and the DaimlerChrysler manufacturing engineering ergonomic guidelines. Additional requirements will be assessed by the Joint Study Committee defined in Letter 162 and reviewed by the NJC for approval.

6. The NJC shall annually review the program's performance and effectiveness and make appropriate modifications as required.

(C) Control Measures and Skilled Trades

The parties agree, to the extent possible, to encourage the use of all reasonable control methods to prevent MSD's. Ergonomic remediation efforts may be based on the results of a variety of tools, including job analysis. Job analysis on skilled trades jobs will be performed as required. Members of the Local Ergonomics Committee will consider solutions within a combination of feasible controls such as:

- a. Re-design or re-orient parts, tools and equipment
- b. Use of mechanical devices or power tools
- c. Provide adjustable fixtures and work surfaces
- d. Job re-design

As interim measures pending engineering changes, or where engineering changes are limited in controlling risk factors, administrative controls and feasible work practices will be implemented. Members of the ergonomics committee could consider solutions for reduction of repetitive motions within a combination of feasible administrative controls such as job sharing and job rotation. The recommendations of the Local Ergonomics Committee shall be mutually agreed upon with the Plant Shop Chairman and the Labor Relations Supervisor. Problems not resolved at the local level will be forwarded to the National Joint Committee for final resolution. Jobs considered potential candidates for administrative control practices will be reviewed by the health and safety trainer/ergonomic analyst to determine that the original condition will not be further aggravated. Any type of control established should be evaluated after three (3) months of its implementation to confirm its effectiveness.

(D) Job Analysis and Time Lines

Jobs will be identified as candidates for analysis by reviewing injury/illness and lost time data, including the "54-08" Report and appropriate OHM report(s). A good faith effort shall be made to conduct an initial job analysis, as required, within two (2) months of when a job is identified as having a potential MSD risk factor. Each facility will use a documentation process to record progress with ergonomic modification efforts. In that regard, a monthly report will be required of the Local Ergonomic Committee to be forwarded to Corporate OSH and the UAW DaimlerChrysler Department. Each facility shall implement feasible measures to control MSD risk factors. A good faith effort will be made to implement ergonomic solutions within a six (6) month time frame after the Local Ergonomics Committee determines that corrective action is required and it prioritizes the remediation. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. The Local Ergonomics Committee is to develop a "top five" list of the most concerning jobs requiring remediation. Factors to be considered for placing a job on the "top five" list shall include injury rates, ErgoPAL scores, lost work time rates and investment cost paybacks. The LEO will work aggressively to find practical, feasible, economical solutions to the "top five" list. In the event that a Local Ergonomics Committee believes that a facility is not making proper technical resources from the plant available, it should raise the issue with the LEPC. If not resolved, the matter should be referred to the National Employee Participation Council (NEPC) for immediate resolution.

(E) Ergonomic Support Equipment

Seats, chairs and mats are considered appropriate solutions to control ergonomic risk factors. The Corporation agrees that it will not remove ergonomic support equipment that is currently in use for ergonomic reasons without mutual agreement with the Local Ergonomics Committee.

(F) Program Management

The Corporation will continue to support a medical management program for early detection, treatment and placement of employees with musculoskeletal disorders (MSD's).

The NJC will continue to review and, when necessary, revise audit procedures in an effort to ensure the effectiveness of the ergonomic process. The NJC will also review periodic reports of the occurrence of cumulative trauma from all UAW represented facilities. Problems arising regarding the proper functioning of Local Ergonomics Committees may be referred to the NJC for review and resolution by appropriate Corporate and Union representatives.

The NJC will continue to develop and sponsor an annual conference, subject to the Joint Activities Board approval, for all designated Local Ergonomics Committee members to disseminate information about state-of-the-art application, to review project funding procedures and other ergonomic administrative matters and to share information on successful local ergonomics projects.

Acceptable new methods of employee training, medical evaluation, and Ergonomics Committee training will be evaluated and implemented by the NJC, as appropriate, to assure efficient control of MSD's.

New workable ergonomic concepts, including specific technical information, will be distributed by the NJC to all UAW-represented plants. A video library of corrective actions taken regarding ergonomic problem areas, by various DaimlerChrysler facilities with documentation for dissemination to facilities will be maintained at the National Training Center.

The parties recognized that ergonomic activities are being conducted at many DaimlerChrysler facilities, including ergonomics committees established during the previous agreements. It is not the intent of the parties to reduce any currently existing efforts in ergonomics.

This procedure shall not preclude the filing of a Health and Safety Grievance at Step 1 of the Grievance Procedure.

The parties are hopeful that by providing these resources, positive gains in employee morale, injury rates, quality and costs will be realized.

IX. Energy Lockout/Energy Control Program

It is recognized by both parties that an effective energy lockout/energy control program as required by the Corporation's mandatory safety Manufacturing Technical Instruction "Procedure for Neutralizing and Locking Out Energy Sources for Machinery Equipment and Facility Services" can only be implemented at the plant level. In order to

remain effective, this program must be reviewed and reemphasized.

In that context, within ninety (90) days following ratification of the Agreement, the written program will be reviewed by the Local Committee and the Plant Shop Committee to assure compliance with government regulations and applicable Corporate instructions. It is understood that the Committees will discuss the program and, as deemed necessary, make recommendations to improve upon it. This program shall then be reviewed and signed by the Co-Chairs of the LEPC, and submitted to the NJC. This is to ensure that each plant has an effective energy lockout/energy control program.

X. Improvement of Medical and Industrial Hygiene Services

(A) Industrial Hygiene Monitoring

The Corporation is committed to improving the services provided by its industrial hygiene staff. This will include the regular monitoring of employee exposures to regulated and/or hazardous workplace air contaminants and measurement of ventilation system functioning at operations with a potential for hazardous exposures.

(B) Consultants

The Corporation reserves the right to select and hire appropriate consultants for health and safety services. The Union will be informed in advance and be provided an account based on specific legitimate requests regarding qualifications of the Consultant(s) engaged by the Corporation to

provide services. The Union may recommend consultants for Management's consideration. Included in such recommendation should be an account of the qualifications of the consultants recommended by the Union.

The Local Health and Safety Committee will be informed regarding the engagement of consultants to provide industrial hygiene and safety services. Qualifications of such consultants will be provided upon request. Reports prepared by such consultants will be provided to the Local Health and Safety Committee.

(C) Medical Visit Data

Plants have designed and used various systems to collect information regarding visits to the plant medical department. These systems were designed to be planning tools for internal use by plant medical departments only. Summary reports of this data will be made available to the Local Health and Safety Committee as now maintained. In addition, a protocol for reporting on tests given to identify effects of workplace exposures will be developed and implemented. Because of the variance in data collection methods and systems, the data may not be useful for comparative purposes.

(D) Air Sampling Plan

Management in conjunction with the Local Joint Health and Safety Committee, will assess the need and, where required, a facility will develop and implement an air sampling plan. Guidance in the preparation of such plans will be provided by the National Joint Committee. Reports of industrial hygiene and noise measurement surveys will be

provided to the Local Health and Safety Committee.

(E) Chemical Hazards & Permissible Exposure Limits

The NJC will regularly review established permissible exposure limits in light of available scientific evidence to determine if change is required. The Corporation agrees to discuss limits lower than OSHA Permissible Exposure Limits, where necessary, taking into consideration such things as OSHA proposals, NIOSH recommendations, ACGIH TLV's, consensus standard recommendations and other validated and consensed scientific evidence as well as technical and economic feasibility. During the 2003 Agreement, the Corporation agrees to discuss limits for carbon monoxide, diesel exhaust, a number of solvents, mineral dusts, wood dust and sulfuric acid. In addition, special emphasis on chemical control programs will be established for cutting fluids and foundry work.

(F) Surveys and Audits

The Corporation agrees to arrange for regular surveys and audits of each plant by the Corporation's Industrial Health and Safety Staff and provide special surveys at the request of either plant management or the International Union. Such survey and audits reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the Union member of the Local Committee. The Union member of the Local Committee shall be allowed to accompany health and safety specialists whenever hired by the Corporation to perform the functions

normally performed by the Corporation's Industrial Health and Safety Staff. Such specialists' reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the Union member of the Local Committee.

(G) Full Chemical Formulas

The Corporation agrees to explore in National Committee meetings methods to improve communications between DaimlerChrysler and the UAW in health and safety areas. Initial efforts shall be directed at obtaining from suppliers full chemical formulations on a non-confidential basis and determining the feasibility of providing the information on Hazard Communication Sheets.

(H) Identity of Materials

The Corporation shall disclose and submit in writing to the National Committee and the Local Committees in a timely manner the identity of any known potentially harmful chemicals or materials to which employees are exposed. Such information shall also contain a description of the remedies, antidotes, and protective measures for such chemicals.

(I) Medical Services

The Corporation agrees to provide competent staff and medical facilities adequate to implement its obligation as outlined in (J), (K) and (L) below.

(J) Access to Medical Exams

The Medical Staff shall provide to employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations, at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

(K) Employee Access to Medical Test Results

The Medical Staff shall provide to each employee or their physician, upon written request of the employee, a complete report of the results of any such test or examination given to them, including the results in those instances where it is determined that an employee had a personal exposure exceeding the permissible levels set forth in 29CFR-1910.1000, Air Contaminants.

Provide upon request to the International Union, a copy of such reports after receipt of the employee's written permission to do so.

(L) Medical Operations

The Corporation has coordinated healthcare services in order to achieve optimal quality care delivered in a cost effective manner. Great emphasis has been placed on internal medical departments continuing to meet local, state, and federal regulations. Guidelines set forth by nationally recognized medical organizations such as the American College of Environmental and Occupational Medicine (ACOEM), the American

Association of Occupational Health Nurses (AAOHN), and the American Medical Association (AMA) are also reviewed for applicability in our delivery models.

In the event there are issues regarding the quality of medical care at a particular facility, the issue should be immediately addressed to the Corporate Medical Operations. If unresolved, it should be referred to the NJC for discussion at its next meeting.

XI. New Equipment Review

The Corporation agrees to, as early as possible in the planning process, involve the Local Committees in the joint review of new plant layouts, new manufacturing equipment and major process changes where employee health or safety may be affected. The Local Joint Committee may be required to travel to vendors, plants or other locations to review such equipment and/or processes. The NJC will oversee development and administration of training regarding design-in-safety for the Local Committee. The training will include informational material, guidelines, standards and checklists. In addition, management will periodically review with the International Union the introduction of new technology and/or chemicals at DaimlerChrysler where employee health or safety may be affected.

XII. Preventive Maintenance

Within two (2) weeks of the effective date of the new Collective Bargaining Agreement, the Company will prepare a letter for distribution to all locations that stresses the need and importance of established preventive maintenance programs with

regard to safety-related items and ventilation systems. An updated written program will be reviewed and signed by the Co-Chairs of the LEPC annually at a monthly safety review board meeting. The signed program will then be submitted to the NJC for review.

XIII. Emergency Response

Each facility shall have an emergency response plan that addresses the facility's response to health and safety emergencies. In conjunction with the emergency plan, where appropriate, emergency response training and associated equipment will be provided.

XIV. Refusal of Hazardous Work

A worker who has a reasonable belief that their work assignment may result in serious physical injury, including illness, may immediately notify supervision. Failing resolution, the issue may be discussed with their union representative.

Should technical consultation be necessary, the Local Committee will be notified to respond. In line with this Memorandum of Understanding on Health and Safety, upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with Section (23) of the Grievance Procedure.

XV. Working Alone

It is the policy of the Corporation with respect to the assignment of employees to work in isolated

areas that when such assignments are recognized as potentially hazardous, appropriate precautions are taken. Such precautions include providing air sampling and ventilation when necessary, necessary protective equipment, a reliable communication system, including as needed, electronic communication devices, appropriate personnel surveillance arrangements and, as required, adequate support personnel. This will not change or restrict any mutually satisfactory local practice. Problems with any of the above items, which cannot be easily resolved, shall be referred to the Local Committee for disposition.

XVI. Hands Out of Point of Operation

The ultimate objective of the Corporation is to eliminate through engineering and process development the need for operators to expose their hands to the dies in a power press or similar equipment. Where the need continues to exist, appropriate safe-guards are employed, such as hand tools, brake monitors, safety blocks, sensing devices, lock-out procedures, mechanical interlocks, guarding, and dual controls.

XVII. Personal Protective Equipment and Safety Glasses

(A) The Corporation agrees to provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.

(B) The Corporation will provide prescription safety glasses to seniority employees working on a job or in an area where eye protection is a company requirement provided the employee furnishes a prescription from their own doctor or optometrist.

The Corporation will replace such glasses if damaged by a cause attributable to the employee's employment or if the employee presents a new and different prescription from their doctor or optometrist. The Corporation will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

The parties agree that a 100% Eye Safety Program in certain plants and areas is desirable and the union will support the implementation of such a program. Therefore, the Local Committee will develop and recommend a mutually agreeable eye protection program.

XVIII. Powered Industrial Vehicles

During these negotiations, the parties discussed at length better workplace design and pedestrian safety. The parties agreed to continue current practices regarding powered industrial vehicles. The NJC will explore new methods that would improve jointly developed programs in these areas.

XIX. Inspections and Grievances

The Chief Steward in each district of each plant, and/or the appropriate member of the Plant Shop Committee for such district, will conduct a weekly tour to determine whether safe, healthful and sanitary conditions are being maintained. The Union Representative shall report to the Local Committee any conditions which they believe to be in need of correction which they have not been able to get corrected through discussions with Management in their district.

The Union member of the Local Committee will conduct an investigation of those matters contained in such reports. Those matters not resolved as a result of such investigation may be placed on the agenda of the regular conference between the Plant Shop Committee and the Labor Relations Supervisor and discussed at its next scheduled meeting or, in those situations the Union member of the Local Committee deems urgent, be referred directly to the National Committee.

This procedure shall not preclude the filing of a Health and Safety Grievance at Step 1 of the Grievance Procedure. The primary responsibility of resolving differences involving health and safety matters remains with the plant supervision and the Local Union representatives.

Grievances arising under these provisions shall not be in the jurisdiction of the Appeal Board.

XXI International Union Access and Confidentiality

The Corporation agrees to:

(A) Provide access, upon reasonable notice, to all Corporation plants and locations to health and safety representatives of the International Union. Reports on such surveys will be provided to the Corporation.

(B) Provide to the Union member of the Local Committee and to the National Committee prompt notification of fatalities and serious accidents. Upon making proper arrangements, immediate investigation may be made of such events by the

International Union's health and safety professionals upon request.

The Union agrees to maintain in a confidential manner any statistical data or proprietary information supplied to it under the terms of this Memorandum of Understanding.

XXII Employee Rights

Nothing herein shall be construed to restrict any employee's rights under Section 502 of the National Labor Relations Act, as amended by the Labor Management Relations Act, 1947.

XXIII Liability

In our Health and Safety initiative, nothing in our agreements, booklets, manuals, and joint programs is intended nor should it be taken to impose upon the International Union, Local Unions, Union Health and Safety Committee and Union Officials, employees or agents, a legal or financial liability for either the health and safety of DaimlerChrysler Corporation employees or for work connected injuries, disabilities, diseases or related losses incurred by employees of DaimlerChrysler Corporation or its subsidiaries or by third parties while on the property of DaimlerChrysler Corporation.

Dated and signed at Auburn Hills, Michigan,
this day of September 29, 2003.

INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

M-4

MEMORANDUM OF UNDERSTANDING ON PLANT CLOSINGS

This Memorandum of Understanding supplements the National Production and Maintenance Agreement and the National Parts Depot Agreement between DaimlerChrysler Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and certain of its Local Unions, both dated October 14, 1996 as follows:

WHEREAS, the Corporation and the Union wish to provide work opportunity to employees laid off as a result of the phasing-out of operations prior to a plant closing and those laid off as the result of the closing itself and

WHEREAS, due to the plant closing such laid off employees have no recall rights to any Corporation plant.

NOW, THEREFORE, it is hereby agreed that effective and concurrent with the National Production and Maintenance Agreement and the National Parts Depot Agreement.

I

Laid off employees of a plant the Corporation has announced its intention to close or has closed who are working at another Corporation plant pursuant to Section (64) shall be credited at such plant with the same seniority date they had at the closed plant as openings created by reason of the death, retirement, discharge or quit of employees (hereinafter called "attritional openings") occur in the plant at which they are working, and their seniority at all other plants shall terminate.

II

Employees laid off from a plant the Corporation has announced its intention to close and who are not expected to be recalled due to the closing will be placed on a list in the order of their seniority at the closed plant. As work they are qualified to do becomes available at other plants of the Corporation in the United States as a result of attritional openings, employees on the list will be eligible for placement in such jobs insofar as reasonably practicable in the order of their seniority at the closed plant.

Such employees will be placed at the new plant with the seniority they had at the closed plant, and their seniority at all other plants shall terminate.

An employee placed pursuant to this Paragraph II will be placed only when his seniority is greater

than the seniority of a laid off employee of the plant in which the attritional opening occurs and who otherwise would be recalled to the attritional opening.

III

Employees placed pursuant to Paragraphs I and II, above, in a new plant of the Corporation within twelve (12) calendar months of the date it ships its first production will be credited at such plant with their full seniority at the closed plant at the time of their placement.

IV

Employees who decline an opportunity to be placed pursuant to Paragraphs II or III above, shall be removed from the list and thereafter shall be ineligible for placement pursuant to the terms of this Memorandum but shall remain eligible for placement pursuant to Section (64) of the respective agreements.

V

The Corporation shall not incur any liability for claimed violations or errors in administration of this Memorandum, and employees will not accumulate seniority or other rights by reason of this Memorandum.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

MEMORANDUM OF UNDERSTANDING UNION DUES DEDUCTIONS

This Memorandum of Understanding dated September 27, 1999 between DAIMLERCHRYSLER CORPORATION (hereinafter referred to as the "Corporation") and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW (hereinafter referred to as the "Union") supplements the Production, Maintenance and Parts Depot Agreement dated September 27, 1999.

WHEREAS, the Corporation and the Union wish to set forth certain understandings with respect to the deduction and remittance of Union membership dues (which term, as used herein, shall include, where appropriate, Union initiation fees);

NOW THEREFORE, pursuant to Section (12) of the above-mentioned Production and Maintenance Agreement and the corresponding section of the Parts Depot Agreement, it is hereby agreed as follows:

(1) DELIVERY OF EXECUTED FORM. A properly executed Authorization for Check-Off of Dues form for each employee for whom Union membership dues are to be deducted hereunder shall be delivered to the Employment Office at the employee's plant before any payroll deductions are made, except as to employees whose Authorizations have heretofore been so delivered, and those whose Authorizations appear in their

"Enrollment Form." The Plant Management shall notify the designated financial officer of the Local Union of the identity of the Employment Supervisor or his designated representative to whom such Authorization for Check-Off of Dues forms are to be delivered. Deductions shall be made thereafter only under Authorization for Check-Off of Dues forms which have been properly executed and are in effect. Any Authorization for Check-Off of Dues which is improperly executed or in error will be returned to the designated financial officer of the Local Union by the Plant Management.

(2) TIME OF DEDUCTIONS.

(a) Check-Off deductions under all properly executed Authorization for Check-Off of Dues forms that have been delivered to the respective Local Managements on or before the ratification of the above-mentioned Production and Maintenance Agreement and the Parts Depot Agreement shall begin with the month following the month in which said Agreements are ratified.

(b) Thereafter, if, on or before the tenth (10th) day of each succeeding month, the Plant Management receives any additional properly executed Authorization for Check-Off of Dues forms, Union membership dues then due and owing shall be deducted in the current calendar month. If Union membership dues and initiation fees which are due and owing for the initial month are not deducted in that month, such dues and initiation fees shall be deducted in the following month, provided the employee has sufficient net earnings to cover such deduction.

(3) PAY PERIODS IN WHICH DEDUCTIONS ARE MADE.

(a) After receipt of the Authorization for Check-Off of Dues form, Union membership dues, if any, for the current calendar month shall be deducted from the pay received by the employee for the first pay period ending in the calendar month. If an employee does not have sufficient net earnings in the first pay period ending in the month, a Union membership dues deduction shall be made in the next subsequent pay period ending in the month in which the employee has sufficient net earnings to cover such deduction.

(b) Union membership dues deductions shall be made, as provided herein, for employees who return to work after absences of less than one (1) year, provided they previously have properly executed Authorization for Check-Off of Dues forms that remain in effect at the plant. New Authorization for Check-Off of Dues forms shall be furnished with respect to employees (i) who are absent from work in the plant for a period of one (1) year or more or (ii) who are employed in a plant represented by a Local Union other than the one to which they previously tendered Union membership dues.

(4) OTHER DUES DEDUCTIONS. If an employee does not have sufficient net earnings in a pay period in a calendar month for the deduction of dues as provided in Paragraph (3) of this Memorandum of Understanding, such dues will be deducted in a later calendar month, provided the employee has sufficient net earnings after all other authorized deductions to cover the Union membership dues, and provided the designated financial officer of the Local Union gives notice in writing, by the tenth day of the month in which the

deduction is to be made, to the designated representative in the Plant Personnel Department specifying the employee, the employee's Social Security number, the amount to be deducted and the month or months for which the deductions are to be made. In the event an employee is laid off and does not have regular dues deducted in any pay period ending in a calendar month, Union membership dues deductions in the amount of one (1) hour straight time pay or such other amount as may be established as dues for each such employee will be deducted from the first Regular Supplemental Unemployment Benefit check issued to such employee in the following month and in each succeeding month following a month in which regular dues were not deducted. Dues deductions pursuant to this paragraph will be made only if there is for each employee a properly executed Authorization for Check-Off of Dues form in effect for the month or months for which and in which said deduction is to be made. No dues deduction under this Paragraph shall be made for any month more than twelve (12) months prior to the month in which the designated financial officer of the Local Union gives notice in writing.

(5) REFUNDS. In cases where a deduction is made that duplicates a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union Constitution and Bylaws, the Authorization for Check-Off of Dues form, applicable statutes, or the terms of this Memorandum of Understanding, refunds to the employee will be made by the Local Union.

(6) REMITTANCE OF DUES TO FINANCIAL OFFICER.

(a) Deductions made in the first pay period, together with the deductions made in the second, third and succeeding pay periods ending in the preceding calendar month, shall be remitted to the designated financial officer of the Local Union by the twenty-fifth day of that calendar month; provided, that in the event the twenty-fifth day of a calendar month falls on a Saturday or Sunday, remittance will be made on the Friday preceding such twenty-fifth day of the month. At the beginning of each month the Corporation will furnish to the designated financial officer of the Local Union a list of the names and addresses of those employees for whom the Union has submitted properly executed Authorization for Check-Off of Dues forms showing the employees for whom Union membership dues deductions have and have not been made in pay periods beginning with the second pay period in the prior month through the first pay period in the current month, and that have not therefore been reported and showing the total number of months of dues deductions on the list.

(b) If, upon examination of the list, the designated financial officer of the Local Union believes that properly executed Authorization for Check-Off of Dues forms were furnished on behalf of employees whose names do not appear thereon, the designated financial officer may submit the names of those employees by letter to the plant Personnel Department, together with a request that Union membership dues deductions for the applicable month be made with respect to those employees, and if the employees have properly executed such forms the deductions shall be made in the succeeding deduction period.

(7) TERMINATION OF CHECK-OFF. An employee who loses seniority for any one of the reasons specified in Section (49) of the Production and Maintenance Agreement or the corresponding Section of the Parts Depot Agreement or who is transferred to work outside the bargaining unit before the pay period from which Union membership deductions are made, shall cease to be subject to Check-Off deductions beginning with the month in which the loss of seniority or transfer took place. An employee who loses seniority as provided herein, or who is transferred to work outside the bargaining unit, during or after the pay period as to which Union membership dues deductions are made shall cease to be subject to Check-Off deductions beginning with the month immediately following the month in which the loss of seniority or transfer took place. The designated financial officer of the Local Union will be notified by Management of the names of such employees following the end of each month in which the event took place.

(8) DISPUTES CONCERNING CHECK-OFF. Any dispute which may arise as to whether or not an employee properly executed or properly revoked an Authorization for Check-Off of Dues form, shall be reviewed with the employee by a representative designated by the Local Union and a representative designated by the Local Management. Should this review not dispose of the matter, the dispute may be referred to the Appeal Board, whose decision shall be final and binding on the employee, the Union and the Corporation. Until the matter is disposed of, no further deductions shall be made.

(9) LIMIT OF CORPORATION'S LIABILITY. The Corporation shall not be liable to the International Union or its locals by reason of the requirements of the Production and Maintenance Agreement, the Parts Depot Agreement or this Memorandum of Understanding for the remittance or payment of any sum other than that constituting actual deductions made from wages or salaries earned by employees or from Regular Supplemental Unemployment Benefits payable to employees.

(10) LIST OF MEMBERS PAYING DUES DIRECTLY. The Local Union will furnish Local Management, within fifteen (15) days after the effective date of the Production and Maintenance Agreement and the Parts Depot Agreement and thereafter the names of all members paying dues directly to the Local Unions.

(11) LIMIT ON INITIATION FEE. The initiation fee for membership in the Union shall not exceed the limits the Constitution of the International Union prescribes at the time the employee becomes a member.

(12) DISPUTES CONCERNING MEMBERSHIP. Any dispute arising as to an employee's membership in the Union shall be reviewed by a representative designated by the Local Management and a representative designated by the Local Union, and if not resolved may be decided by the Appeal Board through the grievance procedure.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

Jack Laskowski

DAIMLERCHRYSLER CORPORATION

T. Gallagher

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MEMORANDUM OF UNDERSTANDING COLA FOLD-IN

Effective the beginning of the first pay period following receipt by the Corporation from the International Union of written Notice of Ratification of the applicable agreements, and in accordance with the terms of the Settlement Agreement, two dollars (\$2.00) shall be added to the base hourly rates of non-incentive employees and to the minimum and maximum base hourly rate for each such employee's classification and, in the case of incentive employees, to the incentive earned rate and shall not be taken into account for purposes of incentive calculation. An equal amount of two dollars (\$2.00) shall be deducted from the two dollars and five cents (\$2.05) Cost-of-Living Allowance that was in effect on September 29, 2003, and thereafter the allowance shall be computed in accordance with Subsection (c), of Section (109) of the Agreement covering Production, Maintenance and Parts employees.

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MEMORANDUM OF UNDERSTANDING EMPLOYMENT SECURITY SYSTEM (ESS) PROGRAM

The Corporation and the Union are committed to enhancing the job security of DaimlerChrysler Corporation employees. The parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness.

Accordingly, the parties have agreed to this ESS Program, and have pledged to work together, consistent with this Program and other provisions of the National Agreements, to enhance the Corporation's competitive position.

The cornerstone of the ESS Program is a commitment to certain pre-determined base employment levels (BELs), a series of BEL Benchmark Minimums, and protection against indefinite layoff for eligible employees as expressly provided herein.

I. SCOPE OF THE PROGRAM

Base Employment Levels

(A) Base Employment Levels (BELs) (i.e., numbers of eligible employees or positions covered by this Program as defined herein) initially shall be established as of the Effective Date for each Unit as listed in the Index of Units contained in the Production and Maintenance and Parts Depot Agreements.

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Separate Unit BELs shall be established for non-skilled and skilled employees. The transfer of an employee between a skilled and non-skilled unit will cause the Unit BEL for the unit receiving the employee to increase and the other to decrease unless the movement occurred to satisfy the BEL Benchmark Minimum, in which case the Unit BELs will remain the same in each unit.

The 1999 initial BEL for each Unit was determined as being equal to the sum of 1) the number of active employees with one or more years seniority at work and on roll in the Unit, on the Effective Date; 2) the number of active employees with less than one (1) year of seniority occupying BEL slots on the Effective Date; and 3) the number of unfilled new hire obligations as of the Effective Date due to application of the outsourcing/new hire provisions of the 1996 Agreement (Article II (B) 2.c.) . Such active employees will be BEL eligible and the term active employee will include an employee at work as well as an employee not at work who is:

- 1) on vacation,
- 2) receiving paid absence allowance,
- 3) receiving bereavement pay,
- 4) on jury duty,
- 5) on leave of absence of ninety (90) days duration,
- 6) on temporary layoff, and
- 7) any other employee having a direct attachment to the active workforce.

BEL Benchmark Minimums

(B) A series of BEL Benchmark Minimums will be established for each Unit effective September 30, 2003 equal to 90% of the Unit's Initial Base

Employment Level (BEL) as of the Effective Date of the 1999-03 Agreement. These newly established Benchmark Minimums will then remain fixed for the duration of the new Agreement, except for other adjustments (e.g. operations transfers) required under the 1999-2003 Agreement

Covered Events

(C) A covered event hereunder is any event that, absent the protection provided herein, would cause the layoff of one or more BEL eligible active employees for any reason except those actions or events specified in Section (D) below.

The obligation to provide benefits hereunder shall not arise unless one (1) or more covered events would otherwise result in a reduction or further reduction, during the term of this Agreement, in the number of BEL eligible active employees.

Excluded Events

(D) No employee will be laid off during the term of this Agreement except for the following reasons:

1) volume related declines attributable to market related conditions as described in Letter (126), ESS Program - Volume Related Layoffs - BEL, not to exceed forty-eight (48) weeks (inclusive of vacation shutdown weeks except for shutdowns taken during periods of model change over or plant rearrangement) over the term of this Memorandum of Understanding;

2) acts of God or other such reasons beyond the control of the Corporation;

3) the sale of a part of the Corporation's operations as an ongoing business;

4) where the employee has been recalled or reassigned to fill an opening known in advance to be temporary; or

5) model change or plant rearrangement until the employee otherwise would have been recalled.

An employee impacted by any of the above reasons is, if otherwise eligible, covered by the appropriate Supplemental Agreements which are attached to the National Agreement as Exhibits.

(E) The number of employees Protected by this ESS Program will be the equivalent of the employees within the BEL who would otherwise have been laid off as a result of any event other than those described in paragraph I(D).

II. ADJUSTMENTS TO THE BEL - ELIGIBILITY

Following the initial determination of a Unit BEL, it will be adjusted as follows:

(A) An employee shall become BEL-eligible for any of the following reasons, at which point the Unit BEL will be increased by one (1) position for each such employee: (1) an employee in the active workforce, as defined by Paragraph I(A) who had less than one (1) year seniority on the Effective Date who subsequently attains one (1) year of seniority; (2) an employee with one (1) or more years seniority who is recalled, except if recalled to

satisfy the BEL, and who is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the Effective Date; (3) an employee with less than one (1) year seniority is recalled, except if recalled to satisfy the BEL, who subsequently attains one (1) year seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the Effective Date; (4) an employee newly hired/rehired after the Effective Date who attains three (3) years seniority; (5) an employee deemed to be eligible, recalled or newly hired in order to satisfy a BEL Benchmark Minimum. Notwithstanding the above, the National Job Security, Operational Effectiveness and Sourcing (JSOES) Committee is authorized to establish special mechanisms, including BEL eligibility provisions, for the purpose of attracting new work.

(B) The Unit BEL will be reduced for the attrition of eligible employees who quit, retire or die.

(C) Unit BELs will be adjusted in the event of a transfer of operations or consolidations between Units on a one-for-one basis by reducing the sending Unit's BEL and increasing the receiving Unit's BELs by the corresponding number of jobs involved in the transaction. Similarly, corresponding adjustments will also be made to the BEL Benchmark Minimums of each affected Unit.

(D) Each employee who leaves the bargaining unit for a permanent salaried position will be replaced immediately with no effect on the Unit BEL. For each salaried employee returning to the bargaining unit, the Unit BEL will be increased by

one (1). The transfer of an employee between non-skilled/skilled and salaried will cause the Unit BEL for the bargaining unit receiving the employee to increase and the other to decrease.

(E) BEL-eligible employees off roll will maintain their eligibility upon reinstatement.

(F) Notwithstanding the above, BEL Benchmark Minimums will not be established for a facility determined to be closing.

(G) BEL Benchmark Reviews/Actions

1. Following the last pay ending of each month and within ten (10) working days of the following month (BEL Benchmark Review), the number of BEL-eligible employees in each Unit shall be compared to the Unit's corresponding BEL Benchmark Minimum. Adjustments will be made consistent with the provisions of this Memorandum, and attrition replacement obligations will be fulfilled as set forth below.

2. When the number of BEL-eligible employees exceeds the Benchmark Minimum, attrition will be replaced on a one-for-two basis by recalling employees on layoff in accordance with the procedure described in Section (3)(b) below.

3. When the number of BEL-eligible employees would otherwise fall below the Benchmark Minimum, attrition will be replaced on a one-for-one basis by the following actions in order to maintain eligible employment at the Benchmark Minimum:

a. First, by allowing an ineligible active seniority employee at the affected facility to become eligible.

b. Second, by recalling employees on layoff from that facility, and employees on Return to Home Plant. Next, the highest seniority volunteer on the combined Labor Market Area List would be called, in accordance with Section III(D). If there are no employees on that list, the employee with the highest seniority between the Out of Labor Market Area List and the Return to Former Labor Market Area List would fill the opening on a voluntary basis.

c. Or third, by hiring new employees up to the net number of jobs outsourced minus those insourced (as defined in MOU-1 of the Agreement and determined by the National Committee) subsequent to the Effective Date. Such positions will be filled on a Unit BEL basis no later than ninety (90) days following the BEL Benchmark Review, except when the affected Unit is encountering market-driven, volume-related layoffs or has employees in protected status for reasons other than sourcing actions.

4. Notwithstanding the above, the net outsourcing/new hire obligation provided in Section (3)(c) above shall be activated earlier than required therein if and when the number of BEL-eligible employees is less than the greater of: (1) the BEL Benchmark Minimum for the quarter; or (2) 90% of the Unit's Snapshot BEL under the 1999 Agreement.

5. If, after fulfilling the above requirements, subsequent attritions would cause the number of BEL-eligible employees to fall below the Unit's Benchmark Minimum, attrition will be replaced on the following basis:

a. When the number of BEL-eligible employees is greater than 90% but less than 100%

of the Benchmark Minimum, one (1) new employee will be hired for each three (3) attritions.

b. When the number of BEL-eligible employees is greater than 80% but less than 90% of the Benchmark Minimum, one (1) new employee will be hired for each two (2) attritions.

c. When the number of BEL-eligible employees is below 80% of the Benchmark Minimum, one (1) new employee will be hired for each one (1) attrition.

d. Such positions will be filled on a Unit BEL basis no later than ninety (90) days following the BEL Benchmark Review, except when the affected unit is encountering market-driven volume-related layoffs or has employees in protected status for reasons other than sourcing actions.

6. Employees recalled, hired or rehired to fulfill the above obligations may be assigned within their Unit at Management's discretion, subject to applicable seniority provisions of the Agreement.

In the event there are any new hire obligations that remain unfilled 120 days after the BEL Benchmark Review upon which they were established, including new hire obligations carried forward from the 1999-03 Agreement, they shall be filled at the direction of the Vice President - Director of the UAW DaimlerChrysler Department, the Senior Vice President-Employee Relations, DaimlerChrysler Corporation, and the National Committee. The parties will jointly determine how, where and when these obligations are to be fulfilled, taking into account the current and future hiring requirements of the affected Unit and other Units, the cyclical nature of demand in the industry, the timing of product plans and insourcing actions, and a joint commitment to fulfill these obligations as expeditiously as possible.

7. In the event new hire obligations are fulfilled through the placement of new employees at a Unit other than the one at which the obligations were created, BELs for the respective Units will be adjusted on a one-for-one basis, by reducing the BEL at the Unit where the openings occurred by the number of new hire fulfillments and correspondingly increasing the BEL(s) at the Unit(s) where the new hires were placed. Similarly, offsetting adjustments will also be made to the BEL Benchmark Minimums of each affected Unit.

If the BEL number results in less than a whole number, the Engineering Method of Rounding will be used to determine the BEL.

III. PROTECTED EMPLOYEES

(A) If an event, other than those described in I(D), would otherwise cause the number of BEL eligible employees to be laid off, the employees so Protected, as provided for in I(C), will be placed on Protected employee status after application of the seniority provisions of the National and Local Seniority Agreements.

(B) The parties recognize that covered events may occur during the course of this Agreement that will cause the number of BEL Protected employees to exceed the Corporation's production requirements. The parties recognize further that the scope of this program requires flexibility with regard to the assignment of such employees.

(C) In this regard, the Local Job Security, Operational Effectiveness and Sourcing Committee will ensure that assignments are made on a basis consistent with the seniority provisions of the

Collective Bargaining Agreement and local seniority agreement, while also meeting plant needs, minimizing workforce disruption and enhancing the personal growth and development of employees. After a decision by the Local Job Security, Operational Effectiveness and Sourcing Committee, an available Protected employee may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another employee, (3) placed in a job opening at another DaimlerChrysler Corporation-UAW plant provided there is no employee on layoff from the plant with a seniority recall entitlement to such opening, and no employee on layoff in the same Labor Market Area who would otherwise be entitled to that opening pursuant to Section (64) of the National Agreement, unless otherwise directed by the National Committee, (4) given a job assignment within or outside the bargaining unit which may be non-traditional, (5) placed in an existing opening or (6) given other assignments consistent with the purposes of this Memorandum of Understanding.

In Labor Market Area Placement

(D) The placement provisions outlined in this MOU, including Return to Home Plant and Return to Former Labor Market Area, remain in effect, irrespective of the status of the Fund. For In Labor Market Area Placement, job opportunities will be filled in seniority order from a combined list of Protected and laid off employees in the same Labor Market Area. The number of Protected employees made available for placement cannot exceed the number of employees who have been laid off for the duration of the ~~forty-eight~~ (48) week volume related layoff limit. For placement purposes, employees on the Labor Market Area List will be offered, in seniority order, the opportunity to volunteer for openings based on a canvass at time

of layoff or placement into Protected employee status. Volunteers will be placed in seniority order. Absent volunteers, the junior employee on the combined Labor Market Area List must transfer to the new location. The Unit BEL will be increased by one (1) at the location to which the employee is transferred and reduced by one (1) at the location from which the employee transferred, unless the transfer satisfied the BEL, in which case the BEL will remain the same at both locations.

Employees permanently transferred to another location may remain at the secondary location until laid off from that location, at which time they may elect options available under Letter (176) or elect to return to their "home" plant under the terms and conditions of the Memorandum of Understanding - Return to Home Plant.

A Labor Market Area is comprised of all plants within a fifty (50) mile radius of a given plant or larger as may be agreed upon by the National Job Security, Operational Effectiveness and Sourcing Committee.

Out of Labor Market Area employees will be offered the opportunity to volunteer. If the employee refuses the opportunity, he/she will remain at his/her facility.

(E) In the event there is an opening due to a volume increase, the highest seniority available Protected employee, seniority permitting, will be placed in this opening, unless the Local Committee determines the employee should first complete the employee's current assignment. If seniority employees are on layoff from that plant, a number of such employees, equivalent to the number of

Protected employees placed in openings due to volume increases, will be recalled from layoff. A Protected employee transferred to another DaimlerChrysler-UAW plant due to a volume increase who is subsequently laid off from the secondary plant due to a volume decrease will be returned, should he/ she so elect, to available openings at the employee's home plant, seniority permitting.

(F) A layoff caused by an event described in (D) will have no impact on the number of Protected employees, except for an employee who is Protected from a layoff attributable to a market-related volume decline in excess of forty-eight (48) weeks (inclusive of Vacation Shutdown except for Model Change or Plant Rearrangement). In such instances, those Protected employees having the least seniority will be laid off and replaced by an equivalent number of greater seniority employees who would otherwise have insufficient seniority to remain in the plant.

(G) A Protected employee will continue to receive his/her regular straight time hourly rate of pay. The regular rate of pay for an employee under an incentive plan will be the employee's average straight-time hourly earnings for the hours worked in the last four (4) pay periods immediately preceding the pay period during which he/she was determined to be Protected. In the event a Protected employee is assigned to another classification, the employee will receive the rate of pay as provided by the National Agreement.

(H) Protected employee assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for

assignments to fill openings resulting from volume increases. Experience gained from these temporary assignments will not be used to advantage such employees over other employees for selection to fill permanent vacancies, nor will such employees have seniority in the department to which they have temporarily been assigned.

(I) An employee replaced by a Protected employee will receive his/her regular straight-time hourly rate of pay, and will be returned to the same classification and job assignment upon completion of the replaced employee's assignment. The regular rate of pay for an employee under an incentive plan will be the employee's average straight-time hourly earnings for the hours worked in the last four (4) pay periods immediately preceding the pay period during which he/she is replaced by the Protected employee. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed pursuant to the applicable provisions of the local supplemental seniority agreement.

(J) If an employee would have been transferred pursuant to Sections (66) or (71) of the National Agreement or placed in an Apprentice Program were it not for participation in a training assignment provided by this Program, the employee will be so transferred upon completion of the training assignment. In the event the employee would have been selected for an Apprentice assignment the employee's date of entry will be adjusted as if the employee's assignment had not been delayed.

(K) A training assignment will be voluntary on the part of an employee being replaced by a Protected employee, unless such training is to

develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.

(L) Within the Labor Market Area, no Protected employee will be temporarily assigned to a job outside of the bargaining unit except on a voluntary basis, subject to the direction of the National Committee.

Outside the Labor Market, permanent transfers of Protected employees are voluntary. Such an employee will remain Protected at his/her facility upon refusal to transfer.

(M) A Protected employee who is permanently transferred out of the Labor Market Area in accordance with this paragraph, or if so transferred later, after being laid off, elects to return to a former location, will be eligible to receive a relocation allowance as provided in the Exhibits to the National Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated. Married applicants may initially apply for the "single employee" amount and within one (1) year the balance of the "married amount", when their families are relocated. Applicants may receive a maximum of two (2) such relocation allowance payments during the term of this National Agreement. A Protected employee temporarily transferred out of the Labor Market Area who does not change permanent residence as a result of the transfer will receive reasonable transportation and living expenses for the duration of the assignment. Any problems connected with the above may be raised with the National Committee.

(N) In the event the National Committee determines that the number of Protected employees exceeds the number of expected openings at the plant or within its Labor Market Area within the next succeeding twelve (12) months, Special Programs as set forth in Attachment A may be triggered upon prior approval of the National Committee. Thereafter, to the extent Protected employees still exceed expected openings, such employees, under the direction of the National Committee, may be transferred out of the Labor Market Area pursuant to Section III(M) above. The National Committee may also explore the extension of Attachment A to other locations to create job opportunities for excess Protected employees within the Labor Market Area.

(O) Earnings, including wages and wage related payments, received by employees while on Job Security assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected employees, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions and FICA will be charged against the maximum liability amount. Moving allowance payments and the cost of benefits provided under Attachment A of the Memorandum of Understanding will not be charged against this liability. Earnings received and the cost of benefits and other payments made on behalf of Protected employees while assigned to fill permanent job openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.

(P) Charges against the Corporation's liability will commence with the first payments made to

Protected employees and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Corporation and will be available to the Union at appropriate times.

IV. ADMINISTRATION OF THE ESS PROGRAM

The Corporation and Union agree that:

(A) At each bargaining unit covered by this National Agreement, a Local Job Security, Operational Effectiveness and Sourcing Committee will be established to administer the Program.

(B) The membership of the Committee will consist of the local Plant Manager, or the Manager's designated representative, and other representatives selected by Management; the Local Union President or the Local Union President's designated representative; and the Plant Shop Committee.

(C) The duties of the Local Committee will be:

1. Review local employee accessions and separations relative to the Unit Base Employment Level (BEL) provided for in Paragraph I(A).

2. Review the number and status of available Protected employees on a monthly basis, specifically noting the potential impact on this group of attritional and volume related events, as well as future manpower requirements.

3. Monitor the initial placement of an employee whose job is impacted by an event covered in Paragraph I(D).

4. Monitor the placement of Protected employees. In this regard consideration should be given to both the nature and duration of the assignment following the guidelines contained in this Memorandum of Understanding. Coordinate with the National Committee the placement of an employee outside the Labor Market Area as defined in Paragraph III(D).

5. Monitor permanent layoffs caused by the events described in 1(D).

6. Participate in discussions regarding sourcing decisions as outlined in the Memorandum of Understanding - Sourcing.

7. Participate in discussions regarding the introduction of new or advanced technology as provided in Letter (125), New Technology, contained in the National Agreement.

8. Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires to meet operational needs when other appropriate placement sources have been exhausted. The local parties are required to report monthly that appropriate communications have taken place; upon the request of the National Committee, the local parties may be required to provide detailed information to support their monthly joint reports.

9. Review the manpower requirements of forward product, facility and business plans.

maintaining the confidentiality of the material being evaluated.

10. Plan and coordinate the assignment of Protected employees in their home plant, and with the National Committee the relocation of such employees to other plants in or outside the Labor Market Area and the application of Special Programs to such employees and active workforce employees as described in Attachment A to this Memorandum of Understanding.

11. Design non-traditional work assignments for Protected employees where practicable both within or outside the bargaining unit.

12. Review any complaint regarding the administration of the ESS Program. Refer unresolved complaints to the National Committee utilizing the appropriate form. The National parties will limit the review of complaints to those raised, in writing, within sixty (60) days of a BEL Benchmark Review or other event giving rise to the complaint unless the time limit is waived by the National Committee. Only those matters governing the size of the, BEL-eligible population, the Unit BEL number, or the treatment of Protected employees will be subject to the Grievance Procedure. Such grievances will be filed at the Second Step of the Grievance Procedure. All other unresolved complaints will be settled expeditiously between the parties at the National level.

Disputes arising from the following matters may be submitted within fifteen (15) days of a BEL Benchmark Review to the Vice President and Director of the UAW DaimlerChrysler Department and the Senior Vice President of Employee Relations, DaimlerChrysler Corporation: (1)

market-driven, volume-related layoffs; and (2) new hire obligations required pursuant to Section II(H). If unresolved, the dispute must be appealed to the chairman of the Appeal Board within thirty (30) days of receipt of the appeal. The chairman's decision shall be final and binding on the parties, and the chairman shall have the authority to enforce such decision, including the authority to order the Corporation to hire new employees required under Section II(H).

13. Jointly coordinate appropriate local training activities, working closely with the Local Joint Skill Development and Training Committee and the National Joint Skill Development and Training Committee to ensure that quality, cost efficient training is provided and appropriate funds are secured from both within DaimlerChrysler Corporation and from external sources.

14. Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities. When required, secure necessary approvals from the bargaining unit membership and the National parties.

15. Make recommendations to the National JSOES Committee, as appropriate, regarding any aspect of the ESS Program. This may include any aspect of the contractual relationship between the Corporation and the Union that is relevant to the duties of the Local Job Security, Operational Effectiveness and Sourcing Committee.

16. Ensure that BEL funds are used solely for the purposes for which the Program provides, i.e.,

specifically documented covered events as detailed in Section I(C) of this Memorandum.

(D) A National Job Security, Operational Effectiveness and Sourcing Committee (Attachment B) will be established at the Corporation-International Union level consisting of representatives selected from the Corporation and representatives selected by the Vice President and Director of the DaimlerChrysler Department, UAW. Funding for the activities of this Committee will be provided by the UAW-DaimlerChrysler National Training Center.

(E) The National JSOES Committee will be responsible to the Senior Vice-President - Employee Relations, DaimlerChrysler Corporation, and the Vice President and Director of the DaimlerChrysler Department, UAW, and will meet periodically as required to:

1. Monitor the efforts of the Local Committees.

2. Maintain liaison with the National Joint Skill Development and Training Committee to coordinate: (a) placement efforts for Protected employees, (b) assessment and training programs and (c) funding through the Local Joint Skill Development and Training Committees. Jointly develop appropriate training efforts working closely with the Local Job Security, Operational Effectiveness and Sourcing Committees to ensure that quality, cost efficient training is provided and appropriate funds are secured from both within DaimlerChrysler Corporation and from external sources.

3. Approve Local Committee efforts to improve operational effectiveness and coordinate these actions when appropriate.

4. Coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the movement of Protected employees within or between Labor Market Areas. For example, where a permanent loss of jobs has occurred or is scheduled for a location, the parties may discuss the transfer of employees to other locations; such a transfer could be in advance of the scheduled job loss, if it could be accomplished without adversely affecting quality or operating efficiency.

5. Act on requests from Local Committees to waive, modify or change National Agreement provisions when such action would result in the preservation or increase of job opportunities. Approval of such requests will be countersigned by the Vice President and Director of the DaimlerChrysler Department, UAW and the Senior Vice President - Employee Relations, DaimlerChrysler Corporation.

6. Make periodic reports to the Union and Corporate leadership regarding the operation of the Program.

(F) The National Job Security, Operational Effectiveness and Sourcing Committee is specifically empowered to periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the term of this Memorandum.

V. FUNDING

The Corporation and International Union agree that:

Notwithstanding the commitments set forth in this Memorandum of Understanding, the Corporation's total financial liability for the cost of the ESS Program, to be calculated as agreed between the parties, shall not exceed \$451 million during the term of this Memorandum of Understanding adjusted by any amounts shifted between the ESS and SUB Funds. In the event this liability is reached, all Protected employees will be subject to layoff. Thereafter, to the extent that layoffs of such employees are required, the provisions of the National Agreement and local supplemental seniority agreements will apply and eligible employees will receive benefit treatment in accordance with the Exhibits to the National Agreement then in effect.

VI. EFFECTIVE DATE - TERMINATION DATE

The Corporation and International Union agree that:

(A) This Memorandum of Understanding will become effective at each bargaining unit covered by the 2003 National Agreement, unless otherwise excluded, as of the effective date of the Agreement.

(B) This Memorandum of Understanding shall expire with the expiration of the 2003 National Agreement.

ATTACHMENT A
MEMORANDUM OF UNDERSTANDING

The National Job Security, Operational Effectiveness and Sourcing (NJSOES) Committee may, from time to time and for specified periods, recommend the following Special Programs for designated eligible employees or may approve requests from Local Job Security, Operational Effectiveness and Sourcing (LJSOES) Committees for implementation of such Programs. Employees must apply within the application period determined by the local parties and approved by the National Job Security, Operational Effectiveness and Sourcing Committee.

SPECIAL PROGRAM #1
ESS VOLUNTARY TERMINATION OF
EMPLOYMENT PROGRAM

The ESS Voluntary Termination of Employment Program (VTEP) provides a guaranteed lump-sum benefit payment subject to the conditions and limitations contained herein. This Program is applicable to employees with at least one year of seniority who are at work on or after the effective date of the Agreement.

Description of Program Benefits

Years of Seniority as of Application Date	\$ Amount	Allocation Period (Months)
1 but less than 2	15,000	6
2 but less than 5	21,000	9
5 but less than 10	37,000	15
10 but less than 15	47,000	19
15 but less than 20	62,000	25
20 but less than 25	67,000	27
25 or more	72,000	29

The maximum gross amount of the benefit payable under this Program is \$72,000 for employees with twenty-five (25) or more years of seniority.

In no event, however, shall the amount of a VTEP payment provided under this Program exceed such amount permissible under the Employee Retirement Income Security Act of 1974 (ERISA).

An employee who accepts a VTEP payment shall be provided with basic health care coverage for a period of six (6) months dating from the end of the month in which the employee last worked.

An employee eligible for an immediate pension benefit under the DaimlerChrysler Corporation-UAW Pension Plan, at the time of his/her break in service (due to participation in a VTEP), shall upon completion of the Allocation Period and application for a pension benefit under the DaimlerChrysler Corporation-UAW Pension Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the DaimlerChrysler Corporation-UAW Pension Plan, such employees shall not be treated as deferred vested by reason of their participation in a VTEP.

VTEP PAYMENT OFFSETS

Any VTEP payment to an eligible employee will be reduced by the employee's outstanding debts to the Corporation or to the Trustees of any Corporation benefit plan or program, including any unrepaid overpayments to the employee under the SUB Plan or GIS Program, Exhibits to the National Agreement.

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EFFECT OF RECEIVING VTEP PAYMENT

An employee who accepts a VTEP payment shall (i) cease to be an employee and shall have his/her seniority broken at any and all of the Corporation's Plants or other locations as of the last day worked subsequent to the date his/her application for a VTEP payment is received ("Termination Date"), (ii) shall have canceled any eligibility the employee would otherwise have had for a Separation Payment and/or Redemption Payment, (iii) shall not be eligible to receive a special early retirement benefit under the DaimlerChrysler Corporation-UAW Pension Plan, and (iv) shall not be permitted to retire under the DaimlerChrysler Corporation-UAW Pension Plan for the number of months of the Allocation Period following the Termination Date.

An employee who receives a VTEP payment, and who is subsequently re-employed by DaimlerChrysler Corporation, will not be eligible for any future VTEP payments until the employee has five (5) or more years seniority following such re-employment. No seniority used to determine the amount of a previous VTEP payment shall be used in determining a subsequent VTEP payment.

SPECIAL PROGRAM #2 EMPLOYMENT SECURITY SYSTEM PENSION PROGRAM

GENERAL

The National Committee may recommend that the DaimlerChrysler Corporation-UAW Pension Plan be amended by letter agreement to provide a special early retirement window for any employee

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who is at work or is a Protected employee on or after November 19, 1990 and is between the ages of 55 and 61 who has ten (10) or more years of credited service under the DaimlerChrysler Corporation-UAW Pension Plan. Such retirement would provide unreduced basic benefits for the life of the retiree, temporary benefits payable in accordance with the provisions of the DaimlerChrysler Corporation - UAW Pension Plan and any supplements they may be entitled to based on the provisions of the DaimlerChrysler Corporation-UAW Pension Plan and the employee's age and credited service. The annual earnings limitation provisions of the supplements shall not be applicable to any special early retirement.

ATTACHMENT B

MEMORANDUM OF UNDERSTANDING GOALS AND OBJECTIVES OF JOB SECURITY AND OPERATIONAL EFFECTIVENESS

The Corporation and the Union recognize that quality and operating efficiency are inextricably wed to job security, and that a high level of quality and operating efficiency requires mutual respect and recognition of each other's problems and concerns. Accordingly, in addition to the Local Job Security, Operational Effectiveness and Sourcing (JSOES) Committee's responsibilities for the ESS Program and participation in discussions provided in related Letters of Understanding, each committee will focus on cooperative efforts toward our common goal to improve the effectiveness of operations and remove barriers to improvements, increase job opportunities and fully utilize the workforce. The

local committees will jointly develop a plan through an exhaustive analysis of the location's operational efficiency.

Within six months of the effective date of the Agreement each Local JSOES Committee will review with Divisional/Group Management and the International Union the overall competitiveness of the location's products and their plans indicating actions, and/or changes needed to improve quality and efficiency at their location and to stimulate job security of the existing workforce and attract new work. Such plans must then be approved by the National JSOES Committee.

The National Committee will oversee implementation and administration of these Job Security, Operational Effectiveness and Sourcing Plans. Members of the National Committee will meet jointly with Local Committees to discuss the importance of job preservation and job creation, reasons for the commitment to increase operational efficiency, suggest possible topics for consideration, and encourage good-faith efforts to develop and implement meaningful local plans.

In the event there are any hire obligations that remain unfilled 120 days after the BEL Benchmark Review including new hire obligations carried forward from the 1999-03 Agreement, the National Committee at the direction of the Vice President-Director of the UAW DaimlerChrysler Department and the Senior Vice President-Employee Relations, DaimlerChrysler Corporation, will jointly determine how, where and when these obligations are to be fulfilled, taking into account the current and future hiring requirements of the affected Unit and other Units, the cyclical nature of demand in the industry, the timing of product plans and insourcing actions.

and a joint commitment to fulfill these obligations as expeditiously as possible.

The National Committee will be available on an ongoing basis as a resource to Local Committees and will review progress at the local level at least on an annual basis.

In these efforts, it is recognized that a great deal of initiative and imagination will be required by the local parties. While not intended to limit such innovation, the following are examples of appropriate areas the local parties may address:

- 1) identification of investments in the facility or equipment necessary to improve product quality or operational effectiveness;
- 2) the establishment of a team concept and/or pay-for-knowledge wage structure;
- 3) the identification of non-labor cost savings and efficiencies;
- 4) procedures and plans to review past outsourcing and outside contracting decisions, and identify opportunities for insourcing and new business;
- 5) the examination of new forms of work organization, such as job assignments relating to Just-in-Time or other quality enhancement systems;
- 6) procedures to review supervisory staffing and support for the initiatives in this Job Security, Operational Effectiveness and Sourcing section of the ESS Program;

7) a realignment in skilled classifications to a number of appropriate basic trades to support the needs of the operation or location;

8) the implementation of skilled trades team concepts;

9) initiatives to reduce chronic absenteeism;

10) procedures for improved access by the Local Joint Committee to product plans and other information affecting employment security and operational effectiveness, assuring confidential treatment of such information;

11) the establishment of work standards on operations that fully utilize employees;

12) the examination of alternative work schedules which provide greater employment opportunities.

Efforts of the local parties to improve operational effectiveness may require change or waiver of certain agreements or practices. It is understood that any such waivers, modifications or changes would not be effective unless agreed to by the local parties involved and approved in writing by the Union Relations Staff of the Corporation and the Chrysler Department of the Union. Such changes would be effective only at the location(s) specifically designated.

MEMORANDUM OF UNDERSTANDING ABSENTEEISM

Introduction

During these negotiations, the subject of absenteeism was examined at great length and in great detail. The parties agreed that absenteeism adversely affects quality, increases operating costs, adversely affects the efficiency of operations, lowers employee morale and places an unfair burden on those employees who regularly work as scheduled. In an effort to jointly address this difficult problem, the following Absenteeism Procedure has been established.

Additionally, the parties agree to continue the National Attendance Council which shall consist of two (2) members of the International Union and two (2) members of the Corporate Union Relations Department who shall meet as often as deemed necessary or desirable, at the request of either party. The Council shall ensure that the Absenteeism Procedure set forth below is jointly communicated to all local unions and local managements and shall also monitor the application and effectiveness of the procedure. The Council is specifically empowered, during the term of the Agreement, to make mutually satisfactory adjustments in this procedure and to explore other constructive approaches to reduce absenteeism that may be implemented during the term of this Agreement.

The parties further agree that an employee will not be placed in the Absenteeism Procedure if the

employee meets the Good Record Criteria as defined below:

(i) has at least three (3) years of employment since date of hire or rehire, excluding those periods when the employee is not on the active roll, as of the date of the absence which would place the employee in the Procedure, and

(ii) has not been assessed disciplinary time off for any reason in the last three (3) years as of such date of absence, however, this requirement may be waived by the National Attendance Council where circumstances warrant, and

(iii) has had no more than an average of five (5) absences as counted in the Absenteeism Procedure in the last three (3) years as of such date of absence, and

(iv) has had no more than two (2) sick leaves in the last three (3) years as of such date of absence.

In the event a Local Union believes such employees have been placed into the Procedure and the matter cannot be resolved with the plant management, the Local Union may refer the matter in writing with supporting evidence to the National Attendance Council for resolution.

General Provisions

The parties agree to the need for a uniform, joint approach to deal with employees who breach their responsibility to attend work regularly and acknowledge the necessity for continual improvement in attendance to enhance job security

and increase the Corporation's competitiveness in the highly competitive global marketplace.

The following casual absences shall not be counted:

(i) absences excused in advance and paid eight (8) hours under the provisions of the Paid Absence Allowance Program.

(ii) absences of less than five (5) working days due to non-job related illness or injury provided the employee receives Sickness and Accident Insurance Benefits and was confined at an accredited hospital for at least one (1) day during the period of such absence. Additionally, such short-term absences incurred as a result of outpatient surgery or procedures or conditions that require emergency room treatment, if such conditions are serious and uncontrollable, shall not be counted. Satisfactory evidence of hospitalization and/or receipt of Sickness and Accident Insurance Benefits must be submitted by the employee to his/her supervisor within thirty (30) days after return to work.

(iii) unpaid absences when an employee makes a request for such absence within a reasonable period of time prior to the absence and the absence is excused in advance at the discretion of the Supervisor. Such requests for absence shall not be approved if it results in the negative impact on operating efficiency.

(iv) absences while obtaining additional surgical opinions.

(v) absences because the employee is sent home pending job placement by the Employment

Department in accordance with a temporary work restriction imposed by the plant medical department

(vi) absences due to a plant related illness or injury which the employee:

(a) reported to his supervisor before the absence or immediately upon returning to work following such absence which the employee also had notified the plant of through the established call in procedure, and

(b) reported in person to the medical department before the absence or immediately upon returning to work following such absence and the lost time is accepted by the Workers' Compensation Department as compensable. Disputes in this regard may be referred to the National Attendance Council.

(vii) absences paid in accordance with Section (81) Bereavement Pay, (82) Jury Duty, (83) Short Term Military Duty and a leave of absence for illness or injury during which S&A Benefits are paid.

(viii) additional unpaid personal time off in conjunction with an approved absence due to bereavement in accordance with the understandings set forth in Letter (178) - Additional Bereavement Provisions

(ix) absences because of one (1) or more full weeks of vacation

(x) absences because subpoenaed as a witness by a State, Federal, or Municipal Court or

by a governmental agency or legislative body with subpoena power

(xi) absences because of disciplinary time off

(xii) absences for Union Business provided a request for each period of casual absence or absences for Local Union activities is made in writing and, where possible, in advance of the absence, by the Local Union President to the Union Relations Supervisor. In proper cases, exceptions may be made upon review by the National Attendance Council.

(xiii) absences in those plants where the terms of the Memorandum of Understanding on Overtime of the National Production and Maintenance Agreement do not apply and overtime arrangements are handled in accordance with agreements and practices in effect at those plants pursuant to the letter dated September 16, 1983.

(xiv) absences due to severe weather conditions and paid Short Work Week Benefit under act of God pursuant to Letter (8) of the SUB Agreement.

(xv) absences that qualify under the Family and Medical Leave Act of 1993.

(xvi) absences because of being sent home early due to management's action.

(xvii) other extraordinary absences as determined by the National Attendance Council.

If the Plant Shop Committee Person or Local Union President promptly brings to the attention of the Union Relations Supervisor a case involving

exceptionally tragic circumstances resulting in an absence that would place an employee in the Absenteeism Procedure, the Union Relations Supervisor will remove the absence from the count of occurrences.

Disputes under this Procedure, including whether an absence should be excused or unexcused, continue to be subject to the grievance procedure.

In the event the employee is discharged, the Local Union may submit a grievance at the second step of the Grievance Procedure within seventy-two (72) hours of the discharge. If the grievance cannot be resolved and the grievance is appealed to the Appeal Board in accordance with the Grievance Procedure, the International Union, UAW may refer such grievance to the National Attendance Council who may first review the merits of the case and shall, within fifteen (15) working days of the date of its review, unless this time limit is extended by mutual consent, rescind, modify or agree with the termination. The decision of the Council is final and binding and not subject to further appeal under the collective bargaining agreement. In the event the Council cannot agree, the case shall be referred back to the Appeal Board for disposition. In the event the Appeal Board is unable to settle the case, it may be appealed to the Impartial Chairman who shall only determine whether the employee's termination is justified on the grounds the employee is an excessive absentee and was properly terminated in accordance with this Absenteeism Procedure.

Absenteeism Procedure

The Absenteeism Procedure is comprised of a two (2) step process and shall provide for nine (9) consecutive occurrences. Each absence from work of eight (8) hours or more on any scheduled work day shall be considered under this procedure.

Step 1

-- The first eight (8) consecutive occurrences would have to arise within a rolling nine (9) month period of active on-roll employment, which also excludes any disciplinary time off work in excess of five (5) days. For the purposes of determining such period, active, on-roll employment shall include absences due to a plant-related illness or injury when the lost time is accepted by the Workers' Compensation Department as compensable.

-- The first through eight consecutive occurrences are not considered to be excused or unexcused. Each absence, whether separate or consecutive, shall count as an occurrence.

Upon the fifth consecutive occurrence, a Written Warning regarding the consequences of continued absenteeism will be given to the employee.

Upon the sixth consecutive occurrence, a Final Written Warning regarding the consequences of continued absenteeism will be given to the employee.

-- Upon the seventh consecutive occurrence, the employee will be counseled regarding the consequence of continued absenteeism.

-- The eighth consecutive occurrence activates Step 2 of this procedure.
Step 2

Upon the eighth consecutive occurrence, the employee will be issued a Supervisor's Report and a thirty (30) day disciplinary layoff, consisting of thirty (30) calendar days, which must be served.

-- Following the eighth consecutive occurrence a twelve (12) month period of active on-roll employment, which also excludes any disciplinary time off in excess of five (5) days, will be established, effective immediately upon return to work from serving of the thirty (30) day penalty.

-- The ninth consecutive occurrence must arise within the new twelve (12) month period and may be either the result of one (1) unexcused absence or seven (7) excused absences.

If the employee incurs one (1) unexcused absence, the employee will be discharged.

If the employee incurs seven (7) excused absences, the employee will be issued a Supervisor's Report and a second thirty (30) day disciplinary layoff which must be served. In computing the seven (7) excused absences, each absence, whether separate or consecutive, shall count as an individual absence. Effective immediately upon return to work from serving of the second thirty (30) day penalty, a new twelve (12) month period of active on-roll employment, which also excludes any disciplinary time off in excess of five (5) days, will be established. If the employee incurs one (1) unexcused occurrence during the next twelve (12) month period, the employee will be discharged, or, if the employee incurs seven (7)

excused occurrences during the next twelve (12) month period, the matter shall be referred to the National Attendance Council for excessive absenteeism review and disposition.

-- If the employee does not incur one (1) unexcused absence or seven (7) excused absences during a corresponding twelve (12) month period, the employee will be fully recovered from the Absenteeism Procedure at the conclusion of such period.

All employees must continue to notify the plant of their absence in accordance with Section (94) of this Agreement.

The Local Union and Plant Management may develop joint programs and letters to employees stressing the need for regular attendance. This may also include emphasis on the importance of the employee's job to the efficient operation of the plant and that good attendance, although it is the employee's responsibility, is expected and appreciated by other employees, the Union and the Corporation.

Upon implementation of the new procedure, all prior understandings and policies concerning the 1999 absenteeism procedure shall be discontinued.

The National Attendance Council will review those cases where it appears that employees are abusing or circumventing the Procedure.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

MEMORANDUM OF UNDERSTANDING ON JOINT ACTIVITIES

During current negotiations, the parties discussed the challenges in the market place from both foreign and domestic competitors. There is mutual recognition that these challenges require a fundamental change to maximize the potential of our human resources. This change can occur only by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavors benefits all of the parties: the UAW through a strong and viable membership; the employees through job satisfaction and job security; and the Corporation through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of "Jointness" and to establish a facilitating mechanism to assure that the various programs related to changes in the work environment are appropriately and effectively administered.

The term "Jointness" is understood to mean that concepts for these activities be jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved;

sharing responsibility for the problem-solving process; and sharing the rewards of achieving common goals.

The parties agree that the appropriate facilitating mechanism for joint endeavors is the Joint Activities Board.

I. JOINT ACTIVITIES BOARD

It is agreed that the Co-Chairmen of the Joint Activities Board will be the Vice President of Employee Relations of DaimlerChrysler Corporation and the Vice President and Director of the DaimlerChrysler Department of the UAW. Each will appoint an equal number of persons from their respective organizations as members of the Joint Activities Board.

The Joint Activities Board will actively direct and support the UAW/DaimlerChrysler National Training Center programs to include but not limited to: Employee Assistance Program, Tuition Assistance Program, the Product Quality Improvement Program, Child/Elder Care, and other joint committees and activities as may be mutually agreed to by the Union and the Corporation.

The duties and responsibilities of the Joint Activities Board will include, but not be limited to, the following:

- A. setting policies and providing guidelines,
- B. allocating funds for projects and activities,
- C. monitoring expenditures for approved projects and activities,

D. coordinating the efforts of the National Committees referred above,

E. evaluating and auditing the ongoing performance and results of these committees, and

F. integrate joint activities with Corporate structures and business decisions,

G. keeping UAW leadership and Corporate management informed of joint Union-Management activities and the progress of the national committees in achieving their objectives, including encouraging regular meetings at group, division, and staff level to share appropriate business and joint activity information.

The Vice President of Employee Relations of DaimlerChrysler Corporation and the Vice President and Director of the DaimlerChrysler Department of the UAW will appoint an equal number of representatives from their organizations to serve on Joint National Training Committees. Additional persons external to either party may also be appointed with the mutual approval of the Co-Chairmen.

II. NATIONAL TRAINING CENTER

The National Training Center will continue at the national level and the Local Joint Training Committees will continue at the local level. This Local Joint Training Committee will be comprised of the President of the local Union, the Chairman of the Shop Committee or their representatives and the Plant Manager, the Personnel Manager or their designated representatives. The UAW Regional Director and/or his representative should be fully involved regarding local skill development and

training efforts including any action of each Local Joint Training Committee.

The objective of these joint committees is to promote the development and implementation of skill development and training activities for active and displaced employees. DaimlerChrysler Corporation and the UAW strongly encourage all employees to avail themselves of these training and development activities.

Efforts for displaced employees will be directed at securing employment within the DaimlerChrysler structure but, failing that, training and job placement efforts will be directed at finding such displaced employees comparable employment as soon as possible.

Existing Corporate training programs and functions as well as Education and Training programs developed by the UAW-International, its Regions and Locals are available to assist in carrying out the objectives of this program. It is strongly recommended that the parties at all levels draw heavily on these important assets and facilities.

III. OTHER JOINT ACTIVITIES

In addition to its previously described functions, the UAW/DaimlerChrysler National Training Center will support other joint National Committees by coordinating joint efforts, projects and the various National Committees and other joint training proposals presented by either the union or management at the direction of the Joint Activities Board by:

1. Coordinating the requests to the Joint Activities Board for funding of joint activities, studies, pilot programs, training, etc.

2. Providing professional and staff support for joint program development, implementation and administration.

3. Providing facilities as required for joint program development, implementation and administration.

4. Providing appropriate communication vehicles or information sharing processes for joint activities.

5. Providing mechanisms, facilities and staff to monitor, audit, and evaluate joint activities.

IV. FUNDING

A. National Funds

It is agreed that the Corporation will make available funding at five cents (5¢) per hour worked for use at the national level. Further, the Corporation will make available additional funding up to \$5.00 per overtime hour worked in incremental amounts in excess of five percent (5%) of straight time hours worked (calculated on a twelve month rolling average). Such additional funding will be calculated in accordance with the following incremental table:

Overtime hours as Percent of Straight Time Hours	Additional Amount Per Hour
5% or less	\$0.00
Greater than 5% thru 12%	1.25
Greater than 12% thru 13%	1.50
Greater than 13% thru 14%	2.00
Greater than 14% thru 15%	2.50
Greater than 15% thru 16%	3.00
Greater than 16% thru 17%	3.50
Greater than 17% thru 18%	4.00
Greater than 18% thru 19%	4.50
Greater than 19%	5.00

B. Reservoir and Local Funds

It is agreed that the Corporation will make available funding at ten cents (10¢) per hour worked for use either in the plants (Local Funds) or certain nationally approved projects/activities (Reservoir funds). The parties will allocate the ten cents (10¢), between Local Funds and Reservoir Funds on an as required basis over the term of the Agreement.

C. Funding Under the 1990 Agreement

It is agreed that uncommitted funding balances accrued under the 1990 National Agreement in both the five cents (5¢) per hour fund and the ten cents (10¢) per hour (Local Funds and Reservoir Funds) as of September 15, 1999 will be carried forward under the new National Agreement. Subsequent to September 15, 1999, a final reconciliation and balancing of accounts, expenditures and commitments as of September 15, 1999 will occur. Thereafter, the remaining funds will be available for the parties.

D. Government Funding

The parties have agreed to establish a joint committee with representatives from the National Training Center and the Corporation Government Affairs Office to review respective efforts in seeking funding for training from government sources. This joint committee will meet semi-annually unless otherwise required.

E. Plant Closings

In the event the Corporation announces their intent to close a UAW represented facility (including any previously announced) the following procedure will apply:

Upon the actual closing of a facility, remaining Local Joint Training funds will immediately transfer to the National Joint Training fund, except that where employees from such facility are transferred pursuant to Section (68) the National Agreement, Local Joint Funds will be transferred to the Local Training fund account of the receiving plant on a per capita basis, subject to the prior approval of the Joint Activities Board.

F. Agreement Expiration

In the event the parties should agree to discontinue, in whole or in part, this Memorandum prior to the expiration date of the new National Agreement, or upon expiration, the parties shall meet to discuss any problems arising out of the termination. After reconciliation of claims, commitments, and accruals through the expiration date of the new National Agreement, remaining National, Reservoir and Local Funds shall be disposed of in such manner as the parties shall

agree consistent with the objectives of this Memorandum.

In the event of discontinuance or expiration, any balances of Local Funds will remain with the Corporation and the Union will have no claim on such funds.

V. APPROVAL PROCESS

A. National and Reservoir Local Funds

Requests for authorization to expend National, Reservoir or Local Funds must be approved in advance by the UAW/DaimlerChrysler National Training Center and the Joint Activities Board.

B. Local Funds

Requests for authorization to expend Local Funds must first be jointly agreed to by the local parties. Where mutual agreement to request authorization to expend local funds cannot be reached, either party may appeal to the UAW/DaimlerChrysler National Training Center for resolution. In addition, all requests to lease or purchase real property or capital items must be approved in advance by the UAW/DaimlerChrysler National Training Center and the Joint Activities Board.

VI. FUNDS UTILIZATION

The National, Reservoir and Local Funds may only be used for joint endeavors in furtherance of this Memorandum of Understanding, or in support of those National Committees specified in Paragraph I above. Administrative guidelines with illustrative examples of appropriate uses of the

various funds have been jointly developed and are available at the UAW/DaimlerChrysler National Training Center.

Examples of appropriate funds utilization

A. National Funds

- National and local efforts to assist laid-off workers
- Area efforts to assist laid-off workers
- Specific projects dealing with active workers
- Tuition Assistance Program
- National Training Center
- Regional Training Center
- Joint National Studies
- Joint National Pilot programs
- Joint National Training efforts
- Joint National Agreement administration

B. Reservoir Funds

- Training of active employees when local funds have been exhausted
- Training of active employees at new, reopened or retooled plants where sufficient local funds have not been generated

C. Local Funds

- Training efforts of active employees in job-related skills, basic education enhancement, and interpersonal skills.
- Specific studies, pilots, activities, etc. agreed to by the National Parties.
- Providing training for employees where there has been a significant change in the technology.
- Providing training for employees who are assigned to new duties resulting from modified work assignment practices.
- Providing training to enhance communication and interpersonal relationship skills for local Union officials and those members of Management who are involved in the daily administration of the labor agreements.
- Providing training for employees who participate in programs and activities that are undertaken by the National Employee Participation Council.

Examples of inappropriate funds utilization

It is understood that Funds at any level may not be utilized for contractually specified training such as apprentice training nor for funding of time off the job of designated or elected UAW representatives routinely functioning in administration of the contract. In addition, funds should not be used to train employees who will be required to service newly introduced technology. however, subsequent

general training of other tradesmen on this equipment to broaden their skills is appropriate. Further, funds should not be used for the training of tradesmen to implement a newly negotiated change in classifications, however, the use of funds to freshen or update generally the skills of tradesmen is appropriate.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

The parties are specifically empowered to review and evaluate this Memorandum and the guidelines and make mutually satisfactory adjustments and modifications during the term of this Agreement.

MEMORANDUM OF UNDERSTANDING DRUG TESTING

(Return to Work from Substance Abuse
Related Medical Leave - Illegal Drugs
and Unauthorized Prescription Drugs)

During these negotiations, the Corporation and the Union discussed their firm commitment to helping employees who are affected by substance abuse problems. In particular, the parties reviewed circumstances pertaining to an employee returning to work from substance abuse related medical leave of absence who is still using illegal drugs or unauthorized prescription drugs. The parties agreed that permitting such an employee to return to the workplace jeopardizes the employee's safety and the safety of fellow employees. It also hampers the ability of the Corporation and the Union to meet today's challenges, including the ability to achieve continuous improvement in quality, safety, customer satisfaction, and operating effectiveness.

To address this problem, the parties agreed that drug testing will be included as part of physical examinations for each employee returning to work from a first substance abuse related medical leave for treatment of illegal drugs or unauthorized prescription drug use or dependency. For purposes of this Memorandum, only medical leaves occurring after the effective date of the 1996 Agreement will be considered.

Drug testing will be conducted in accordance with established Corporation practice, and the reason for conducting the test and the test results

will be strictly confidential and will be made known only to the employee, the Managed Care Program (Help-line) or the employee's Health Maintenance Organization (HMO), whichever is applicable, plant physician, and plant Employee Assistance Program (EAP) representatives having a business reason to know.

An individual who tests positive for illegal drugs or unauthorized prescription drugs will not return to work except under conditions set forth below. To facilitate recovery, the employee will be referred to the Managed Care Program (Help-line) or the employee's Health Maintenance Organization (HMO), whichever is applicable, and the Employee Assistance Program for assessment and/or follow-up. Upon meeting the objectives of the prescribed course of treatment and a negative drug test the employee may return to work, but will be subject to drug testing for the following twenty-four (24) months, it being understood that such testing will be conducted no more frequently than six (6) times in any twelve (12) month period. The decision as to when an employee must have such a drug test will be made by the plant Medical Department, and will not be a supervisory determination. If the employee subsequently tests positive for illegal drugs or unauthorized prescription drugs, the employee will not be allowed to continue work and will be placed on medical leave. Criteria for returning to work following this subsequent medical leave will be as described above.

The 1996 Letter of Understanding, Employee Assistance Program, reads in part: "Employees with alcoholism, drug dependency, emotional or personal problems will be able to seek help voluntarily without having to be concerned that their

employment status will be affected because they have sought help for such problems." This provision notwithstanding, any employee who has three (3) positive return-from-medical leave tests within any three (3) year period may return to work after the third positive test only if, in addition to meeting the criteria specified above, that employee agrees to a twelve (12) month waiver which will in part require the following:

(1) Drug testing during the period of the waiver.

(2) Termination upon a positive drug test result.

(3) No access to the grievance procedure to protest the reasonableness of any penalty, including discharge, as the result of a positive test for illegal drugs or unauthorized prescription drugs during the twelve (12) month period.

Other terms and conditions of the waiver may be determined locally by the Company and the Union.

Any employee who refuses assessment, treatment, or testing in accordance with the provisions of this Memorandum of Understanding will be treated as though the employee had tested positive.

Employees affected by the above provisions would continue to be subject to the same standards of performance and conduct expected of any other employee.

The parties will meet within thirty (30) days after ratification of this Agreement for the purpose

of modifying administrative procedures under this Memorandum.

Individuals who are subject to Department of Transportation or other legally mandated testing will be tested in accordance with specifically developed procedures in addition to the procedure set forth above. In the event of a conflict between the provisions of the Memorandum of Understanding and the Company's legal requirements, the legal requirements shall prevail.

DAIMLERCHRYSLER CORPORATION

INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

MEMORANDUM OF UNDERSTANDING RETURN TO "HOME" PLANT

The parties recognize that some employees placed pursuant to Memorandum of Understanding -Employment Security System (ESS) Program of the P&M or Parts Depot Agreements may have the desire to return to their "home" plant. The parties recognize also that, in affording such employees the opportunity to return, it is necessary to do so in a manner consistent with the maintenance of quality and efficiency in both the releasing and receiving plants. Accordingly, the purpose of this Memorandum is to provide methods and procedures and to detail the circumstances whereby eligible employees will be offered the opportunity to return to their "home" plant.

1. Eligible employees are those active employees who have been assigned to a plant other than their "home" plant or to a plant outside the Labor Market Area pursuant to the ESS Program. Eligible employees are further defined as those placed:

a. Prior to the effective date of the 1993 Agreement who were not offered an opportunity to return to their "home" plant pursuant to the provisions of this Memorandum of Understanding, or

b. Subsequent to the effective date of the 1993 Agreement and who have worked at least six (6) months at the new plant.

2. Eligible employees may file an application to return to their "home" plant at the Employment Office on or after their anniversary of the sixth (6th) month following placement. Employees will be provided a copy of their application.

3. Eligible employees who have applied to return to their "home" plant shall be placed (in seniority order) on a "return home" list at the "home" plant.

4. Each facility will maintain an applicant listing for use by the local parties.

5. Should a plant with a "return home" list have employment requirements, it will combine its Protected employee, "return home" list and recall list (if any) in seniority order and recall from such combined list until its needs are met or such combined list is exhausted. Should the combined list be exhausted and additional employment required, it will fill further openings in accordance with other applicable agreements between the parties and then by hire.

6. Should an employee return to his "home" plant under the provisions of paragraph 5 above, the employee will forfeit seniority rights at the "releasing" plant. Should an employee, having requested return under paragraph 2 above, subsequently refuse an offer of return, the employee shall lose seniority at all plants of the Corporation except the plant at which he is working.

7. It is recognized that the plant from which the eligible employee is released must do so in a manner consistent with the maintenance of quality and efficiency. Accordingly, no eligible employee

will be released until a fully trained replacement is available. Consistent with these principles, it is recognized that the rate at which employees are released may vary due to the types of jobs held by "returnees", the availability of replacement personnel, product or new model launch, releasing plant staffing requirements, etc. In all cases, management will endeavor to release employees as quickly as possible. Disputes regarding this issue may be referred to the Company's Employee Relations Staff and the UAW's National DaimlerChrysler Department for resolution.

8. Employees transferring pursuant to the provisions of this Memorandum will be placed on available work and will not be eligible to alter the vacation schedules in effect at the time of their return.

9. An employee accepting transfer will be eligible to receive a relocation allowance as provided in the Exhibits to the National Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated.

10. It is understood that this Memorandum in no way alters the placement provisions as set forth in the Memorandum of Closed Plants.

11. The parties recognize that the provisions of this Memorandum have complex administrative implications. Accordingly, claims of violation are not subject to the Grievance Procedure but instead may be referred to the Corporation's Employee Relations Staff and the UAW's National DaimlerChrysler Department for resolution.

SUPPLEMENTAL AGREEMENT Temporary Part-Time Employees

The parties agree that the Corporation may hire temporary part-time employees to supplement the work force for straight-time, overtime or weekend work in any plant covered by the 1993 Production and Maintenance Agreement.

Therefore, it is agreed this Supplemental Agreement shall govern the employment of such temporary part-time employees.

I. Temporary part-time employees are employees hired by the Corporation who shall normally be scheduled to work on Mondays and Fridays, in addition to premium days, subject to the following:

A. On days they are scheduled to work, temporary part-time employees may be scheduled any part or all of the hours scheduled for the department in which they are assigned.

B. Temporary part-time employees may be scheduled to work daily overtime and on days for which regular full-time employees receive premium pay as such for time worked provided they do not displace regular full-time employees.

C. The employment by the Corporation of temporary part-time employees shall not be considered as an infringement of the rights of regular employees under the 1993 DaimlerChrysler-UAW Production and Maintenance Agreement provided, however, at the time of a reduction in force, a seniority employee who is to

be indefinitely laid off from the plant pursuant to such a reduction may request to displace a temporary part-time employee. Seniority employees who displace temporary part-time employees shall, during the period they would otherwise be on indefinite layoff, be required to comply with the work schedule for temporary part-time employees.

D. A seniority employee who upon being indefinitely laid off elects to displace a temporary part-time employee or who, while on such layoff is hired to work as a temporary part-time employee shall be paid a rate determined in accordance with the applicable provisions of Section (114) of the Production and Maintenance Agreement in effect when the employee was last hired. Such employee shall also be provided the level of life, accidental death and dismemberment insurance, and the HSMDDVH coverage, but not Supplemental Unemployment Benefits (SUB), to which he would have been entitled if he had continued as a laid off seniority employee, but only for the length of time he would have been entitled to such benefits if he had remained on in-definite layoff.

II. Temporary part-time employees (except temporary part-time skill trades employees hired to work in an apprenticeable or non-apprenticeable skilled trades classification) shall be subject to the provisions of Section (114) of the current P&M Agreement. It is understood that such employees shall receive one (1) week of credit toward wage progression pursuant to Sections (114)(a)(ii) and (iii) for each five (5) days actually worked. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of days actually worked.

III. A temporary part-time employee hired to work in an apprenticeable or non-apprenticeable skilled trades classification shall be paid as follows:

A. If the employee possesses the qualifications required for journeyman or permanent employee status in the classification in which he is employed he shall be paid the maximum rate upon completion of sixty days actually worked.

B. If an employee does not possess the qualifications for journeyman or permanent employee status, but has the qualifications required for temporary employee status in the classification in which he is employed, he shall be paid a starting rate commensurate with his established and acceptable prior work experience in accordance with wage rate provisions applicable to temporary employees hired, transferred or promoted on or after October 25, 1979. Wage rate advancement shall be consistent with those provisions.

IV. A temporary part-time employee shall not accumulate time toward the fulfillment of the 90 day probationary period while employed as a temporary part-time employee. In the event a temporary part-time employee becomes a regular full-time employee he shall be considered a new employee and shall receive no credit for any purpose for time during which he was employed as a temporary part-time employee.

Provided, however, that such employee shall receive credit for time "at work" (as defined in Section XII, of this Letter S-1) while employed as a temporary part-time employee for the purpose of fulfilling the H-S-M-D-V-H-D waiting period for

commencement of coverage in accordance with Section IX., F. of Exhibit B to the Collective Bargaining Agreement. The effective date of coverage will be determined based upon the employee's most recent date of hire as a temporary part-time employee immediately preceding the date regular employment commenced. The foregoing shall also apply in the case of a temporary part-time employee who accepts employment as a temporary employee pursuant to Letters (19) and (21) of the Letters, Memoranda and Agreements to the Production and Maintenance Agreement except that HSM coverage only will be provided in accordance with Section XII. of the Letter S-1.

V. The Corporation may discharge or terminate the employment of a temporary part-time employee at any time provided, however, the Union may protest in the grievance procedure the discharge or termination of a temporary part-time employee in cases of claimed discrimination on account of race, color, national origin, age, handicap, sex or religion.

VI. A temporary part-time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Supplemental Agreement.

VII. A temporary part-time employee shall be subject to the provisions of Sections (9) through (14) of the 1993 DaimlerChrysler-UAW Production and Maintenance Agreement. The initiation fee and monthly dues regularly required of temporary part-time employees shall be as determined by the International Union, UAW. Notice of the amounts of such fee and dues shall be given to the Corporation

in writing by the International Union, UAW.

VIII. A temporary part-time employee will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation; nor will his performance be considered either in establishing a production standard or in a dispute over the production standard.

IX. A temporary part-time employee shall not be covered by the SUB Plan (Exhibits C and D), Pension Agreement or the Insurance Program except as provided in Sections I.D. and XII of this Supplemental Agreement. He shall have only such rights, privileges, compensation or benefits as are expressly set forth by this Supplemental Agreement and the following sections of the 1993 DaimlerChrysler-UAW Production and Maintenance Agreement:

Sections (84), (85) and (88) through (94) - Working Hours

Section (109) Cost-of-Living Allowance

X. A temporary part-time employee shall be paid time and one-half for time worked in excess of eight (8) hours in any continuous twenty-four hour period beginning with the starting time of his shift and for time worked in excess of forty (40) hours per week. A temporary part-time employee shall be paid for hours worked on Saturday and Sunday in accordance with the provisions of Section (86) and (87) of the 1993 DaimlerChrysler-UAW Production and Maintenance Agreement.

XI. A temporary part-time employee shall receive eight (8) hours pay at his regular straight-time hourly rate for any of the holidays enumerated under Section (95) of the 1993 DaimlerChrysler-UAW Production and Maintenance Agreement when such holidays occur on a regular workday on the employee's workweek, provided the employee (1) actually worked at least ninety (90) days prior to such holiday, (2) worked his last scheduled working day prior to and his next scheduled working day after such holiday within the scheduled workweek, and (3) would otherwise have been scheduled to work on such day if it had not been observed as a holiday.

XII. Temporary part-time employees will be provided \$3,750 life insurance and \$1,875 accidental death and dismemberment insurance. The Corporation will pay the premiums for coverage for any month in which the employee receives pay from the Corporation for any time during such month. Such coverage begins on the first day of the first calendar month next following the month in which employment commences and ceases on the last day worked where employment is terminated.

Temporary part-time employees shall be provided H-S-M coverage but not Prescription Drug, Dental Expense, Vision Expense, Hearing Aid Expense, or Nursing Home Expense benefits or other benefits as provided under the Insurance Program. It is understood there will be no duplication of benefits because of coverages provided under either of the Corporation's Insurance Programs. The Corporation will pay the monthly premium for the applicable coverage for each employee while he is at work. An employee is considered "at work" in any month if he receives

pay for any time during such month. Such coverage begins on the first day of the eighth calendar month next following the month in which employment commences provided the employee is actively at work. Coverage ceases at the end of the month in which employment is terminated, except that if employment is terminated solely due to the fact the employee accepted employment as a regular fulltime employee or a temporary employee pursuant to Letters (19) and (21) of the Letters, Memoranda and Agreements to the Production and Maintenance Agreement, health care coverage will be continued as long as the employee remains so employed.

XIII. This Agreement shall become effective concurrently with, and continue in full force and effect during the term of the Production and Maintenance Agreement.

XIV. This Agreement supersedes and in all respects replaces the Supplemental Agreement - Temporary Part-Time Employees dated May 16, 1988.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

DAIMLERCHRYSLER CORPORATION

Production, Maintenance and Parts Agreement

The following provisions relating to the Parts Distribution Center Operations Supplement or, as appropriate, apply in lieu of the provisions of the National Production, Maintenance and Parts Agreement. The following corresponding Letters and Memorandums are applicable only to the Parts Operation.

September 29, 2003

(1A) Grievance Procedure

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Both parties to the Parts Depots Agreement signed today acknowledge the desirability of ensuring prompt and fair resolution of employee grievances. The attached flow charts illustrate the proper sequence of procedural steps to be used in processing employee grievances.

The Corporation assures the Union that it is interested in seeing that all grievances receive prompt and objective consideration on their merits. The Union assures the Corporation that it will make a sincere and determined effort to keep the procedure free of unmeritorious grievances.

Also, during our recent contract negotiations the Corporation pointed out that Special Conferences, as provided for in Section (21), are in some instances being used to circumvent the Grievance Procedure. Such action hinders the expeditious handling of grievances. The parties agree Section (21) was not intended to provide the means for circumvention and abuse of the Grievance Procedure and will put forth their best efforts to eliminate any such abuse.

To further assist in expediting the handling of a grievance, it is understood if a grievance has not been resolved in Step 3 of the grievance procedure within forty-five (45) days after its appeal from the previous Step, unless held over by mutual agreement between the parties for further discussion, the representative of Management at that Step may answer the grievance in writing without a meeting.

The parties also discussed problems created as a result of the submission of written grievances containing insufficient information. It is agreed that each grievance submitted in writing shall set forth in reasonable detail the date and nature of the grievance, identity of the employee or employees involved by name, seniority date, classification or location, insofar as diligent effort will allow, and the provisions of the applicable agreement, if any, that the Union claims the Corporation has violated. Management's answers will set forth facts taken into account in answering the grievance.

Very truly yours,

DAIMLERCHRYSLER CORPORATION

By J. Francios

Accepted and Approved:

INTERNATIONAL UNION, UAW

By Nate Gooden

GRIEVANCE PROCEDURE FLOW CHART
1ST Shift

VERBAL	WRITTEN
	CHRYSLER-UAW Appeal Board
Step 4	Regional Review
Step 3	Local Union Officers With Plant Managers and/or Other Representatives of Management
Step 2	Committeeman to Supervisor or Other Designated Representatives of Management
Step 1	

Committeeman With Supervisor or Other Designated Representative of Management	<p>TIME LIMITS (WRITTEN GRIEVANCES)</p> <table border="1"> <thead> <tr> <th>Step</th> <th>Answer</th> <th>Appeal</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>5 wkg days*</td> <td>5 wkg days</td> </tr> <tr> <td>3</td> <td>7 wkg days*</td> <td>15 wkg days</td> </tr> <tr> <td>4</td> <td>10 days</td> <td>30 days from</td> </tr> </tbody> </table> <p>* If not resolved within 45 days after appeal from previous step, unless mutual agreement to hold over may be answered.</p>	Step	Answer	Appeal	2	5 wkg days*	5 wkg days	3	7 wkg days*	15 wkg days	4	10 days	30 days from
Step		Answer	Appeal										
2	5 wkg days*	5 wkg days											
3	7 wkg days*	15 wkg days											
4	10 days	30 days from											
Committeeman With Supervisor or Other Designated Representative of Management													
Employee or Member of Group With Supervisor													

GRIEVANCE PROCEDURE FLOW CHART
2ND & 3RD Shift

VERBAL	WRITTEN
	CHRYSLER-UAW Appeal Board
Step 4	Regional Review
Step 3	Local Union Officers With Plant Managers and/or Other Representatives of Management
Step 2	Plant Shop Committeeman
	Committeeman to Supervisor or Other Designated Representative of Management
	Plant Shop Committeeman With Supervisor or Other Designated Representatives of Management
Step 1	

Committeeman With Supervisor or Other Designated Representative of Management	<p>TIME LIMITS (WRITTEN GRIEVANCES)</p> <table border="1"> <thead> <tr> <th>Step</th> <th>Answer</th> <th>Appeal</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>5 wkg days*</td> <td>5 wkg days</td> </tr> <tr> <td>3</td> <td>7 wkg days*</td> <td>15 wkg days</td> </tr> <tr> <td>4</td> <td>10 days</td> <td>30 days from Appeal to Step 4</td> </tr> </tbody> </table> <p>* If not resolved within 45 days after appeal from previous step, unless mutual agreement to hold over may be answered.</p>	Step	Answer	Appeal	2	5 wkg days*	5 wkg days	3	7 wkg days*	15 wkg days	4	10 days	30 days from Appeal to Step 4
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Employee or Member of Group With Supervisor													

October 28, 1985

(3A) Skilled Trades Seniority - Parts Depots

International Union, UAW

Attention: Mr. Marc Stepp

Dear Sirs:

Notwithstanding Section (11)(b) of the Supplemental Agreement - Special Provisions Pertaining to Skilled Trades Employees, Parts Depots employees on Classifications No. 5905, Boiler Operator, and No. 5693, Power House and Maintenance Man, shall, because of the seasonal nature of their jobs, continue to be transferred between skilled and non-skilled classifications in the Parts Depots as in the past.

Very truly yours,
CHRYSLER CORPORATION
By Thomas W. Miner

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Marc Stepp

October 14, 1996

(4A) Memorandum of Understanding on
Overtime U.S. Plants

International Union, UAW

Attention: Mr. Jack Laskowski

Dear Sirs:

During these negotiations the Union requested the provisions of the Memorandum of Understanding on Overtime - U.S. Plants which supplement the National Production and Maintenance Agreement, be extended to the Parts Depots.

In the course of these discussions, the parties recognized that in view of the need for customer satisfaction and the strong competition in the market place, the parts distribution operations must be highly responsive to the needs of the dealer body,

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including the timely processing and delivery of parts. Therefore, notwithstanding the limitations set forth in the aforementioned Memorandum, the parties further recognized the essential need to continue providing full support to the requirements of the Dedicated Delivery Service. Any interruption in the delivery schedule can be costly to the Corporation as well as prevent dealers from properly servicing their customers and could influence their decisions to purchase parts from independent distributors rather than the Corporation.

In consideration of the above, the Corporation agreed to extend the provisions of the Memorandum of Understanding on Overtime - U.S. Plants to the Parts Depots with the following understandings:

1. New Systems, Processes and Technological Changes

When the Service and Parts Operations launch a new system, process or technological change, any location or locations so designated shall, for a period of ninety (90) days after such designation, be exempt from the provisions of the Memorandum, provided, however, that fifteen (15) days prior to making such designation, the Corporation will inform the Chrysler Department of the International Union, which will indicate its objections, if any, to such designation. It is understood this circumstance may occur at any location more than once during the term of the Memorandum.

2. Christmas Holiday Period

The provisions of the Memorandum that limit daily and weekend overtime shall be inoperative at each Parts Depot during seven days of the four (4) weeks following the Christmas Holiday Period except the local parties may mutually agree to extend the inoperative period an additional three (3) weeks.

3. New Depots

The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require daily overtime work or work on Saturdays or Sundays shall be ineffective at any Depot the Corporation builds, buys, leases or remodels for a period of one (1) year after regular production in such Depot commences.

The Local Union at each Parts Depot has made its selection of one of the alternatives provided for under 11.C. of the Memorandum.

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Very truly yours,
CHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Jack Laskowski

September 29, 2003

(6A) Health and Safety

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During negotiations the Corporation reaffirmed its concern regarding the physical well being of employees at DaimlerChrysler's Parts Distribution Centers (PDCs) and committed to promoting safe and healthful working conditions at those facilities. The Corporation assured the Union that it will adhere to all state and federal regulations governing health and safety.

The Corporation agreed to provide for a Health and Safety Representative in each PDC of less than 600 employees. The maximum number of hours per week in which the Health and Safety Representative will be allowed to perform their function shall be six (6). The Director of the Union's DaimlerChrysler Department shall advise the Corporate Union Relations Staff in writing of the names of the appointed Health and Safety Representative for each PDC. The Representative shall then perform their functions only after approval of the National Joint Committee on Health and Safety. The Corporation agreed to provide appropriate annual training in Health and Safety to the appointed Representative.

I. The Health and Safety Representative will be responsible for performing Union health and safety functions at their respective PDC which will include the following:

(a)--Meet at least once each month at a mutually agreeable time and place with a member of PDC management to review

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health and safety conditions within the PDC and make recommendations in this regard as they deem necessary or desirable. A summary list of items discussed shall be provided to the Health and Safety Representative.

(b)--Make weekly systematic inspections of the PDC with a member of PDC management to assure that there is a safe, healthful and sanitary working environment in each PDC.

(c)--Accompany Governmental Health and Safety inspectors and International Union Health and Safety professionals on PDC inspection tours. Also accompany Corporate Health and Safety professionals on regular surveys and audits at the PDC and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys. The time spent by the Health and Safety Representative accompanying such inspectors and professionals shall not be charged against the Health and Safety Representatives weekly allotted hours.

(d)--Be notified in advance of health and safety inspections by private agency officials, and licensed inspectors required by statute or by consultants retained by the Corporation, and whenever possible by Government officials including state, city and county code enforcement, and be afforded an opportunity to accompany such officials or consultants and provide any pertinent information to them. A copy of such reports, including those of insurance inspectors, will be provided, upon request, to the Health and Safety Representative regarding violations of applicable local, state, or federal code or standard violation(s).

(e)--Be informed of lost work day accident cases, review results of the PDC safety investigation of such accidents and make any necessary or desirable recommendations. Investigate work related fatalities and serious accidents, and upon request, review completed OSHA Form No. 301 reports or their equivalent. When such events occur during the 2nd or 3rd shift, Management will endeavor to notify the Health and Safety Representative, inform them of the facts, and arrange upon request, for them without pay to enter the PDC and investigate such events.

(f)--Receive a copy of the PDC's report on OSHA Form No. 300 and the PDC's man-hours worked and the incidence rate for the pertinent period.

(g)--Periodically review the OSHA 301 data in the Occupational Health Manager (OHM) computer system.

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(h)--Periodically review deletions of cases from the OSHA 300 log and the rationale.

(i)--Periodically review the "54-08" report to ensure the correlation between Workers' Compensation cases and the OSHA 300 log.

(j)--Review, recommend, and participate in local safety education and information programs.

(k)--The Health and Safety Representative shall also observe the use of appropriate industrial hygiene and safety testing equipment as required in the PDC. Recirculation of air will not be permitted where employees' health and safety cannot be assured.

(l)--When the Health and Safety Representative has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be communicated without delay to a member of PDC Depot Management so that a joint investigation can be conducted immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

II. It is understood that:

(a)--Health and Safety Representatives have a regular job to perform and that they will advise their Supervisor on each occasion when it is necessary for them to leave their regular job in order to function as a Health and Safety Representative. The Health and Safety Representative shall be permitted, at the request of the Local Union President, to attend Special Conferences during the portion of such meeting or conference when health and safety issues or grievances thereon are discussed.

(b)--Health and Safety Representatives will be paid only for such time spent in performing their functions as occurs during the time when they are otherwise scheduled to work.

(c)--Each PDC will make available to the Health and Safety Representative a place where the Representative can write reports or review health and safety material. In addition, the Representative will be provided a filing cabinet or drawer to keep health and safety material.

(d)--The Health and Safety Representative's six (6) hours a week away from work shall be designated by mutual agreement between the Local Union and the Local Management.

(e)--The privilege of the Health and Safety Representative to perform these duties during regular working hours is subject to the conditions (i) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of this letter, and the privilege shall not be abused, and (ii) that if it is necessary for Health and Safety Representatives to speak to an employee about a health and safety matter, they shall make prior arrangements with the employee's Supervisor to do so.

(f)--The Health and Safety Representative shall be assigned to the first shift and shall be subject to the provisions of Section (19) of the National Production Maintenance and Parts Agreement.

III. The established National Joint Committee on Health and Safety shall:

(a)--Meet at least quarterly at mutually agreeable times and places. Minutes will be prepared for each meeting and a copy given to the International Union members.

(b)--Review the Parts Division's safety and health programs and make necessary or desirable recommendations.

(c)--Develop and recommend an appropriate annual training program to be established for Health and Safety Representatives. The NTC will continue to pay expenses associated with conferences as in the past.

(d)--Develop and recommend to the Parts Division guidelines for employee training and education.

(e)--Review problems concerning serious or unusual situations affecting depot health and safety and make necessary or desirable recommendations.

(f)--Receive, review and analyze the injury and illness data for all Parts Distribution Centers that the Corporation is now required to compile on OSHA Form No. 300 as it is now constituted with corresponding man-hours worked and incidence rate.

(g)--Establish a Health & Safety Review Board which will consist of the General Manager or their designated Division

representative and the designated representative of the Vice President and Director of the DaimlerChrysler Department-UAW. Also, the Review Board shall include the PDC Manager, Division Human Resource Manager, Local Union President, International Servicing Representative, and the National Joint Health and Safety Committee. The Review Board may convene at the request of the NJC, generally within two (2) weeks after a fatality, to review results of the initial investigation and develop and recommend appropriate improvements in health and safety practices within the depot where the incident occurred and at other depots where deemed proper within that division. The National Joint Health and Safety Committee will provide technical support to the Board and monitor compliance to directives requiring the enactment of preventive measures. The primary tool to accomplish their objective will be a complete safety hazard analysis of the job or operation involved.

IV. The Corporation recognizes its obligation to provide as safe and healthful a working environment for employees as it reasonably can and both parties agree to use their best efforts, jointly, to achieve that end. Responsibility for health and safety matters remains, however, with the Corporation.

The Corporation agrees to:

(a)--Provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.

(b)--Provide qualified industrial hygienists to measure noise, air contaminants, and air flow in the PDCs as required.

(c)--Provide appropriate education and training in health and safety for all employees. The International Union's DaimlerChrysler Department will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations.

(d)--(i) Provide additional joint health and safety training to enhance the safety awareness, hazard recognition and technical skills of DaimlerChrysler employees covered under the terms of this agreement. To assure basic uniformity, the National Committee will develop guidelines to be used by the depots to design training programs to meet local needs. The National Committee will also develop a system to review and approve health and safety training programs. In addition, the National Joint Committee will establish needs assessment and evaluation processes to determine and evaluate existing and future training programs. In that connection, the Joint Health and Safety

Training Sub-Committee comprised of two (2) representatives of the Corporation appointed by the Senior Vice President of Employee Relations of the Corporation and two (2) representatives of the Union appointed by the Director of the Union's DaimlerChrysler Department will serve as a resource of the National Committee to assist in achieving the National Committee's training objectives.

(ii) During the 2003 Negotiations, the parties discussed various potential subjects for training including topics such as: leadership, roles and responsibilities, and general awareness, as contained within our Bringing Excellence to Safety Teams (BEST) program. We believe BEST has significant opportunities for breakthrough results and are committed to its development and rollout. We also discussed the potential training topics that were more specific in nature to particular job functions. Accordingly, we agreed that the NJC shall evaluate the needs and define specific training programs for development and delivery during the term of this Agreement. Programs under consideration, subject to resources and funding allocation issues, are:

- (1) general risk assessment and hazard control,
- (2) skilled trades,
- (3) non-routine use of powered material handling equipment,
- (4) ladder safety,
- (5) office health and safety, and
- (6) non-routine jobs related to power generation and distribution, waste handling, and storage and distribution of hazardous liquids and gases
- (7) Update all existing training programs as necessary

(e)--Permit the Health and Safety Representative to participate in and observe Management measurement or sampling of the occupational environment. Whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000, Air Contaminants, Code of Federal Regulations, such information shall be entered in the employee's medical record. The Health and Safety Representative shall be informed in writing of such exposure and Management shall advise the employee. The Health and Safety Representative shall also be informed in writing of the corrective action to be taken. In addition, in those instances where a breathing zone air sample is collected, the employee will be notified by Management of the results which will be entered on the employee's medical record. Upon written request of the employee such results shall be provided to the employee or his/her physician.

(f)--Disclose and submit in writing to the National Committee and the Health and Safety Representatives in a timely manner the identity of any known potentially harmful chemicals or materials to which employees are exposed. Such information shall also contain a description of the remedies, antidotes, and protective measures for such chemicals.

(g)--Provide competent staff and medical facilities adequate to implement its obligation as outlined in (h) below.

(h)--Medical Operations The Corporation has coordinated healthcare services in order to achieve optimal quality care delivered in a cost effective manner. Great emphasis has been placed on internal medical departments continuing to meet local, state, and federal regulations. Guidelines set forth by nationally recognized medical organizations such as the American College of Environmental and Occupational Medicine (ACOEM), the American Association of Occupational Health Nurses (AAOHN), the American Medical Association (AMA) are also reviewed for applicability in our delivery models.

In the event there are issues regarding the quality of medical care at a particular facility, the issue should be immediately addressed to the Corporate Medical Operations. If unresolved, it should be referred to the NJC for discussion at its next meeting.

(i)--Provide to employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations, at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

Provide to each employee or their physician, upon written request of the employee, a complete report of the results of any such test or examination given to them, including the results in those instances where it is determined that an employee had a personal exposure exceeding the permissible levels set forth in 29CFR-1910.1000, Air Contaminants.

Provide upon request to the International Union, a copy of such reports after receipt of the employee's written permission to do so.

(j)--Arrange for surveys of each depot by the Corporation's Industrial Health and Safety Staff and provide special surveys at

the request of either depot management or the International Union. Such survey and audit reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the Health and Safety Representative. The Health and Safety Representative shall be allowed to accompany health and safety specialists whenever hired by the Corporation to perform the functions normally performed by the Corporation's Industrial Health and Safety Staff. Such specialists' reports, including recommendations for the correction of identified overexposures or unsafe conditions, will be provided to the International Union and to the PDC Health and Safety Representatives.

(k)--Provide access, upon reasonable notice, to all PDCs to Health and Safety Representatives of the International Union. Reports on such surveys will be provided to the Corporation.

(l)--Provide to the Health and Safety Representative and to the National Committee prompt notification of fatalities and serious accidents. Upon making proper arrangements, immediate investigation may be made of such events by the International Union's health and safety professionals upon request.

(m)--As early as possible in the planning process, involve the Health and Safety Representatives in the joint review of layouts for new parts distribution, major new equipment and major process changes where employee health or safety may be affected. The Health and Safety Representative may be required to travel to vendor facilities or other locations to review such equipment and/or processes. The NJC will oversee development and administration of training regarding design-in-safety. In addition, management will periodically review with the International Union the introduction of new technology and/or chemicals at DaimlerChrysler where employee health or safety may be affected.

(n)--Permit the National Committee to continue to be responsible for evaluating the need for occupational safety and health research, including additional projects to be designated. Such research is to be conducted after the mutually selected Scientific Advisory Committee has approved the protocol and the feasibility of the research. The results of research conducted within DaimlerChrysler facilities will only be used for purposes specifically authorized by the National Committee. The National Committee will be responsible for prompt communication of research findings to affected employees.

6--The NJC will regularly review established permissible exposure limits in light of available scientific evidence to determine if change is required. The Corporation agrees to discuss limits lower than OSHA Permissible Exposure Limits, where necessary, taking into consideration such things as OSHA proposals. NIOSH recommendations, consensus standard recommendations and other validated and consensed scientific evidence. During the 1999 Agreement, the Corporation agrees to discuss limits for carbon monoxide, diesel exhaust, and a number of solvents.

7--Provide by March 1 of each year to the health and safety professionals of the International Union's staff a copy of OSHA Form No. 300 as it is now constituted, and the corresponding man-hours worked and incidence rate for each Parts Distribution Center.

8--Explore in National Committee meetings methods to improve communications between DaimlerChrysler and the UAW in health and safety areas. Initial efforts shall be directed at obtaining from suppliers full chemical formulations on a non-confidential basis and determining the feasibility of providing the information on Hazard Communication Sheets.

9--Provide jointly developed health & safety training programs and job specific training of affected employees during scheduled work hours based upon the recommendations of the National Joint Committee on Health and Safety.

10--Provide access and training to the Health and Safety Representative and the National Committee through existing terminals to on line OSHA 301 and 302 data and reports of ergonomics activity and accident investigation status. Training of designated users will be completed within twelve (12) months.

11--Computer Training for Access to OSHA Data - During the 2003 Negotiations, the parties discussed the desire to provide refresher training on the Health and Safety Information System to the UAW Health and Safety representatives. Training of Designated users will be conducted at the Annual Health and Safety Conference. Initial and refresher training for the UAW Health and Safety representatives and the regular replacement on the H&S Information System (OHM) will be developed within ninety (90) days of the ratification of the Agreement. This training will be a self-tutorial model that users will be able to use at their worksite and the OHM Help Desk will be available for questions. Similar training will be conducted for the Ergonomic Analysis on the specific screens of OHM they may access.

V. The Union agrees to maintain in a confidential manner any statistical data or proprietary information supplied to it under the terms of this Letter.

VI. The parties jointly committed to various health and safety principles which are hereby affirmed as follows:

(a)--Safety Glasses

The Corporation will provide prescription safety glasses to seniority employees working on a job or in an area where eye protection is a Company requirement provided the employee furnishes a prescription from their own doctor or optometrist. The Corporation will replace such glasses if damaged by a cause attributable to the employment or if the employee presents a new and different prescription from their doctor or optometrist. The Corporation will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

The parties agree that a 100% Eye Safety Program is desirable in certain PDCs and areas and the Union will support such programs where they are warranted for safety reasons. Therefore, the PDC's Health and Safety Representative will develop and recommend a mutually agreeable eye protection program.

(b)--Hands Out of Point of Operation

The ultimate objective of the Corporation is to eliminate through engineering and process development the need for operators to expose their hands to the dies in a power press or similar equipment. Where the need continues to exist, appropriate safeguards are employed, such as hand tools, brake monitors, safety blocks, sensing devices, lock-out procedures, mechanical interlocks, guarding, and dual controls.

(c)--Refusal of Hazardous Work

A worker who has a reasonable belief that their work assignment may result in serious physical injury, including illness, may immediately notify supervision. Failing resolution, the issue may be discussed with their Union Representative.

Should technical consultation be necessary, the local Health and Safety Representatives will be notified to respond in line with this Letter of Understanding on Health and Safety. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with Section (23) of the Grievance Procedure.

(d)--Use of Camera/Video Camera

In those PDCs in which a PDC camera/video camera is available the Health and Safety Representative will be permitted its use as an aid in conducting joint investigations and inspections where special circumstances dictate the need, such as where photographs/video tapes are necessary to adequately explain or describe serious safety or health problems to responsible PDC management. The Health and Safety Representative may also use the camera/video camera to photograph health and safety items that are being jointly referred to the National Joint Committee on Health and Safety.

Upon request, the Union Health and Safety Representative will be provided with copies of photographs/video tapes which relate to Health and Safety matters in the depot. Such photographs/video tapes shall remain the property of the Corporation and shall be for the internal use of the Local Health and Safety Representative and the National Joint Committee only, and shall not be reproduced, published or distributed.

(e)--Working Alone

It is the policy of the Corporation with respect to the assignment of employees to work in isolated areas that when such assignments are recognized as potentially hazardous, appropriate precautions are taken. Such precautions include providing air sampling and ventilation when necessary, necessary protective equipment, a reliable communication system, including as needed, electronic communication devices, appropriate personnel surveillance arrangements and, as required, adequate support personnel. This will not change or restrict any mutually satisfactory local practice. Problems with any of the above items, which cannot be easily resolved, shall be referred to the PDC's Health & Safety Representative and PDC Manager for joint disposition.

(f)--Energy Lockout/Energy Control Program

It is recognized by both parties that an effective energy lockout/energy control program as required by the Corporation's mandatory safety Manufacturing Technical Instruction "Procedure for Neutralizing and Locking Out Energy Sources for Machinery Equipment and Facility Services" can only be implemented at the local level. In order to remain effective, this program must be reviewed and reemphasized.

In that context, within ninety (90) days following ratification of the Agreement, the written program will be reviewed by the PDC management along with the Health & Safety Representative and the PDC Shop Committee to assure compliance with government regulations and applicable Corporate instructions. This program shall then be reviewed and signed by the Co-Chairs of the Local Employee Participation Council (LEPC), and submitted to the National Joint Committee on Health and Safety (NJC). This is to ensure that each Parts Distribution Center has an effective energy lockout/energy control program.

(g)--Resource Materials

The Corporation will provide access to the Health and Safety Representative the following reference material available to Management such as:

National Safety Council Publications
Governmental Standards on Health and Safety
Corporate Health and Safety Bulletins
Trade Publications
Publications of Local Safety Councils

(h)--Preventive Maintenance

Within two (2) weeks of the effective date of the new Collective Bargaining Agreement, the Company will prepare a Letter for distribution to all locations that stresses the need and importance of established preventative maintenance programs with regard to safety-related items and ventilation systems. An updated written program will be reviewed and signed by the Co-Chairs of the Local Employee Participation Council (LEPC) annually at a Monthly Safety Review Board Meeting. The signed program will then be submitted to the (NJC) for review.

(i)--Industrial Hygiene Services

The Corporation is committed to improving the services provided by its industrial hygiene staff. This will include the regular monitoring of employee exposures to regulated and/or hazardous workplace air contaminants and measurement of ventilation system functioning at operations with a potential of hazardous exposures.

Management, in conjunction with the Local Health and Safety Representative, will assess the need and, where required, a facility, will develop and implement an air sampling plan. Guidance in the preparation of such plans will be provided

by the National Joint Committee within six (6) months after ratification of this Agreement. Reports of industrial hygiene and noise measurement surveys will be provided to the Local Health and Safety Representative.

(j)-Emergency Response

Each facility shall have an emergency response plan that addresses the facility's response to health and safety emergencies. In conjunction with the emergency plan, where appropriate, emergency response training and associated equipment will be provided.

(k)-Powered Industrial Vehicles

During these negotiations, the parties discussed at length better workplace design and pedestrian safety. The parties agreed to continue current practices regarding powered industrial vehicles. The NJC will explore new methods that would improve jointly developed programs in these areas.

VII. Grievances arising under these provisions shall not be in the jurisdiction of the Appeal Board.

VIII. Nothing herein shall be construed to restrict any employee's rights under Section 502 of the National Labor Relations Act, as amended by the Labor Management Act, 1947.

IX. During the 2003 negotiations, the parties discussed the comprehensive ergonomics program covering the Parts Distribution Centers which had been agreed to by the Corporation and the UAW. The parties agreed that to facilitate proper control, training and communication of ergonomic factors, the various phases of the jointly developed ergonomics program will be applied to employees at all UAW represented Parts Distribution Centers.

(a)--Local Ergonomics Committees

Each facility has established a Local Ergonomics Committee with the objective of introducing and exploring ways to reduce injuries and illnesses through the application of sound ergonomics principles. Upon request, the NJC shall assist the Ergonomics Committees in determining proper allocations of resources. The Local Health and Safety representatives will serve as co-chairpersons of the Local Ergonomics Committees as specified in the appropriate NJC directive. In the event Corporate Health and Safety representatives and/or Regional

Safety/Ergonomic remediation specialists visit a facility to work on an ergonomic issue, they will coordinate their activities with the Local Co-Chairpersons.

Due to the effect that ergonomic injuries may have on employees and the costs associated with Workers' Compensation, we collaboratively conceived an innovative approach towards addressing the interrelationship between Workers' Compensation and ergonomic injuries in our Parts Distribution Centers. Accordingly, we agreed to the following:

1. The PDC's Health & Safety Trainer will be allowed time away from their job to perform ergonomic functions and to assist in reducing Workers' Compensation costs.
2. This individual shall be allowed to function in these activities up to sixteen (16) hours per week for PDC operations.
3. This individual shall be a member on the Local Ergonomics Committee. The Local Ergonomics Committee shall continue to function as initially established, and the local parties, including the LEPC, are encouraged to ensure their committees are active and performing their intended responsibilities. A quarterly report of their activities will be submitted to the NJC.
4. This individual's duties are to be determined by the NJC.
5. Tools used in analyzing jobs shall include ErgoPAL to identify general risk factors, the NIOSH 1981 Lifting Formula to look at lifting and lowering conditions, the Snook-Cirello Tables to evaluate push and pull motions, and the DaimlerChrysler manufacturing engineering ergonomic guidelines. Additional requirements will be reviewed by the NJC for approval.
6. The NJC shall annually review the program's performance and effectiveness and make appropriate modifications as required.

(b)--Control Measures and Skilled Trades/Power House Maintenance Personnel

The parties agree, to the extent possible, to encourage the use of all reasonable control methods to prevent MSD's. Ergonomic remediation efforts may be based on the results of a

variety of tools, including job analysis. Job analysis on skilled trades/Power House Maintenance jobs will be performed as required. Members of the Local Ergonomics Committee will consider solutions within a combination of feasible controls such as:

- a. Re-design or re-orient parts, tools and equipment
- b. Use of mechanical devices or power tools
- c. Provide adjustable fixtures and work surfaces
- d. Job re-design

As interim measures pending engineering changes, or where engineering changes are limited in controlling risk factors, administrative controls and feasible work practices will be implemented. Members of the ergonomics committee could consider solutions for reduction of repetitive motions within a combination of feasible administrative controls such as job sharing and job rotation. The recommendations of the Local Ergonomics Committee shall be mutually agreed upon with the Plant Shop Chairman and the PDC Manager. Problems not resolved at the local level will be forwarded to the National Joint Committee for final resolution. Jobs considered potential candidates for administrative control practices will be reviewed by the health and safety trainer/ergonomic analyst to determine that the original condition will not be further aggravated. Any type of control established should be evaluated after three (3) months of its implementation to confirm its effectiveness.

(c)--Job Analysis and Time Lines

Jobs will be identified as candidates for analysis by reviewing injury/illness and lost time data, including the "54-08" Report and appropriate OIM report(s). A good faith effort shall be made to conduct an initial job analysis, as required, within two (2) months of when a job is identified as having a potential MSD risk factor. Each facility will use a documentation process to record progress with ergonomic modification efforts. In that regard, a monthly report will be required of the Local Ergonomics Committee to be forwarded to Corporate OSH and the UAW DaimlerChrysler Department. Each facility shall implement feasible measures to control MSD risk factors. A good faith effort will be made to implement ergonomic solutions within a six (6) months time frame after the Local Ergonomics Committee

determines that corrective action is required and it prioritizes the remediation. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. The Local Ergonomics Committee is to develop a "top five" list of the most concerning jobs requiring remediation. Factors to be considered for placing a job on the "top five" list shall include injury rates, ErgoPAL scores, lost work time rates and investment cost paybacks. The LEC will work aggressively to find practical, feasible, economical solutions to the "top five" list. In the event that a Local Ergonomics Committee believes that a facility is not making proper technical resources from the plant available, it should raise the issue with the Local Employee Participation Council. If resolved, the matter should be referred to the National Employee Participation Council for immediate resolution.

(d)--Ergonomic Support Equipment

Seats, chairs and mats are considered appropriate solutions to control ergonomic risk factors. The Corporation agrees that it will not remove ergonomic support equipment that is currently in use for ergonomic reasons without mutual agreement with the Local Ergonomics Committee.

(e)--Program Management

The Corporation will continue to support a medical management program for early detection, treatment and placement of employees with musculoskeletal disorders MSD's.

The NJC will continue to review and, when necessary, revise audit procedures in an effort to insure the effectiveness of the ergonomic process. The NJC will also review periodic reports of the occurrence of MSD's from all UAW represented PDCs. Problems arising regarding the proper functioning of Local Ergonomics Committees may be referred to the NJC for review and resolution by appropriate Corporate and Union representatives.

The NJC will continue to develop and sponsor an annual conference subject to the Joint Activities Board approval for all designated Local Ergonomics Committee members to disseminate information about state-of-the-art application, to review project funding procedures and other ergonomic administrative matters and to share information on successful local ergonomics projects.

Acceptable new methods of employee training, medical evaluation, and Ergonomics Committee training will be evaluated and implemented by the NJC, as appropriate, to assure efficient control of MSDs.

New workable ergonomic concepts, including specific technical information, will be distributed by the NJC to all UAW-represented PDCs. A video library of corrective actions taken regarding ergonomic problem areas, by various DaimlerChrysler facilities with documentation for dissemination to facilities will be maintained at the National Training Center.

The parties recognized that ergonomic activities are being conducted at many DaimlerChrysler facilities, including ergonomics committees established during the previous agreements. It is not the intent of the parties to reduce any currently existing efforts in ergonomics. This procedure shall not preclude the filing of a Health & Safety Grievance at Step 1 of the Grievance Procedure. The parties are hopeful that by providing these resources positive gains in employee morale, injury rates, quality and costs will be realized.

X. In our Health and Safety initiative, nothing in our agreements, booklets, manuals, and joint programs is intended nor should be taken to impose upon the International Union, Local Unions, Union Health and Safety Representatives and Union Officials, employees, or agents, a legal or financial liability for either the Health and Safety of DaimlerChrysler Corporation employees or for work connected injuries, disabilities, diseases or related losses incurred by employees of DaimlerChrysler Corporation or its subsidiaries or by third parties while on the property of DaimlerChrysler Corporation.

Dated and signed at Auburn Hills, Michigan this 29th day of September, 2003

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Francis

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 29, 2003

(7A) Uniform Tardiness Procedure Parts Depots

International Union, U.A.W.

Attention: Mr. Nate Gooden

Dear Sirs:

During a series of discussions in 1983, the parties recognized the desirability of having a Uniform Tardiness Procedure applicable to employees of Chrysler's Parts Depots. Therefore, effective December 1, 1983, a six step Tardiness Procedure, set forth below, was implemented which supplanted all other tardiness procedures then in effect.

During the recent Negotiations, the parties agreed that as of the effective date of the 1993 Agreement, an employee returning to the Depot late from lunch would not be placed into the tardiness procedure, however, could subject themselves to the normal disciplinary procedure for misconduct.

An employee will continue to be subject to the first step of the six (6) step Tardiness Procedure upon the occasion of their seventh (7th) unexcused tardiness within a period of six (6) consecutive months. Thereafter, on each occasion of two (2) unexcused tardiness', the employee will be placed into the next step of the procedure, defined as follows:

Step 1	Counseling
Step 2	Written Warning
Step 3	Five (5) Day Disciplinary Layoff (serving of disciplinary time off may be waived)
Step 4	Fifteen (15) Day Disciplinary Layoff
Step 5	Thirty (30) Day Disciplinary Layoff
Step 6	Discharge

To encourage punctuality, an employee who is in the above procedure, but has not been tardy unexcused for a period of forty-five (45) consecutive days, excluding days the employee is not on the active roll, is to repeat the prior step of the procedure in the event of the employee's next two (2) unexcused tardiness'. An employee who is in the procedure, but has not been tardy unexcused for one hundred and eighty (180) consecutive calendar days, excluding those periods when the employee is

not on the active roll, will be removed from the procedure and will begin with Step 1 if the employee again meets the criteria for inclusion in the Tardiness Procedure.

Disputes under this procedure, including whether tardiness should be excused or unexcused, may be subject to the Grievance Procedure.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999

(8A) Benefit Plans Representatives
Parts Distribution Centers

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs:

Notwithstanding the provisions of Letter (2) in the Letters, Memoranda, and Agreements appended to the National Production and Maintenance Agreement, it is understood that the table contained therein is not applicable to locations covered under the Parts Distribution Centers Supplemental. In lieu of that table, Parts Distribution Centers will be governed by the provisions as set forth below:

Plant	Number of Employees	Hours Per Week
	600 or more	40
	599 to 101	18
	Less than 100	12

Very truly yours,
DAIMLERCHRYSLER CORPORATION
T. Gallagher

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Accepted and Approved:

INTERNATIONAL UNION, UAW
By Stephen P. Yokich

September 29, 2003

(9A) Attendance Counselor / Employee Assistance
Program Representative

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

Notwithstanding the provisions of the 2003 Attendance Counselor Letter and Letter (3) Employee Assistance Program Representative in the Letters, Memoranda and Agreements appended to the National Production and Maintenance Agreement, it is understood that the table contained therein is not applicable to locations covered under the Parts Distribution Center Operations Supplement with the exception of the Center Line National Parts Distribution Center (PDC). All other Parts Distribution Centers will have one (1) employee who shall function as a combined Attendance Counselor and Employee Assistance Program Representative (EAP). The hours allotted to the Attendance EAP Representative to perform his/her functions shall be as set forth in the table below:

Number of PDC Employees	Hours Per Week
101 or more	12
Less than 101	8

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:

INTERNATIONAL UNION, UAW
By Nate Gooden

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MEMORANDUM OF UNDERSTANDING ON DEDICATED DELIVERY SERVICE

MEMORANDUM OF UNDERSTANDING entered into this 29th day of September, 2003, between DaimlerChrysler Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, hereinafter UAW.

WHEREAS, DaimlerChrysler has established an expedited delivery service known as "Dedicated Delivery Service" at each of its Parts Distribution Centers (P.D.C.) in the United States for the purpose of delivering parts and accessories to dealers; and

WHEREAS, employees assigned to load parts and accessories into trailers engaged in Dedicated Delivery Service at certain Parts Distribution Centers have been secured on a contract basis from outside delivery firms; and

WHEREAS, DaimlerChrysler believes it would be more efficient to assign its own employees to perform the work of loading such trailers.

NOW, THEREFORE, it is hereby agreed as follows:

1. This MEMORANDUM OF UNDERSTANDING applies to all Parts Distribution Centers, notwithstanding the fact that at a number of these Parts Distribution Centers DaimlerChrysler employees are presently assigned to perform the work of loading the trailers.

2. When DaimlerChrysler determines to accept bids for the transportation services to be performed at the Parts Distribution Centers where the employees presently assigned to load parts and accessories into trailers have been secured on a contract basis from outside delivery firms, DaimlerChrysler will advise the firms from which it is accepting bids that it is DaimlerChrysler's intent to assign its own employees to perform the work of loading the trailers.

3. In the event a labor organization which currently represents employees performing the work of loading trailers engaged in Dedicated Delivery Service asserts a jurisdictional claim to such work, the work shall remain under the jurisdiction of said labor organization until such time as said labor organization agrees to relinquish the work to the UAW, or until an impartial arbitrator selected by the parties or the appropriate governmental agency determines which labor organization should properly be assigned the work.

4. If any jurisdictional dispute, as set forth in paragraph 3 above, is resolved in favor of the UAW at a particular Parts Distribution Center, the work of loading trailers engaged in Dedicated Delivery Service at that P.D.C. will be assigned to employees of the P.D.C. in the existing collective bargaining unit represented by the UAW.

5. The work of switching, spotting trailers and checking trailer loads will continue to be done by employees of the outside firms.

6. Notwithstanding any overtime agreement or practice to the contrary, all overtime required to perform the work of loading trailers engaged in Dedicated Delivery Service shall be mandatory.

7. The establishment of required manpower necessary to perform the loading of trailers engaged in Dedicated Delivery Service shall be determined by the local Parts Distribution Center Management.

The foregoing Memorandum constitutes the full Agreement between DaimlerChrysler and the UAW on the issue of Dedicated Delivery Service and it supersedes any and all agreements relating to this subject.

INTERNATIONAL UNION, UAW

DAIMLERCHRYSLER CORPORATION

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**MEMORANDUM OF UNDERSTANDING
COMMUNICATION AND JOINT
EFFORTS TO ACHIEVE WORLD
CLASS QUALITY AND EFFICIENCY**

During these negotiations, the parties raised numerous issues which impact the Customer, the Bargaining Unit, and Management. After considerable discussion, it became apparent that the lack of meaningful continuous communication is the most prominent common thread throughout the parties concerns. The parties expressed their sincere belief that most problems experienced at the local level can be resolved with open, honest, and continuous communication.

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The Corporation and the Union recognized that communication is linked to quality, efficiency, and customer satisfaction. It was further recognized that the combination of such items creates job security. The parties reaffirmed their belief that mutual respect and recognition of the others concern is essential to create an atmosphere in which communication, quality, efficiency, customer satisfaction, and job security can flourish.

Therefore the Corporation and the Union have incorporated the following understandings relative to Continuous Communication, Joint Quality and Efficiency Initiatives, Utilization of the Workforce, and Manpower Utilization during Holiday Periods. This memorandum of understanding serves as a framework between Management and the Union, enabling an environment of continuous communication through open, honest and frequent dialogue between the parties. It is mutually recognized and agreed that the best form of job security is created in an environment in which Management and Union work together in all aspects of the operation.

Continuous Communication

During these negotiations the parties discussed at great length the need for continuous, open communications and regular meetings. The parties acknowledged that good communication does not just happen, and thus cannot be created by mandating meetings or the exchange of verbal and written information, although such formats are sometimes necessary and productive. Therefore the parties agreed that Local Management and the Local President or Chairperson will meet on an informal basis at least weekly, at a mutually

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agreeable time, to discuss issues and topics of interest to the parties.

Joint Quality and Efficiency Initiatives

The parties will work together to develop joint initiatives to improve quality, enable cost effective methods, processes, improved operating efficiencies and remove barriers to improvement, while ensuring the product is available when the customer wants it. In developing those initiatives, the parties recognize the importance of measuring progress and of communicating to all employees such progress towards quality and efficiency objectives. In establishing the foregoing, the local parties shall review and modify as required operating processes, ensuring that equipment, facility or personnel issues do not inhibit an employee's ability to achieve personal and/or organizational quality and efficiency objectives.

Utilization of the Workforce

The parties discussed at length how the parts distribution business is becoming increasingly more competitive, and how our customers are continuously demanding shipments of parts in a fashion which is quicker cheaper, and more accurate than ever before. The parties recognize that job security is created through our ability to exceed customer expectations and meet the competition head on.

Manpower Utilization during Holiday Periods

The parties also discussed at length the need to secure a workforce to perform work to satisfy customer demand during holiday periods while also affording employees the opportunity to enjoy negotiated holidays. The parties discussed past difficulties in securing an adequate workforce to meet customer demand, and agreed such

difficulties may have been the result of poor planning and poor communication. To ensure that an appropriate balance is reached in future scheduling, the parties have agreed that the Parts Distribution Center Manager and Local President or Chairperson shall meet at least four (4) weeks prior to such holiday periods to thoroughly review a location's specific means and methods, which can be acted upon to ensure that customer demand will be met.

To that end it was agreed that the required discussions relative to holiday work schedules shall be open, honest and sincere. The parties shall, through their best efforts, first attempt to obtain sufficient volunteers to complete the required work within the required period of time. When sufficient volunteers can not be secured to meet demand during these periods, the parties will seek other alternatives (e.g., cross classification utilization of employees; alternative start times; partial work days; utilization of temporary part time employees; utilization of vacation replacement employees outside the traditional window; extended shifts; pre and post holiday premium period overtime; parts order preplanning coordination with dealers; stock keeping on a day(s) other than the holiday(s); and/or other methods which may apply from time to time).

If despite the good faith efforts of the local parties, the projected available manpower during the holiday period is insufficient to adequately address the needs of customers and the dealer body, the matter will be referred to Corporate Union Relations and the International Union, UAW who will jointly provide their best efforts toward ensuring that the needs of customers and the dealer body are met.

Conclusion

The Corporation and Union recognize that quality and operating efficiency are vital to job security and that a high level of quality and operating efficiency requires mutual respect, communication, and recognition of each others problems and concerns. Within six (6) months of the effective date of the Agreement, each Local PDC Manager and Local Union will review with Divisional Management, Corporate Union Relations and the International Union, UAW the PDC's plans with respect to the above items and other issues relative to its ability to compete in the market

Efforts of the local parties to improve operational effectiveness may require change or waiver of certain agreements or practices. It is understood that any such waivers, modifications or changes will not be effective unless agreed to by the local parties involved and approved in writing by the Union Relations Staff of the Corporation and the UAW, DaimlerChrysler Department of the International Union. Such changes will be effective only at the location(s) specifically designated and would require no further ratification.

INTERNATIONAL UNION, UAW

DAIMLERCHRYSLER CORPORATION

MEMORANDUM OF UNDERSTANDING
LEAN OPERATING PRINCIPLES

During the course of these negotiations, the parties discussed at length the principles associated with operating a parts distribution center (PDC). Included in these discussions were the status of the San Francisco PDC, Mopar's first facility to utilize lean operating principles and the status of implementation of these principles at each facility in the distribution network. The parties reviewed the uniqueness of the San Francisco operating philosophy in that a joint Union/Management team had been utilized from the inception at San Francisco in developing every aspect of its operation including the operating principles and that all PDC's had been given the opportunity to review the San Francisco facility and see the principles in operation.

The parties expressed a mutual belief that this philosophy of creating an integrated system to accomplish supply chain objectives is the cornerstone of Mopar's ability to survive in an ever increasing highly competitive market. Mopar's ability to sustain a profitable future resides, in part, in its ability to drive continuous improvement in the process of ensuring the right quality parts are available to the customer at the right time at a competitive price.

The parties are committed to working together to continue this journey towards Lean and to realize the success of implementing Lean Warehousing throughout the Mopar Parts Division. In order to ensure the flexibility to react to changing business

needs in a highly competitive environment, the parties agreed that efforts towards implementing the PDC's Lean Manufacturing must be accelerated. As a result, this Memorandum serves as the framework of the fundamental principles that any parts distribution facility must adopt in order to transform itself to a lean operating environment. They are as follows:

COMMITMENT TO QUALITY

The parties recognize the importance of making sure that the right part is delivered to the right place at the right time. It is essential that we continue to strive towards improving customer satisfaction. The parties are committed to the joint role of PQI and standardized work processes in driving improvement through facilitation of workshops and other initiatives. To help accomplish the quality objective, the parties agree to jointly participate in quality awareness review of employees who commit higher than acceptable errors on the job.

JOINT ACTIVITIES OPERATING PRINCIPLES

The spirit of jointness and employee empowerment embodied within Letter 124 of the National Agreement as well as the concepts of fairness, accountability and responsibility must become the PDC culture.

TEAM BASED ENVIRONMENT

A team based work structure shall be adopted, including job rotation and flexibility in such ways that will improve operational efficiencies and employees' quality of work life. In this regard, the parties have agreed to the following:

1. All Field PDC non-skilled employees will be classified as Checker-Packer (classification #3339). National PDC's non-skilled classifications will be consolidated in a comparable manner.

2. All Parts Distribution Centers shall be arranged in functional work groups consistent with Lean Principles.

3. Each team will encompass a broad range of responsibilities applicable to a specific area or section of the warehouse.

4. Employees assigned to a team will rotate positions within their respective teams. Employees will be trained on each job to ensure the maximum skill level and knowledge base of each team is achieved. This provides flexibility to respond to changing business conditions. Employees will assist in training other team members. If an employee has a substantiated condition that would otherwise preclude the employee from performing the rotational assignment, the employee may bring the matter to the attention of local Management and/or Union for discussion.

5. In certain cases, there will be a need for specialized jobs where specific skill sets preclude rotation of team members. While the number and type of these positions may vary at each PDC, the parties envision them to be minimal in number and modeled after Lean Principles.

6. Simultaneous picking and stocking of parts will be performed across all shifts, as business needs dictate, in order to support reliable throughput and delivery of parts.

7. Fair and equitable work assignments will be developed to promote the ability to implement small batch processing techniques.

8. All employees shall have general housekeeping duties as part of their daily responsibilities and will be expected to maintain their work area in a clean, orderly and safe condition on an ongoing basis.

CONTINUOUS IMPROVEMENT

The parties are committed to the philosophical belief that we must continually look for ways to improve processes in order to sustain our ability to compete. It is the responsibility of each person to participate in identifying issues and eliminating waste. To accomplish this:

The Lean Operations Steering Committee (L.O.S.C.), consisting of Mopar Senior Management and the International U.A.W., is committed to the success of the Mopar Parts Division and has continually met since the establishment of the San Francisco PDC Model agreement. The parties recognize the importance of this committee and agree that the L.O.S.C. shall drive implementation of the Lean Operating Principles across the Parts Division and provide guidance and counsel to ensure success in implementing the lean processes including the principles of this Memorandum.

The ultimate success of a PDC is dependent upon the Local LEPC's taking responsibility to lead the necessary changes to transform their location into Lean operations.

In order to create a world class distribution system, within sixty (60) days of the effective date of the Agreement, and consistent with Letter 124 - Employee Participation of the National Agreement, each LEPC will be required to jointly develop and submit an implementation plan to the L.O.S.C., for review and approval, detailing how they will implement the principles of this framework into their facility. If an operation fails to submit their plan by the specified timeframe, the L.O.S.C. will take immediate action to ensure compliance with this Memorandum.

The Company and Union recognize the competitive environment that exists in the Parts Industry. It is agreed that the only manner in which operations can survive and provide job security is to become lean and efficient, while eliminating waste. Accordingly, the National parties provide their full commitment to this Memorandum.

INTERNATIONAL UNION UAW

DAIMLERCHRYSLER CORPORATION

CONSOLIDATED WORKERS

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2003 CWA/IBEW/LUCENT NATIONAL
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PREAMBLE

THIS COLLECTIVE BARGAINING AGREEMENT (which may also be referred to as the "GENERAL AGREEMENT") is made this day of January 9, 2003 effective March 1, 2003, by and between LUCENT TECHNOLOGIES INC., hereinafter called the "COMPANY" and the COMMUNICATIONS WORKERS OF AMERICA, hereinafter called the "UNION."

And, WHEREAS, the parties have engaged in collective bargaining for the purpose of developing a general agreement on wages, hours of work, and other conditions of employment;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree with each other as follows with respect to the EMPLOYEES of the COMPANY recognized as being represented by the UNION:

ARTICLE 1 – RECOGNITION

1 Certification of Membership

2 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.

3 Recognition

The COMPANY hereby recognizes the UNION as the exclusive REPRESENTATIVE of the following EMPLOYEES:

- (a) those EMPLOYEES whose current job titles appear in ARTICLES 25, 26, 27, and 28 (separately and collectively the "Operational Employees" working in the following Lucent Organizations or their successor organizations: Chief Information Organization, Corporate Finance Organization, Data Networking Organization (now part of INS), Procurement Organization (now part of SCN), Human Resources, Public Relations and Employee Information, and Real Estate, and whose permanent reporting location is in a State within which that job title is listed in and who are not represented by another UNION;
- (b) the Bell Laboratories non-supervisory EMPLOYEES in those mechanical and plant services occupations set forth in ARTICLE 29 who are EMPLOYEES of the COMPANY in the Bell Laboratories New Jersey locations in Murray Hill; Whippany (including Chester, Liberty Corner); Holmdel (including Crawford Hill and Red Hill); and Naperville, Illinois (separately and collectively, the "Bell Labs Employees");
- (c) those Hourly and Service and Support Employees holding the titles listed in ARTICLE 30 and who are EMPLOYEES of the COMPANY in the locations 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: (i) Charlotte Special Customer Operations Center located at 10000 Twin Lakes Parkway, Charlotte, NC.; (ii) Kansas City Special Customer Operations Center - located at 9501 West 67th Street, Merriam, KS.; and (iii) East Point - located at 4071 South Meadow Parkway West, East Point, GA.

The COMPANY also recognizes the UNION as the exclusive REPRESENTATIVE of those Guilford Center service and support EMPLOYEES holding the titles listed in ARTICLE 30 and who are EMPLOYEES of the COMPANY in the location listed below, excluding all other Employees, production and maintenance, confidential Employees, professional Employees, technical Employees, professional-administrative Employees, managers' secretaries, secretary to the Medical Director, guards, watchmen and supervisors as defined in the Act and Employees who are already members of another bargaining unit, who are in a common Guilford Center movement of personnel universe at I-85 Mt. Hope Church Road, Greensboro, NC.

The EMPLOYEES described in this Section 2(c) shall separately and collectively be referred to as the "Repair, Distribution and Service and Support Employees" or the "RDS&S EMPLOYEES."

- (d) all EMPLOYEES in Manufacturing Five Tier Plan Occupational Job Classifications, (separately and collectively be referred to as "Manufacturing Five Tier Employees") as set forth in ARTICLE 31, and who are Employees of the COMPANY in the Merrimack Valley Works at 1600 Osgood Street, North Andover, MA excluding all other Employees, production and maintenance Employees, confidential Employees, professional Employees, technical Employees, professional-administrative Employees, Managers' (or equivalent) secretaries, secretary to the Medical Director, Guards, Watchmen and supervisors as defined in the Act.
 - (e) all hourly-rated Manufacturing Production and Maintenance EMPLOYEES (separately and collectively referred to as the "Manufacturing P&M Employees") whose titles appear in ARTICLE 31 and who are Employees of the COMPANY in the Merrimack Valley Works in Essex County, Massachusetts but excluding all guards, firemen, watchmen, professional, salaried, office and clerical Employees, Boiler Operations (7874), Operating Engineers (6872) and supervisors as defined in the Act.
- 4 If during the term of this Agreement, the UNION is certified by the National Labor Relations Board or is recognized by the COMPANY as the collective bargaining REPRESENTATIVE of the EMPLOYEES not previously so represented, who occupy job titles or occupations in which other EMPLOYEES are represented by the UNION and are covered by this Agreement, such EMPLOYEES shall be included within and be covered by

Article 1

this Agreement upon conclusions of any negotiations on any necessary amendments thereto.

5 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.

6 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.

7 Nondiscrimination

- (a) There shall be no discrimination on the part of the COMPANY or the UNION, or its officers, members, REPRESENTATIVES or AGENTS, against any EMPLOYEE because of membership or non-membership in the UNION.
- (b) No EMPLOYEE shall be subjected to prejudice or discrimination because of action taken by REPRESENTATIVES of the UNION in presenting grievances instituted for such EMPLOYEE under the provisions of this Agreement.
- (c) Neither the UNION, nor its officers, members, REPRESENTATIVES or AGENTS, will intimidate or coerce EMPLOYEES into joining or continuing their membership in the UNION.
- (d) 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.

ARTICLE 2 - COLLECTIVE BARGAINING

1 The parties hereto agree that collective bargaining shall be carried on between the authorized REPRESENTATIVE(s) of the COMPANY and the UNION, and that no Agreement shall be effective and binding upon the COMPANY or the UNION unless and until it is reduced to writing and signed by the authorized REPRESENTATIVE(s) at the Headquarters level of the COMPANY and the National level of the UNION.

2 This Agreement constitutes the entire agreement between the parties, and no waiver or modification shall be effective unless signed by the parties hereto, and no such writing, applicable to any particular instance or instances shall be construed as any general waiver or modification, but shall be strictly limited to the extent and occasion specified herein.

3 **Mutual Respect**

The COMPANY and the UNION recognize that it is in the best interest of parties, the EMPLOYEES, and the public that all dealings between them continue to be characterized by mutual respect. To ensure 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 the 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 of the measures they have agreed upon to ensure adherence to this purpose.

ARTICLE 3 - DEFINED TERMS

7-DAY COVERAGE BONUS -

A bonus of ten percent (10%) of an EMPLOYEE'S ADJUSTED RATE.

7-DAY COVERAGE EMPLOYEE -

An EMPLOYEE whose SCHEDULED WEEKLY TOUR involves special or rotating tours which frequently include working on calendar Saturdays and/or Sundays, and who works on a 7-DAY COVERAGE JOB.

7-DAY COVERAGE JOB -

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.

ADJUSTED RATE -

An EMPLOYEE'S total rate, resulting from the sum of his or her STANDARD RATE and any applicable Wage Protection Allowance, any Base Rate Supplements, Special Hourly Payments, Special Supplementary Wage Treatment, and Additional Special Supplementary Wage Treatment. Such ADJUSTED RATE shall be used to calculate overtime payments, percentage payment for TOUR bonuses, paid absences, term payments and basic pay for group insurance and Savings and Security Plan allotments.

AGENT -

An individual who is not an EMPLOYEE of the COMPANY in the bargaining unit recognized in accordance with ARTICLE 1, RECOGNITION who has been so designated by the UNION in accordance with Paragraph 2(a) of ARTICLE 5, UNION REPRESENTATION.

BARGAINING AGENT -

An individual authorized to sign agreements for the COMPANY.

CALENDAR DAY -

The 24 hour period beginning at midnight.

CALENDAR YEAR -

A CALENDAR YEAR is the period beginning January 1 and ending December 31.

CALENDAR WEEK -

A CALENDAR WEEK is the period of seven (7) consecutive days commencing on Sunday.

COMPANY -
Lucent Technologies Inc.

CONTROL RATE -
JOURNEYMEN TRADES

A rate of pay on the progression scale for Trades Group 2 beyond which a JOURNEYMAN shall not progress until after demonstrating the ability to perform effectively the full range of work as described in the applicable JOURNEYMAN Trades Plan Occupational description.

TESTERS

A rate of pay on the progression scale for TESTERS beyond which a TESTER shall not progress until after demonstrating the ability to trouble shoot to component level and passing the prescribed Technical Interview.

DAILY ADJUSTED RATE -

The DAILY ADJUSTED RATE is the rate determined by dividing the ADJUSTED RATE by five (5).

DAY IN LIEU OF SATURDAY -

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

DAY IN LIEU OF SUNDAY -

For a 7-DAY COVERAGE EMPLOYEE, the first (1st) 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 TOUR -

A scheduled daily tour, which falls wholly within the hours of 6AM to 6PM.

DISMISSAL -

A dismissed EMPLOYEE is one whose service is terminated for any reason other than transfer, resignation, lay off (or work completed for temporary or term EMPLOYEES), voluntary retirement or death.

DOUBLE TIME -

Pay at two hundred percent (200%) of an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

DOUBLE TIME AND ONE-HALF -

Article 3

Pay at two hundred and fifty percent (250%) of an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

EMPLOYEE -

The term "EMPLOYEE(S)", for the purpose of the terms of this Agreement, shall refer only to EMPLOYEES of the COMPANY included within the bargaining unit as defined in Article 1 - Recognition.

EMPLOYEE REGULAR -

Regular EMPLOYEES are those whose employment is reasonably expected to continue for longer than twelve (12) months. A regular EMPLOYEE may be either full-time or part time.

EMPLOYEE TEMPORARY -

A temporary EMPLOYEE is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary EMPLOYEE may be either full-time or part-time.

EMPLOYEE TERM -

A term EMPLOYEE is a regular EMPLOYEE who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period.

Term EMPLOYEES shall be treated the same as regular EMPLOYEES except that:

They are not eligible to participate in Tuition Assistance and,
The provisions of the following Articles shall not apply to term EMPLOYEES:

Article 28 Appendix E, Article 29 Appendix B, Article 30 Appendix D,
and Article 31 Appendix C (Termination Payments)
Article 21 (Force Wage Protection Allowance)
Article 17 (Military Leaves of Absence)

EMPLOYEE FULL TIME -

Full-time EMPLOYEES are those who are employed for not fewer than the number of hours per week called for in the NORMAL WORK WEEK applicable to their work locations.

EMPLOYEE PART TIME -

Those who are employed and normally scheduled to work fewer hours per average month than comparable full time EMPLOYEES in the same job title, classification, or work group working the same normal daily tour.

HOURLY ADJUSTED RATE -

The HOURLY ADJUSTED RATE is the rate determined by dividing the ADJUSTED RATE by the number of hours in a full-time EMPLOYEE'S normal work week.

INTERIM STATUS -

A non-disciplinary interruption of employment without pay after an EMPLOYEE has been charged for a crime for which he or she would be terminated if found guilty and continuing until a disposition of the charge or charges or further action by the COMPANY.

JOURNEYMAN -

A qualified EMPLOYEE in a skilled trade or craft who has completed an apprenticeship or equivalent training and who is expected to perform all levels of work within his or her base trade and complete any assignment consistent with skills acquired through previous experience and/or training.

LAYOFF - or LAID OFF -

A termination of employment arising out of a reduction in the force due to lack of work. Under the following circumstances an EMPLOYEE'S services shall not be considered terminated by LAYOFF nor shall an EMPLOYEE be considered LAID OFF: (1) when the EMPLOYEE'S services are temporarily interrupted because of but not limited to such causes as material shortage, equipment failure, power failure, labor dispute, or other circumstances which cause a temporary cessation or reduction in operations; (2) when the EMPLOYEE is not reinstated from Leave of Absence.

LOANED EMPLOYEE (Manufacturing P&M and Tier) -

An EMPLOYEE whose normal assignment has been changed for a period of time not to exceed four (4) weeks, without change in the EMPLOYEE'S employment and payroll records.

MAXIMUM RATE -

The top rate of the progression scale for a specific Wage Schedule.

MINIMUM RATE -

The MINIMUM RATE of the progression scale for a specific Wage Schedule.

NET CREDITED SERVICE -

See TERM OF EMPLOYMENT.

Article 3

NIGHT TOUR -

When the EMPLOYEE'S SCHEDULED DAILY TOUR falls wholly or in part between 6 P.M. and 6 A.M.

NIGHT WORK BONUS -

A bonus of ten percent (10%) of an EMPLOYEE'S ADJUSTED RATE.

NONSCHEDULED DAY -

A day outside the SCHEDULED WEEKLY TOUR.

NORMAL WORK WEEK -

A normal WORKWEEK consists of five (5) normal tours or their equivalent during a CALENDAR WEEK.

OFFICER -

An AGENT or REPRESENTATIVE who has been so designated by the UNION in accordance with ARTICLE 5, UNION REPRESENTATION.

PRODUCTION OCCUPATION (Manufacturing P&M Only) -

An Occupational Job Classification in a Production Level requiring certain levels of expertise, proficiency and competence which is associated with the manufacture and assembly of products and which is assigned to an organizational unit functionally responsible for such services in the manufacture of products.

REPRESENTATIVE -

An EMPLOYEE of the COMPANY in the bargaining unit recognized in accordance with ARTICLE 1, RECOGNITION who has been so designated by the UNION in accordance with ARTICLE 5, UNION REPRESENTATION.

SCHEDULED DAILY TOUR -

The hours in a day an EMPLOYEE is scheduled to work, excluding any unpaid meal or overtime periods. In addition, the following provision shall apply to all EMPLOYEES except Operational EMPLOYEES; an entire TOUR which begins four (4) hours or less before midnight shall be considered to be a TOUR on the following calendar day.

SCHEDULED DAY -

A calendar day on which an EMPLOYEE is scheduled to work.

SCHEDULED WEEKLY TOUR -

The portion of the WORKWEEK comprised of SCHEDULED DAILY TOURS, but excluding NONSCHEDULED DAYS.

SENIORITY -
See Article 4 – SENIORITY

SHORT TIMING -
"SHORT-TIMING" shall mean the reduction of the SCHEDULED WEEKLY TOUR in a particular WORKWEEK as designated by the COMPANY. Any such week shall be called a "SHORT-TIME WEEK."

SHORT-TIME WEEK -
The UNION shall be given advance notice when SHORT-TIME WEEKS are scheduled, specifying the EMPLOYEE(s) involved.

STANDARD RATE -
A rate of pay assigned to an EMPLOYEE based on the EMPLOYEE'S Occupational Job Classification or Job Title for Operational EMPLOYEES.

TERM OF EMPLOYMENT -
A period of credited employment as computed by the COMPANY under the Lucent Technologies Pension Plan.

TIME AND ONE-HALF -
Pay at one hundred and fifty percent (150%) of an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

TIME OF DAY -
Where time of the day is specified herein, it shall be local time.

TOUR – NORMAL -
A normal TOUR is the number of hours of work (exclusive of meal period), which constitutes a full day's work for a full-time EMPLOYEE.

TOUR – HALF -
A half TOUR is one-half (1/2) the length of a normal tour.

TRADES OCCUPATION (Manufacturing P&M Only) -
A skilled trades or craft job in a Trades Occupational Job Classification which is associated with the construction, repair and maintenance of tools, machines, equipment, buildings and service systems used in the manufacture of the COMPANY'S products and which is assigned to an organizational unit functionally responsible for such services.

UNION -
Communications Workers of America.

Article 3

WAGE PROTECTION ALLOWANCE -

The WAGE PROTECTION ALLOWANCE (WPA) consists of all forms of existing wage protection, including Green Circle, Red Line, Reassignment Pay Protection (RPPP), LTP WAGE PROTECTION ALLOWANCE and any other forms of wage protection which result in a "protected" wage rate.

WORKWEEK (Except Operations) -

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.

The following definitions are applicable within this Agreement only for Operational EMPLOYEES covered under Articles 25, 26, 27 and 28:

MEAL PERIOD -

A MEAL PERIOD is an unpaid period not longer than one (1) hour during which an EMPLOYEE is excused for a meal.

RELIEF PERIOD -

A RELIEF PERIOD is a rest period of fifteen (15) minutes which shall be considered as work time.

TOUR -

A TOUR is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any meal period. The starting time of a TOUR determines the day on which the TOUR occurs.

WEEKDAY -

One (1) of the six (6) days, Monday through Saturday, inclusive.

ARTICLE 4 – SENIORITY

- 1 SENIORITY shall mean the EMPLOYEES length of NET CREDITED SERVICE with the COMPANY.
- 2 It is understood by the parties that the provisions of Paragraph 1 apply to all Articles of the contract.
- 3 In all movement of personnel situations SENIORITY shall be determined by using the EMPLOYEE(s) payroll account number P.A.N./EMPLOYEE number as a tiebreaker. The EMPLOYEE with the lower P.A.N./EMPLOYEE number will be considered the EMPLOYEE with the most SENIORITY. For EMPLOYEES hired after January 2, 1992 or in instances where a P.A.N./EMPLOYEE Number is not available then SENIORITY shall be determined by using the last four digits of the EMPLOYEE'S social security number, 0000 being the lowest SENIORITY, and 9999 being the highest SENIORITY.
- 4 (Repair, Distribution and Services and Support only) – Affected EMPLOYEES having the same NET CREDITED SERVICE, SENIORITY shall be determined by using the last four (4) digits of the EMPLOYEES' social security numbers, 0000 being the highest SENIORITY, and 9999 being the lowest SENIORITY.

ARTICLE 5 – UNION REPRESENTATION

1 Notices Regarding UNION Organization

The UNION agrees that its President or a person duly empowered to act in the President's behalf shall keep the Workforce Relations Vice President or his designate, currently advised, in writing, of the REPRESENTATIVES of the National UNION who are authorized to deal with the COMPANY regarding EMPLOYEES in the bargaining unit and regarding such matters as designating the Locals which have been established, designating the officers or other authorized REPRESENTATIVES of such Locals and indicating the jurisdiction of such Locals and their REPRESENTATIVES. The UNION agrees further that such notifications and authorizations shall designate the UNION REPRESENTATIVE or REPRESENTATIVES to whom notices, information, certifications and services by COMPANY REPRESENTATIVES, as are provided for in this Agreement, shall be directed or furnished.

2 UNION Representation

- (a) At any meeting between a REPRESENTATIVE of the COMPANY and an EMPLOYEE in which discipline (including official reprimand, suspension, demotion or discharge for just cause) or counseling which is to be recorded in the EMPLOYEE'S organization personnel file, is to be announced or where the EMPLOYEE reasonably believes the meeting will result in disciplinary action, a UNION REPRESENTATIVE may be present if the EMPLOYEE so requests.
- (b) At any investigatory interview between a REPRESENTATIVE of the COMPANY and an EMPLOYEE, wherein the EMPLOYEE reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed EMPLOYEE, a UNION REPRESENTATIVE may be present if the EMPLOYEE so requests.

3 Promotion, Transfer, Assignment of UNION Officers

- (a) The COMPANY shall not promote or transfer any EMPLOYEE who is serving as a duly elected OFFICER or Executive Board REPRESENTATIVE or Chief Steward (or their equivalent) to a position that would affect the EMPLOYEE'S status as a UNION Officer, Executive Board REPRESENTATIVE or Chief Steward (or their equivalent) without first obtaining the consent of the UNION. The foregoing consent of the UNION will not be required if the transfer is to be accomplished pursuant to the provisions of Force Adjustment -

LAYOFF, and Recall. The COMPANY shall give the president of the local UNION written notice at least fourteen (14) calendar days prior to the effective date of the promotion or transfer, and the UNION shall conclusively be presumed to have consented to such promotion or transfer unless within two (2) weeks after the UNION receives such notification, it advises the COMPANY in writing that it does not consent.

- (b) The COMPANY shall give the UNION office notice at least one (1) week prior to the effective date of the promotion or transfer of a duly elected or appointed steward of the UNION when the promotion or transfer affects the EMPLOYEE'S status as a REPRESENTATIVE of the UNION.

4 Excused Absences for UNION Duties

- (a) Upon request, the COMPANY will excuse a REPRESENTATIVE from COMPANY duties to perform UNION duties, provided the work situation permits and provided the REPRESENTATIVE:
 - (1) Arranges with his or her supervisor for the period of such time off;
 - (2) Obtains certification of the time the REPRESENTATIVE leaves his or her COMPANY duties;
 - (3) Makes the necessary arrangements with the supervisor with whom the EMPLOYEE wishes to confer or with the supervisor in charge of the area where the observation of a work operation or condition is necessary;
 - (4) Notifies his or her supervisor upon return to assigned COMPANY duty and obtains certification of the time of return;
 - (5) Complies at all times with the COMPANY'S time recording and pass routines; and,
 - (6) Carries out the UNION duties involved in such manner that there is the least interference with COMPANY activities.
- (b) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duty when conferring with Management during such REPRESENTATIVE'S SCHEDULED DAILY TOUR. However, the following limitations shall ordinarily apply:

Article 5

For Mfg P&M and Tier Meetings With	Number of REPRESENTATIVES to be paid
1st Level Managers	1
2nd, 3rd Level Managers	2
4th or higher Level Managers	3
COMPANY BARGAINING AGENTS	4

For RDS&S Meetings With	Number of REPRESENTATIVES to be paid
1st Level Managers	2
2nd Level Managers	2
Resident Heads	4

- (1) A REPRESENTATIVE may not be paid for time spent in collective bargaining meetings.
- (2) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duty for such time while attending a meeting between a supervisor and an EMPLOYEE in which discipline is to be announced.
- (3) 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 process 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 REPRESENTATIVE'S SCHEDULED DAILY TOUR will be paid as time worked. (For Bell Labs only the following shall also apply): Such REPRESENTATIVE'S shall also be

reimbursed for reasonable travel, board and lodging expenses which are directly related to participation in such activities.

- (4) In addition, the COMPANY also agrees to introduce EMPLOYEES transferring into a different work group to the local UNION REPRESENTATIVE assigned to that area.

5 Limitations on Non-Paid Time Off

(a) A REPRESENTATIVE may be excused from his or her COMPANY duties to perform UNION duties for purposes other than those covered in Paragraphs 4(b), 4(b)(2) and 4(b)(3). Such time off shall not be paid for by the COMPANY. A REPRESENTATIVE shall be limited to a maximum of one thousand (1000) hours of such non-paid excused time off during such REPRESENTATIVE'S SCHEDULED DAILY TOUR in a CALENDAR YEAR.

- (1) For a maximum of 5 five (5) such REPRESENTATIVES at each Location in the Bargaining Unit, such limitation shall be sixteen hundred (1600) hours in a CALENDAR YEAR.
- (2) The above limitations shall be reduced for newly elected or appointed REPRESENTATIVES as follows:

Date Elected or Appointed	Maximum Limitation
	1000 Hours – 1600 Hours
January 1 – March 31	1000 Hours 1600 Hours
April 1 – June 30	750 Hours 1200 Hours
July 1 – September 30	500 Hours 800 Hours
October 1 – December 31	250 Hours 400 Hours

- (3) Excused time off in excess of or 5(a)(2) shall result in a requirement for a REPRESENTATIVE to take a Leave of Absence for UNION Business in accordance with the provisions of Paragraph 6(a).the limitations contained in Paragraphs 5(a), 5(a)(1)
- (b) Upon written request by the Local President or his or her designee and subject to the routines prescribed in Paragraph 4(a), a reasonable number of EMPLOYEES who have been selected by

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the UNION to perform UNION duties shall be excused from their assigned COMPANY duty for a reasonable length of time (not to exceed one (1) month), without pay. Each absence shall be for a stated period, but can be terminated before the expiration of said period by the return of the EMPLOYEE to assigned COMPANY duty. However, the COMPANY may refuse to excuse an EMPLOYEE at a time when such absence from work will seriously interfere with the operation of the business, and may limit such excused absences for EMPLOYEES other than those designated as REPRESENTATIVES to a cumulative period of one (1) month in a CALENDAR YEAR.

- (1) A REPRESENTATIVE or other EMPLOYEE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duties during his or her STANDARD DAILY TOUR to participate in joint UNION-Management activities.
- (2) For certain joint UNION-Management activities, a REPRESENTATIVE shall also be treated as follows:
 - (i) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for reasonable travel time associated with such joint UNION-Management activities.
 - (ii) Such REPRESENTATIVE shall also be reimbursed for reasonable travel, board and lodging expenses which are directly related to participation in such activities.
 - (iii) Payments in accordance with the provisions of Paragraphs 5(b)(2)(i) and 5(b)(2)(ii) are limited to those activities which have been specifically designated by the National Bargaining Committee.
 - (iv) Where the UNION represents more than one bargaining unit at the same Lucent Technologies work location and an EMPLOYEE has been designated as a REPRESENTATIVE of one unit and an AGENT in the other unit, such EMPLOYEE will be considered as a REPRESENTATIVE in both bargaining units for purposes of eligibility to pay for time lost from assigned

COMPANY duties under Paragraphs 4(b), 4(b)(1), 4(b)(2), 4(b)(3), 5(b)(1) and 5(b)(2). The limitations on non-paid time off specified in Paragraphs 5(a), 5(a)(1) and 5(a)(2) shall apply to such EMPLOYEE as if he or she were serving a single bargaining unit.

6 Leaves of Absence for UNION Business

- (a) Upon request of the President or Business Manager of the UNION Local, a reasonable number of EMPLOYEES who have been selected by the UNION to perform UNION duties which will take them from their assigned COMPANY duty for a continuous period of more than one (1) month shall be granted Leaves of Absence. However, the COMPANY may refuse to excuse an EMPLOYEE at a time when such absence from assigned COMPANY duty will seriously interfere with the operation of the business.
- (1) All absences of more than one (1) month shall be covered by a formal Leave of Absence stating the purpose for which the Leave of Absence 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 of Absence was granted, or if and when any part of the absence is used for activities other than for which the Leave of Absence was granted.
 - (2) Upon the expiration date of such a Leave of Absence, the EMPLOYEE shall either be reinstated in accordance with Paragraph 6(a)(6) or action taken in accordance with Paragraph 6(a)(3).
 - (3) 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.
 - (4) Such Leaves of Absence shall be:
 - (i) without pay;
 - (ii) with credit in TERM OF EMPLOYMENT for previous credited service (upon subsequent reinstatement from the Leave of Absence);

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- (iii) with credit in TERM OF EMPLOYMENT for the time absent (upon subsequent reinstatement from the Leaves of Absence);
 - (iv) with eligibility to Sickness and Disability Benefits under and pursuant to the Sickness and Accident Disability Benefit Plan beginning on the eighth (8th) calendar day following the expiration date of the Leave of Absence;
 - (v) with eligibility to Sickness and Accident Death Benefits and pension under and pursuant to the Lucent Technologies Pension Plan;
 - (vi) with eligibility to continued insurance under and pursuant to the Group Life and Accidental Death or Dismemberment Insurance Program;
 - (vii) with eligibility to continue participation in the Supplementary Group Life Insurance Program;
 - (viii) with eligibility to continue coverage under and pursuant to the Dental Expense Plan by the EMPLOYEE paying one hundred per cent (100%) of the premium;
 - (ix) without eligibility to continued coverage under the Long Term Disability Plan;
 - (x) with eligibility for coverage under and pursuant to the Medical Expense Plan;
 - (xi) with eligibility for coverage under and pursuant to the Vision Care Plan, by the EMPLOYEE paying one hundred percent (100%) of the premium;
 - (xii) with the eligibility for participation in the Lucent Technologies Service Anniversary Award on the same terms and conditions as active EMPLOYEES.
- (5) 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.
- (6) 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 Lucent Technologies Supplementary Basic Group Life Insurance plan that will be determined based on the amount of EMPLOYEE'S current pay.
- (7) An EMPLOYEE on a UNION leave of absence shall be able to make fund exchanges among his or her accounts in the

Lucent Technologies Long Term Savings and Security Plan in the same manner and with the same frequency as participants who are active EMPLOYEES of the COMPANY.

- (8) 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 when prior arrangements for extension have been completed. Such a Leave of Absence may be terminated prior to the expiration date, if the EMPLOYEE gives the COMPANY'S BARGAINING AGENT ten (10) days prior written notice of intention to return to work and returns to work on the date specified.
- (9) Upon return from such a Leave of Absence an EMPLOYEE shall, subject to the provisions of MOVEMENT OF PERSONNEL (As defined in functional Articles for P&M, RDS&S, BL, Operations, Tier), be reinstated at work generally similar to that in which last engaged prior to the Leave of Absence and for which the EMPLOYEE is qualified.
- (10) Upon reinstatement, the EMPLOYEE shall be placed on the payroll at the STANDARD RATE received when such Leave of Absence began, adjusted for any changes in wage level made during the period of absence. Adjustments shall also be made for any changes in Occupational Job Classification in accordance with existing practices.

ARTICLE 6 – UNION ACTIVITIES

1 Bulletin Boards

The COMPANY agrees that it will furnish and mount bulletin boards to be used exclusively by the UNION at each office or facility location, except at locations in buildings not owned by the COMPANY where the landlord or owner objects to the use of any and all bulletin boards.

- (a) The location, number, size and construction of such bulletin boards shall be subject to the mutual agreement of the COMPANY and the UNION.
- (b) The use of such bulletin boards shall be considered proper when confined to factual notices and announcements of the Union.
- (c) Bulletin boards shall be used for the sole purpose of posting UNION notices. Nothing inflammatory, derogatory, controversial or disruptive to good relations shall be contained in material posted on bulletin boards.
- (d) The UNION assumes responsibility for complete compliance with the provisions of Paragraph 1(c) and in the event of violation, the COMPANY may withdraw the privilege as to any or all bulletin boards and may remove the same, at any time on one (1) week's written notice to the UNION.

2 Conducting UNION Business on COMPANY Premises

- (a) Neither the UNION nor any EMPLOYEE shall solicit UNION membership on COMPANY premises during the assigned working time of the EMPLOYEES involved in the solicitation, nor shall any other UNION business be conducted on COMPANY premises except:
 - (1) Collective bargaining or conferring with COMPANY REPRESENTATIVES or the observation of an operation or condition related to a specific grievance when such observation can properly be conducted only during the working time of the EMPLOYEES involved, in which case observation shall be limited to the SCHEDULED WEEKLY TOUR of the EMPLOYEES involved.

- (2) The distribution of UNION material such as but not limited to papers, leaflets, handbills or literature may be made by the UNION or an EMPLOYEE, provided such distribution is not made in working areas (as designated by the COMPANY) or during the assigned working time of the EMPLOYEES involved, and provided such distribution does not interfere with work operations or provoke disorder, or result in littering of the premises.

3 Access of UNION AGENTS and/or Officials to COMPANY Premises

- (a) Certified REPRESENTATIVES and UNION officials not employed by the COMPANY will have reasonable access to the COMPANY premises for the purpose of conferring with Management and/or investigating existing grievances provided:
 - (1) Application for such access is approved in advance by the COMPANY'S BARGAINING AGENT or such BARGAINING AGENT'S delegate.
 - (2) There is compliance with the COMPANY'S pass routines and rules covering access to and movement of visitors within the COMPANY premises.
- (b) In the interest of the uninterrupted conduct of the COMPANY'S business, any meeting between UNION and LOCAL REPRESENTATIVES and EMPLOYEES shall be confined to a location designated by Local Management unless the nature of the investigation involves the necessity of observing an EMPLOYEE at the EMPLOYEE'S place of work.

4 Notices to the Local UNION

- (a) The LOCAL UNION REPRESENTATIVE designated by the LOCAL UNION, shall be notified in advance when practicable, of the following:
 - (1) Adding EMPLOYEES to the payroll at a LOCATION (written notice fourteen (14) calendar days in advance).
 - (2) Changes of shift assignments of individual EMPLOYEES.
 - (3) Upgradings or reclassification:

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- (i) To a job with a higher wage schedule (written notice fourteen (14) calendar days in advance).
 - (ii) To temporary upgradings (written notice in advance of approximate duration and wage treatment).
 - (iii) From a temporary to permanent job assignment (written notice in advance).
- (4) Extension of Temporary Upgrading (written notice in advance with reason for extension and expected duration).
 - (5) Downgradings or reclassification to a job with a lower wage schedule (written notice fourteen (14) calendar days in advance).
 - (6) Transfers involving changes of an EMPLOYEE'S status (written notice fourteen (14) calendar days in advance).
 - (7) LAYOFFS due to lack of work (written notice thirty (30) calendar days in advance).
 - (8) Written notification of names of LAID OFF EMPLOYEES who fail to report within fourteen (14) calendar days or do not accept employment offered.
 - (9) Disciplinary action
 - (10) (The following provision applies to Bell Labs Employees only). Written notification thirty (30) days in advance before any UNION OFFICER or steward is LAID OFF.

ARTICLE 7 - AGENCY SHOP AND COLLECTION OF DUES

1 Agency Shop

- (a) 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 of such entrance, whichever of these dates is later, until the termination of this Agreement.
- (b) For the purpose of this section, "EMPLOYEE" shall mean any person entering into the bargaining unit.
- (c) 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.
- (d) The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such EMPLOYEE but shall re-apply to such EMPLOYEE on the thirtieth (30th) day following his or her return to the bargaining unit. For purposes of this Paragraph, the term "formal separation" shall include transfers out of the bargaining unit, removal from the payroll of the COMPANY and leaves of absence of more than one (1) month duration.
- (e) The COMPANY may inform EMPLOYEES and applicants for employment of their rights and obligations under the provisions of this Section.
- (f) This Section shall only apply to those states where permitted by law.

2 Collection of Dues

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- (a) Upon receipt of a "Payroll Deduction Authorization" from an EMPLOYEE, in the form attached hereto as Appendix 7A, Lucent will initiate deductions for amounts equal to UNION Dues (and, if authorized, an Initiation Fee) from such EMPLOYEE'S salary or wages, sickness or disability payments, or other benefit payments or vacation payments. Deduction shall be made from the EMPLOYEE'S salary or wages, sickness or disability payments, or other benefit payments or vacation payments as follows:

EMPLOYEES Paid	Deductions
Weekly	Installments in the first 4 weeks each month;
Bi-Weekly	Installments in the first 2 bi-weekly periods each month;
Monthly	Each month

- (1) Deductions shall begin during the first (1st) payroll period in the month following receipt of a newly executed "Payroll Deduction Authorization" by the Lucent Payroll Office, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:
- (i) those required by law, and,
 - (ii) those authorized for Group Life Insurance and Medical Expense Plan premiums.
- (2) If the scheduled deduction for amounts equal to UNION dues cannot be made in the period(s) specified above, such deduction(s) will be made during the consecutive payroll periods ending no later than the last payroll period in the following month.
- (b) "Payroll Deduction Authorizations" shall be suspended when an EMPLOYEE: is transferred to a job that is not represented by the CWA, goes on a Leave of Absence of more than one (1) month, or is removed from the payroll of Lucent.
- (c) "Payroll Deduction Authorizations" suspended in accordance with the above provisions shall be reactivated on the first (1st) payroll period following the return of an EMPLOYEE to a job that is represented by the UNION.

- (d) Except as provided in Paragraph 2(b) "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by Lucent unless canceled by such EMPLOYEE. Such cancellation must be individually sent to the Lucent Payroll Office 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.
- (e) The COMPANY will send copies of dues revocation letters and associated envelopes to the UNION on a daily basis, as soon as possible following the COMPANY'S receipt thereof.
- (f) 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".
- (g) By written certification, the UNION shall keep Lucent 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.
- (h) 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.
- (i) 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 positive tape record showing the names of EMPLOYEES from whose pay:
 - (1) Regular deductions have been made.
 - (2) No deduction has been made because of cancellation of authorization.
 - (3) No deduction has been made because of revocation of authorization.

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- (4) No deduction has been made because of insufficient earnings in this pay period.
- (5) Deduction has been made for a prior month.
- (j) 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.
- (k) It is understood that Lucent assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither Lucent nor any of its officers, AGENTS or EMPLOYEES shall in any way be held liable or responsible for any loss.

**APPENDIX 7 - A
PAYROLL DEDUCTION AUTHORIZATION**

Social Security Number

Name
Last First Middle Initial

I hereby authorize Lucent Technologies to deduct from my salary or wages, sickness or disability payments, or other benefit payments or vacation payments, an amount equal to regular monthly Union dues. If for any reason Lucent Technologies fails or is unable to make a deduction, I authorize Lucent Technologies to make such deduction in a subsequent payroll period.

The amount equal to regular monthly Union dues shall be that which is certified to Lucent Technologies 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 Lucent Technologies unless cancelled by me. Such cancellation must be individually sent to my Lucent Technologies Payroll Office 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 Lucent Technologies to deduct from my salary, 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.

Date

Signature of Employee

Employee Work Location

Union Local

Lucent Technologies Organization

ARTICLE 8 – GRIEVANCE PROCEDURE

A *The following provisions set forth in this Section A, shall apply to Manufacturing P&M, Tier and RDS&S Employees only*

1 General

- (a) To provide for the expeditious and mutually satisfactory settlement of grievances arising with respect to the interpretation or application of this Agreement or other terms and conditions of employment, the following procedures shall apply.
- (b) Any individual EMPLOYEE or group of EMPLOYEES shall have the right at any time to present matters in their own interest to the COMPANY and to have such matters adjusted, without the intervention of the UNION, as long as the adjustment is not inconsistent with this Agreement and provided the UNION has been given an opportunity to be present at such adjustment.
- (c) When an EMPLOYEE or group of EMPLOYEES wishes to have a grievance presented for settlement by the UNION, such grievance shall, except as otherwise provided in this or any other written agreement between the COMPANY and the UNION, be presented as outlined below and settlement sought at any one of the steps indicated.
- (d) It is recognized that the LOCAL REPRESENTATIVES may process a grievance on behalf of an EMPLOYEE or group of EMPLOYEES even though such EMPLOYEES do not instigate the grievance.
- (e) After a REPRESENTATIVE has referred a grievance to the COMPANY for adjustment, the COMPANY will not discuss the matter with the EMPLOYEE involved nor adjust the grievance pending settlement with the UNION.

2 Disciplinary Matters

- (a) Any grievance involving the suspension or DISMISSAL of an individual EMPLOYEE shall be submitted in writing to the COMPANY'S Local BARGAINING AGENT within fifteen (15) standard working days after the UNION receives notice of the suspension or DISMISSAL. If such a grievance is not submitted within the fifteen (15) day period, the matter shall be considered closed.

- (b) The COMPANY shall submit a written answer to the grievance within ten (10) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or, if such an answer is not submitted within the ten (10) day period, the grievance shall be considered rejected and the grievance procedure shall be exhausted.
- (c) In the event the COMPANY determines that circumstances warrant, it may issue a "paper suspension" in lieu of an actual suspension. In such case, the COMPANY will specify the amount of time off that would have applied but the EMPLOYEE shall lose no time or pay as the result of such action.
 - (1) The COMPANY and the UNION agree that a "paper suspension" shall carry precisely the same impact as an actual suspension with regard to progressive discipline. The parties also agree that the imposition or failure to impose a "paper suspension" in lieu of an actual suspension shall not constitute a precedent with regard to any other case.
 - (2) In the event the UNION wishes to challenge the imposition of a paper suspension it may do so by filing a written grievance specifying the precise grounds for its challenge. The action shall not be subject to arbitration, however, unless and until the EMPLOYEE is later DISMISSED by the COMPANY. Should that occur, and the case is otherwise arbitrable, the UNION, in contesting the DISMISSAL in arbitration, may also contest the "paper suspension" but only on the grounds raised in its written grievance.

3 Interim Status

- (a) Any grievance involving the INTERIM STATUS suspension of an individual EMPLOYEE shall be submitted in writing to the COMPANY Local BARGAINING AGENT within fifteen (15) standard working days after the LOCAL UNION receives notice of the suspension. If such a grievance is not submitted within the fifteen (15) day period, the matter shall be considered closed.
- (b) The COMPANY shall submit a written answer to the grievance within ten (10) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or, if such an answer is not submitted within the ten (10) day period, the grievance shall be considered rejected and the grievance procedure shall be exhausted.

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4 Local Contract Interpretation Issues

- (a) It is the desire of the parties that grievances involving local contract interpretation issues be settled informally between the REPRESENTATIVE and a First Level Supervisor (Step 1) or between not more than two REPRESENTATIVES and a Second Level Supervisor (Step 2) or between not more than two REPRESENTATIVES and a Third Level Supervisor (Step 3) without a formal written procedure. Grievances so presented shall be answered within two (2) standard working days at Steps 1 and 2 and within five (5) standard working days at Step 3, following the date of presentation by the UNION.
- (b) If a satisfactory settlement cannot be reached informally at Steps 1, 2 or 3 and the UNION wishes to process the grievance further, the grievance shall be presented in writing to the designated COMPANY BARGAINING AGENT.
 - (1) No more than three (3) REPRESENTATIVES from each side shall participate in the grievance discussion.
 - (2) Notwithstanding paragraphs 4(a) and 4(b) above, the grievance must be presented in writing at the step immediately preceding the step at which the BARGAINING AGENT and the UNION discuss the grievance.
- (c) Grievances processed under the written procedure shall be answered in writing by the COMPANY within ten (10) standard working days following the date of presentation by the UNION.
- (d) When the UNION wishes to process a grievance to the next higher step, it shall present the grievance at that step within ten (10) standard working days following receipt of the COMPANY'S answer at the previous step. Otherwise the grievance shall be considered closed. If the answer to the grievance is not given by the COMPANY within the time limits provided herein, the grievance may be presented at the next step.
- (e) The parties may agree to reduce the number of grievance steps but the last step of the procedure shall require submission of the grievance in writing and discussion with both the highest level manager in the grievance chain and the designated local COMPANY BARGAINING AGENT at the same time.

5 National Contract Interpretation Issues

- (a) The parties agree to conduct regular meetings at the National Level for the purpose of discussing grievances that may arise concerning National Contract items.
- (b) If at any time following initiation of a grievance, the UNION BARGAINING AGENT and COMPANY BARGAINING AGENT concur that it is appropriate to submit the grievance to the National Step, the grievance shall be presented in writing directly to the COMPANY BARGAINING AGENT.
- (c) In the event that the UNION BARGAINING AGENT and COMPANY BARGAINING AGENT do not concur that it is appropriate to submit the grievance to the National Step, the parties shall exhaust the local grievance procedure described in Paragraphs 1 through 4 of this Article 8, Section A.
- (d) The UNION BARGAINING AGENT may present a grievance to the National Step not later than 60 days following receipt of the COMPANY BARGAINING AGENT'S written answer to a grievance. If a grievance is neither presented to the National Step nor to Arbitration in accordance with the provisions of ARTICLE 9 - ARBITRATION of the applicable General Agreement during said 60 days, the matter shall be considered closed.
- (e) All grievances submitted to the National Step shall be submitted using the form attached hereto as Appendix 8-A and shall contain reference to the nature of the dispute and reasons therefore, including reference to the specific provision or provisions of the General Agreement in dispute. All documents used during the local grievance process shall be included with the submission.
- (f) A grievance submitted to the National Step shall be placed on the agenda for the next regular scheduled meeting on National Contract items.
- (g) The COMPANY shall provide a written answer to the grievance within twenty (20) standard working days following the discussion of the grievance at the National Step.
- (h) In the event that any grievance that is submitted to the National Step is not finally resolved to the satisfaction of the parties, either party may submit such grievance to Arbitration (provided the issue is otherwise

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subject to the provisions of said ARTICLE 9, ARBITRATION) during the 60-day period following the date of the COMPANY'S written answer to the grievance following discussions at the National Step.

6 Number of UNION REPRESENTATIVES and Pay Treatment

- 7 A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duty when conferring with Management during such REPRESENTATIVE'S SCHEDULED DAILY TOUR, and for such time while attending a meeting between a supervisor and an EMPLOYEE in which discipline is to be announced, however, the following limitations shall ordinarily apply:

Meetings With	Number of Manufacturing P&M And Tier REPRESENTATIVES Paid
1 st Level Managers	1
2 nd , 3 rd Level Managers	2
4 th or higher Level Managers	3
COMPANY BARGAINING AGENTS	4

Meetings With	Number of RDS&S REPRESENTATIVES To Be Paid
1 st Level Managers	2
2 nd Level Managers	2
Resident Heads	4

B The provisions of this Section B shall apply to the Operational Employees only.

1 Grievance Procedure

The COMPANY and the UNION recognize and confirm that the grievance procedures set forth in Article 8 Section B and, where applicable, Article 9 - Arbitration and Article 10 - Mediation, provide the mutually agreed upon and exclusive forums for resolution and settlement of EMPLOYEE disputes during the term of this Agreement. A grievance is a complaint involving the interpretation or application of any of the provisions of this Agreement, or a complaint that an EMPLOYEE(s) has in any manner been unfairly treated. Neither the COMPANY, nor the UNION, its locals or REPRESENTATIVES will attempt by means other than the grievance, arbitration, and/or mediation procedures to bring about the resolution of any issue which is properly a subject for disposition through such procedures. It shall be the objective of both the COMPANY and the UNION to settle the grievance promptly and at the lowest step of the grievance procedure.

(a) The grievance procedure shall consist of:

STEP 1:

Shall involve the UNION REPRESENTATIVE of the Local which has been designated pursuant to Article 5 (Authorized UNION REPRESENTATIVES) and the duly designated REPRESENTATIVE of the COMPANY, normally the first or second level of supervision of the aggrieved EMPLOYEE(s). Any adjustment or settlement of a grievance at Step 1 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

No grievance shall be considered, nor shall any appeal thereof be handled as a formal grievance, unless a meeting regarding the grievance is requested in writing within sixty (60) calendar days of the action or failure to act which is the subject of the grievance. The written request shall be sent to the duly designated REPRESENTATIVE of the COMPANY, normally the first or second level of supervision of the aggrieved EMPLOYEE(s), and shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought and shall be delivered to the COMPANY REPRESENTATIVE prior to the Step 1 meeting.

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A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after receipt by the COMPANY of the grievance or the notice of the appeal.

The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting.

STEP 2:

Shall involve an OFFICER of the Local UNION or his/her designee and the COMPANY'S designated REPRESENTATIVE, normally at the third level of supervision or that individual's designated REPRESENTATIVE. The spokesperson for the COMPANY and the UNION at Step 2 should normally be different from the COMPANY and UNION spokesperson at Step 1.

Notice of the grievance appeal shall be in writing and delivered by the UNION to the third level supervisor or that supervisor's designated REPRESENTATIVE, of the aggrieved EMPLOYEE(s) not later than fourteen (14) calendar days after the COMPANY notifies the UNION of its decision at Step 1.

The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, the remedy sought, and shall outline the reasons for the UNION'S grievance. Any adjustment or settlement of a grievance at Step 2 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after the notice of appeal.

The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting, and shall outline the reasons for the COMPANY'S decision.

STEP 3:

Shall involve the Vice President of the UNION or his or her duly authorized REPRESENTATIVE and the COMPANY'S Workforce Relations Vice President or his or her designated REPRESENTATIVE. Notice of the grievance appeal shall be in writing and delivered to the

Workforce Relations Vice President or his or her designated REPRESENTATIVE not later than thirty (30) calendar days after the COMPANY notifies the UNION of its decision at Step 2. The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought. Discussions shall be conducted at such locations mutually agreed upon between the COMPANY'S Workforce Relations Vice President and the UNION'S Vice President.

A meeting to discuss the grievance shall be held promptly, but not later than thirty (30) calendar days after receipt by the COMPANY of the grievance or the notice of appeal. The decision of the COMPANY at Step 3 of the grievance procedure shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting(s) or not later than a mutually agreed upon date.

- (b) On an individual grievance basis and by mutual agreement in writing, the parties who are to hear the grievance at the next higher step may agree to waive either Step 1 or Step 2 (but not both) in the grievance procedure, but, in no event shall Step 3 be omitted or bypassed.
- (c) All notices required pursuant to this Article shall be hand delivered or postmarked by the United States Postal Service within the time periods set forth herein.
- (d) The COMPANY and the UNION desire to process grievances in an expeditious manner. Accordingly neither party will recess a grievance at Steps 1 or 2 in excess of sixty (60) calendar days. If the grievance meeting is not reconvened within sixty (60) calendar days from the initial recess date, the grievance shall be considered denied. The UNION may then appeal the grievance in accordance with the time limits set forth herein.
- (e) The COMPANY and the UNION may mutually agree to extend the time limits specified in the grievance procedure, provided such agreement is specified in writing, is limited to a specific grievance, and a new date is established.
- (f) Number of UNION REPRESENTATIVES and Pay Treatment

Other than Management REPRESENTATIVES, the number of EMPLOYEES (including the aggrieved EMPLOYEE(s) and the designated REPRESENTATIVES of the UNION) shall be limited to five (5) at all steps of the grievance procedure. Three (3)

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REPRESENTATIVES who are Lucent EMPLOYEES, designated by the UNION, shall be paid for scheduled time consumed during the grievance meetings. In addition, each of these three (3) EMPLOYEES shall be paid for all time spent traveling in connection with grievance meetings during a SCHEDULED DAILY TOUR up to a maximum of two (2) hours for each EMPLOYEE at Step 1 and up to a maximum of four (4) hours for each EMPLOYEE at Step 2. At Step 3, at least one (1) of the UNION REPRESENTATIVES will be a fully-authorized REPRESENTATIVE of the National UNION.

(g) Discussion or Settlement of Grievance

Any individual EMPLOYEE(s) shall have the right to present grievances directly to the COMPANY and to have such grievances adjusted, without the intervention of the UNION, so long as the adjustment is not inconsistent with the terms of this Agreement, and provided that the UNION has been given an opportunity to be present at such adjustments. After an EMPLOYEE(s) has referred a grievance to the UNION and the UNION REPRESENTATIVE has informed the COMPANY that the UNION represents that EMPLOYEE(s), the COMPANY will not discuss (except in the course of any investigation conducted by the COMPANY) or adjust such grievance directly with said EMPLOYEE(s).

C The provisions of this section, shall apply to Bell Labs Employees only.

1 Definition of a Grievance

A grievance is any dispute or complaint arising between the COMPANY and an EMPLOYEE, group of EMPLOYEES or the UNION with respect to:

- (a) The interpretation of this Agreement or a charge that any commitment herein contained has not been fulfilled, or
- (b) Wages or other compensation, hours of work and other conditions of employment, or
- (c) Charges or allegations that an EMPLOYEE or group of EMPLOYEES has been treated unfairly or discriminated against in any manner.

2 Normal Procedure

(a) The normal procedure for the presentation and prompt settlement of any grievance arising between an EMPLOYEE or group of EMPLOYEES and the COMPANY shall be as follows:

(1) Step I - Between the immediate supervisor and (a) the EMPLOYEE with or without a REPRESENTATIVE of the UNION at the election of the EMPLOYEE, or (b) two UNION REPRESENTATIVES.

(i) Grievances will not be settled with an EMPLOYEE or EMPLOYEES without giving the UNION adequate notice and an opportunity to have a UNION REPRESENTATIVE present at the settlement. If not settled within a period of seven (7) calendar days, then

(2) Step II - Between two UNION REPRESENTATIVES and a higher level of supervision within the department. If not settled within a period of seven (7) calendar days, then

(3) Step III - In a conference among the International REPRESENTATIVE of the UNION and up to three other UNION REPRESENTATIVES, and the COMPANY BARGAINING AGENT or his/her designated REPRESENTATIVE (s) and other REPRESENTATIVES of the COMPANY to be held within thirty (30) calendar days after notice is given in writing by either party to the other.

A grievance shall be submitted in writing at Step III of the grievance procedure, shall identify the aggrieved EMPLOYEE or EMPLOYEES involved, if any, set forth the act or occurrence complained of, the contract provision alleged to have been violated, if any, and the remedy requested. The COMPANY reply shall be made in writing within thirty (30) calendar days following the Step III discussion.

(4) When a grievance regarding the interpretation of this Agreement or regarding a charge that a commitment herein contained has not been fulfilled cannot be settled according to this procedure, it may be taken to arbitration in accordance with ARTICLE 9 - ARBITRATION.

(b) In the event that the UNION does not elect to take a grievance from Step I to Step II, within fourteen (14) calendar days after the Step I answer has been given, or from Step II to Step III within fourteen (14)

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calendar days after the Step II answer has been given, the grievance shall be deemed to have been settled. Any time extensions to 2(b) will be mutually agreed to in writing and a copy provided to Workforce Relations.

- (c) When a grievance has been presented by the UNION or the UNION has informed the COMPANY that an EMPLOYEE or group of EMPLOYEES has referred a grievance to the UNION, the case will not be discussed by the COMPANY with the EMPLOYEE or EMPLOYEES involved.
- (d) If it appears that a grievance cannot be processed by the above steps, it shall be presented to the COMPANY BARGAINING AGENT by an OFFICER or officers of the UNION.

3 Grievance Meetings

- (a) Grievance meetings between the UNION and the COMPANY REPRESENTATIVES shall be held at the request of either party upon reasonable notice to the other party.
- (b) The number of REPRESENTATIVES participating in any grievance normally shall not exceed two for either party at any level below third step in the grievance procedure.
- (c) An International REPRESENTATIVE of the UNION shall not participate in the presentation of a grievance below the third step in the grievance procedure.
- (d) The UNION or the COMPANY may record in writing minutes of *grievance meetings*.

4 General

- (a) Supervisors of bargaining unit EMPLOYEES are authorized to settle grievances.
- (b) The UNION shall keep the COMPANY informed in writing of the REPRESENTATIVES authorized to settle grievances.
- (c) The COMPANY will recognize the UNION for the purpose of adjusting grievances of EMPLOYEES or former EMPLOYEES who at the time of their grievance were represented by the UNION, provided a grievance is presented within 90 days after the disputed action took place, or

within 30 days after the EMPLOYEE has left the bargaining unit. EMPLOYEES on leave of absence shall have the right to have grievances presented until 30 days after the expiration of such leave of absence.

5 Payment for Grievance Time

The COMPANY shall pay for time spent which appears reasonable in processing, investigating and settling grievances through the third step of the grievance procedure, and the UNION agrees not to abuse or misuse the privilege. For all purposes and intent, the above reference to investigating grievances shall be limited to fifteen (15) minutes.

APPENDIX 8 – A

NATIONAL STEP GRIEVANCE SUBMISSION

To: National Step Grievance Committee

The following grievance is submitted to the "National Step":

Local Grievance Number: _____

UNION: CWA _____ Local Number _____

Lucent Technologies Location:

Disputed Contractual Provision:

Article No. ____ Title: _____ Paragraph: ____

Summary of Issue:

Submitted by:

Name _____ Date _____

All documentation used for local grievance procedure must be included with this submission form.

Send submissions to:

CWA	Lucent Technologies Inc.
M. J. Sherman	Steve Muscat
Staff REPRESENTATIVE	Workforce Relations Director
CWA	Lucent Technologies Inc.
501 3 rd Street, N.W.	600 Mountain Avenue
Suite 200	Room 2A-366
Washington, DC 20001-2797	Murray Hill, NJ 07974

ARTICLE 9 – ARBITRATION

1 General

- (a) If, at any time, a difference arises between the COMPANY and the UNION regarding the true intent and meaning of a provision under this Agreement, or a question as to the performance of any obligation hereunder, the grievance procedures set forth in Article 8 (Grievance Procedure) shall be employed in an effort to settle said differences. If the grievance procedures do not result in settlement of the differences, the UNION may institute proceedings pursuant to this Article to resolve the dispute in question; it being understood that the right to require arbitration extends only to matters expressly set forth in this Article and which are not otherwise expressly excluded from arbitration.
- (b) The Arbitrator shall have no authority to include in the award an obligation for the COMPANY to make any retroactive adjustment of pay, for more than six (6) months (plus any time that the processing of the grievance or arbitration was delayed by the COMPANY) after the date of the filing of the appeal to arbitrate.
- (c) If, at any time, a dispute arises between the COMPANY and the UNION as to whether an EMPLOYEE was dismissed, demoted or suspended for just cause, the grievance procedures set forth in Article 8 (Grievance Procedure) shall be employed in an effort to settle the dispute. If the grievance procedures do not result in settlement of the dispute and the EMPLOYEE has nine (9) months or more of NET CREDITED SERVICE, the UNION may institute proceedings pursuant to this Article to resolve the dispute in question.

2 Election to Arbitrate

Within sixty (60) calendar days after completion of the formal grievance procedure set forth in Article 8 (Grievance Procedure), the UNION may elect to submit a grievance, which is otherwise subject to arbitration under the terms of this Agreement, to arbitration for final decision in accordance with the procedures herein set forth. Such election shall be by written notice to the COMPANY Workforce Relations Vice President/BARGAINING AGENT. The written notice shall state the specific grievance and issue to be arbitrated and the contractual provision(s) involved, if any, as well as the remedy sought. For purposes of calculating the above sixty (60) day time period, the formal grievance procedure shall be deemed completed as of the date of the COMPANY'S written decision at the final step of the

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grievance procedure. (The following shall apply to Operational Employees Only); If within sixty (60) calendar days following the date of the COMPANY'S receipt of the notice of election to arbitrate, no arbitrator has been mutually agreed upon according to the procedures set forth herein, and within one hundred twenty (120) calendar days following the notice of election to arbitrate no application has been made to the American Arbitration Association as provided in Paragraph 3(b), then, absent a mutual extension of time agreement signed by the UNION and the COMPANY, such grievance and the election to arbitrate will be considered closed and the grievance shall not be arbitrable.

3 Selection of an Arbitrator

- (a) Any matter submitted to arbitration shall be heard and determined by a single impartial arbitrator mutually selected by the UNION and the COMPANY. The parties shall agree to a master list composed of fifty (50) arbitrators from which panels shall be arranged and arbitrators selected. Arbitrators may be removed from the master list by written notice from either party to the other. Replacement of an arbitrator removed from the master list (either by death of the arbitrator or in accordance with this subparagraph) shall be by mutual agreement of the parties.
- (b) If no arbitrator has been mutually agreed upon within sixty (60) days following the date of the COMPANY'S receipt of the notice of election to arbitrate and no extension of time has been mutually agreed upon, the UNION may, within the following sixty (60) day period, apply to the American Arbitration Association to obtain a list of three (3) arbitrators (all of whom will be members of the National Academy of Arbitrators). One (1) of the three (3) arbitrators on this list will be selected by the parties. If this selection cannot be made, the American Arbitration Association will appoint one (1) of the three (3) arbitrators from the list referenced above to hear the case.
- (c) The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the COMPANY and the UNION. Each party shall be responsible for payment for time consumed by and the expenses of its REPRESENTATIVES and witnesses.

4 Conduct of Hearing and Decision of Arbitrator

- (a) The parties agree to commence hearings as expeditiously as possible, but in no event later than one hundred eighty (180) calendar days after the selection of an arbitrator.
- (b) The arbitrator shall be confined to the issues submitted for decision and shall not, as a part of any decision, impose upon the parties thereto any obligation to arbitrate on a subject which is not arbitrable pursuant to the terms of this Agreement as a subject for arbitration.
- (a) The arbitrator shall not have authority or jurisdiction: (1) to add to, subtract from, modify, or disregard any provision of this Agreement; (2) to establish or determine any new wage rate, job classification or job differential; or (3) to deal with any grievance unless it involves a specific instance of action or failure to act with respect to an EMPLOYEE or group of EMPLOYEES.
- (b) In disciplinary cases, the arbitrator shall determine whether the discipline was for just cause.
 - (1) In the case of DISMISSAL, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. Any retroactive pay accorded shall be based on the EMPLOYEE'S ADJUSTED RATE plus TOUR differential, NIGHT WORK BONUS and 7 DAY COVERAGE BONUS, if applicable, less any amount, other than wages, received from the COMPANY, and any amount paid to or receivable by the EMPLOYEE as wages in other employment, and as unemployment benefits under any present or future provision of law for the period of the retroactive pay treatment.
 - (2) Should the arbitrator provide for reinstatement of any discharged EMPLOYEE, calculation of interim earnings to be deducted from a back pay award will not include amounts earned by the grievant in other employment to the extent that the other employment was held while the grievant was employed by the COMPANY and to the extent such other employment is at a comparable level in terms of number of hours worked.
 - (3) In case of suspension, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. If the arbitrator awards back pay, the EMPLOYEE shall receive pay for time lost at the EMPLOYEE'S ADJUSTED RATE plus TOUR differential, NIGHT WORK BONUS

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and 7-DAY COVERAGE BONUS, to which the EMPLOYEE would have been entitled if not suspended.

- (4) In the case of demotion, the EMPLOYEE shall be compensated for all loss of wages due to the difference in the ADJUSTED RATES plus TOUR differential, NIGHT WORK BONUS and 7 - DAY COVERAGE BONUS.
- (5) EMPLOYEES reinstated pursuant to this Article who have previously submitted an authorization for payroll deduction of UNION dues or UNION dues equivalency shall have such amount deducted from any back pay award.
- (c) The arbitrator shall render a decision within thirty (30) calendar days after the hearing is closed (if the parties mutually agree to waive briefs) or thirty (30) days after briefs are filed and the record in the case is closed, unless the parties thereto mutually agree to an extension of such time for a decision.
- (d) In the event the arbitrator sustains a grievance and awards a remedy in accordance with either paragraphs (d)(1), (d)(3) or (d)(4) above, the COMPANY shall pay the award within thirty (30) days following receipt from the UNION of all documentation necessary to compute the payment.
- (e) The decision of the arbitrator on any matter submitted and decided in accordance herewith shall be in writing and shall be final and binding on the parties thereto as to the particular case submitted, subject to law.

5 Expedited Arbitration

- (a) In lieu of the procedures specified in Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, any grievance involving the suspension, disciplinary DISMISSAL and INTERIM STATUS 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 Paragraphs 1(General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, 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 Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) shall be followed.

- (b) As soon as possible after this Agreement becomes final and binding, a panel of at least three (3) arbitrators shall be selected by the parties. Each arbitrator 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 arbitrator shall be notified of his or her termination by a joint letter from the parties. The arbitrator shall conclude his or her service by settling any grievance previously heard. A successor arbitrator shall be selected by the parties. Arbitrators shall be assigned cases in rotating order designated by the parties. If an arbitrator is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next arbitrator. If no one can hear the case within ten (10) working days, the case will be assigned to the arbitrator who can hear the case on the earliest date.
- (a) The procedure for expedited arbitration shall be as follows:
 - (1) The parties shall notify the arbitrator in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The arbitrator shall notify the parties in writing of the hearing date.
 - (2) The parties may submit to the arbitrator 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 arbitrator 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 arbitrator.
 - (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 arbitrator shall give his or her settlement within five (5) working days after receiving the

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briefs. He or she shall provide the parties a brief written statement of the reasons supporting his or her settlement.

- (5) The arbitrator's settlement shall apply only to the instant grievance that 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 modification thereof is adopted by the written concurrence of the REPRESENTATIVES of each party at the last step of the grievance procedure.
- (6) The time limits in (1) and (4) of this Section may be extended by agreement of the parties or at the arbitrator's request, in either case, only in emergency situations. Such extensions shall not circumvent the purpose of this procedure.
- (7) In all suspension or DISMISSAL grievances submitted to arbitration under the expedited procedures set forth herein, the arbitrator shall determine whether the discipline was for just cause. In any grievance arbitrated under the expedited procedure, the COMPANY shall under no circumstances be liable for back pay for more than six (6) months (plus any time that the processing of the grievance or arbitration was delayed by the COMPANY) after the date of the disciplinary action.
- (8) The arbitrator shall have no authority to add to, subtract from or modify any provisions of this Agreement.
- (9) The decision of the arbitrator will settle the grievance, and the COMPANY and the UNION agree to abide by such decision. The compensation and expenses of the arbitrator 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 in existing procedures.

ARTICLE 10 – MEDIATION

- 1 Upon mutual agreement between the COMPANY'S Workforce Relations Vice President or his or her designated REPRESENTATIVE and the UNION'S Vice President or his or her designated REPRESENTATIVE, grievances appealed to arbitration may be mediated, with the exception of those involving contract interpretation.
- 2 Within fifteen (15) calendar days of the mutual agreement to mediate, the parties will schedule a Mediation Conference to be held at the earliest available date. Normally, the Mediation Conference will be held in the city in which the grievant is located, and will be conducted in either a COMPANY or UNION facility.
- 3 The spokesperson for the COMPANY will be the C Level (or equivalent) Manager - Workforce Relations or his or her designee. The spokesperson for the UNION will be the Communications Workers of America Staff REPRESENTATIVE assigned the responsibility for the grievant's UNION Local. An attorney will not be used by either party at the Mediation Conference.
- 4 The grievant, the Local UNION President or his/her designee, the grievant's supervisor and C level (equivalent) or above will normally attend the Mediation Conference. Attendance by others at the Mediation Conference shall be limited to those people actually involved in the Mediation Conference.
- 5 All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance to be used solely for purposes of statistical analysis.
- 6 Proceedings before the mediator shall be informal in nature. The issue mediated will be the same as the issue the parties have failed to resolve through the grievance process. The rules of evidence will not apply, and no record of the Mediation Conference shall be made.
- 7 The mediator may meet separately with the parties during the Mediation Conference, but will not have the authority to compel the resolution of a grievance.
- 8 The COMPANY and UNION spokespersons at the Mediation Conference may accept the resolution proposed by the mediator and such settlement or

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any other settlement resulting from the conference shall not be precedent setting.

- 9 If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with an immediate oral advisory opinion, unless both parties agree that no opinion shall be provided. The mediator shall state the basis for his or her advisory opinion.
- 10 If no settlement is reached as a result of the Mediation Conference, the grievance may be scheduled for arbitration in accordance with the Collective Bargaining Agreement.
- 11 In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Neither party may at the arbitration hearing refer to presentations made by the other party at the Mediation Conference, the fact that a Mediation Conference was held, or any statements made by the mediator.
- 12 By agreeing to schedule a Mediation Conference the COMPANY does not acknowledge that the case is properly subject to arbitration and reserves the right to raise this issue notwithstanding its agreement to schedule such a conference.
- 13 The compensation and expenses of the mediator and the general administrative expenses of the Mediation Conference shall be borne equally by the parties. Each party shall be responsible for payment for time consumed by and expenses of its REPRESENTATIVES.

ARTICLE 11 – VACATIONS

1 Eligibility

- (a) EMPLOYEES will be eligible to vacation 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) One (1) week after completion of a TERM OF EMPLOYMENT of six (6) months.
 - (2) Two (2) weeks 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 two (2) weeks of vacation will be granted, with the second (2nd) week to be scheduled after completion of twelve (12) months TERM OF EMPLOYMENT. The first (1st) week may be scheduled any time after completion of six (6) months TERM OF EMPLOYMENT.
 - (3) Three (3) weeks beginning with the year in which a TERM OF EMPLOYMENT of seven (7) years will be completed.
 - (4) Four (4) weeks beginning with the year in which a TERM OF EMPLOYMENT of fifteen (15) years will be completed.
 - (5) Five (5) weeks beginning with the year in which a TERM OF EMPLOYMENT of twenty-five (25) years will be completed.
- (b) The weeks of vacation provided for in Paragraph 1(a) will each consist of the number of days and hours which the EMPLOYEE would have been scheduled to work (excluding overtime) during the vacation absence, except that an EMPLOYEE whose weekly working schedule (excluding overtime) is four and one-half (4 1/2) days per week, or alternating five-day and four-day weeks, shall be eligible to fourteen (14) days and twenty-three (23) days, respectively, when TERM OF EMPLOYMENT is at least seven (7) and twenty-five (25) years, respectively.
- (c) Solely for the purpose of granting vacation eligibility for a TERM OF EMPLOYMENT of six (6) months and twelve (12) months as provided in Paragraph 1(a), an EMPLOYEE hired or rehired on the first (1st)

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working day of a calendar month will have TERM OF EMPLOYMENT computed from the first (1st) calendar day of that month.

- (d) An EMPLOYEE reinstated from Leave of Absence or rehired who has previously taken vacation or received allowance in lieu thereof in the current CALENDAR YEAR will be eligible to the number of days of vacation for his or her TERM OF EMPLOYMENT as determined in accordance with Paragraphs 1(a) and 1(b), less the number of days of vacation previously taken or paid for.
- (e) An EMPLOYEE reinstated from Leave of Absence or rehired from LAYOFF who was not previously on the roll in the current CALENDAR YEAR will be eligible to vacation with pay in the following amounts, applied to the number of days of vacation for his or her TERM OF EMPLOYMENT as determined in accordance with Paragraph 1(a) or 1(b):

Reinstated or Rehired	Amount of Eligibility
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 vacation 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 vacation eligibility as determined herein be less than would be applicable if the EMPLOYEE were hired as of the date reinstated or rehired.

2 Scheduling Vacations

- (a) Vacations are not cumulative. Except as provided in Paragraphs 2(e), 2(f), 2(h) and 2(i), the vacation to which an EMPLOYEE is eligible in each CALENDAR YEAR shall be taken before midnight December 31 of that year.
- (b) Vacations shall be taken during standard vacation periods except for those EMPLOYEES who are required by the COMPANY to work during such periods due to the needs of the business. Vacations not scheduled during standard vacation periods 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) An EMPLOYEE may elect to schedule all or part of his or her vacation to which eligible on a half-day or day-at-a-time basis subject to the provisions of Paragraph 2(b).
- (d) When an EMPLOYEE'S scheduled vacation week or fractional week includes a holiday recognized in accordance with ARTICLE 12, HOLIDAYS, and observed in accordance therewith on any day Monday through Friday in such week (or, for a 7-DAY COVERAGE EMPLOYEE on any day other than such EMPLOYEE'S DAY IN LIEU OF SATURDAY or DAY IN LIEU OF SUNDAY), an extra day off with pay will be granted in lieu thereof.
- (e) When an EMPLOYEE is disabled due to illness or injury at the time vacation is scheduled to begin, the vacation 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 vacation the vacation will be terminated as of the end of the day immediately preceding the first (1st) day of such disability and the remaining portion of the terminated vacation shall be rescheduled during the current CALENDAR YEAR. Any portion of a vacation rescheduled as provided herein which cannot be completed in the current CALENDAR YEAR shall be rescheduled in the following CALENDAR YEAR, provided that the vacation so rescheduled shall be completed no later than May 6th in the year in which they are carried over and prior to the EMPLOYEE'S taking any of the vacation 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. Vacation 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 vacation after recovery from the illness or injury but before returning to full-time duty.
- (f) Vacation 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.

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provided that allowance in lieu thereof may be paid to any such EMPLOYEE who was on the roll but was not scheduled to work during a standard vacation period provided in Paragraph 2(b); and provided further that, when an EMPLOYEE completes such TERM OF EMPLOYMENT after December 1, such vacation may be scheduled in the following CALENDAR YEAR if the EMPLOYEE so requests, provided it is completed prior to May 6th and prior to the EMPLOYEE'S taking any of the vacation to which eligible in that year.

- (g) 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 14, PAY TREATMENT FOR ABSENCES, on a day the EMPLOYEE had previously scheduled as a paid vacation day, such day shall be rescheduled, provided however, that the combined number of Vacation days and Excused Work Days which may be rescheduled in accordance with this Article and ARTICLE 13, EXCUSED WORK DAYS shall not exceed the number of days determined by the COMPANY to be a reasonable absence under Article 14.
- (h) An EMPLOYEE who cannot take a vacation because of reasons beyond his or her control may reschedule such vacation into the following year, provided that any vacation so rescheduled shall be completed not later than May 6th.
- (i) At the option of the EMPLOYEE and subject to the needs of the business, any day(s) or week(s) of vacation carried over from one (1) CALENDAR YEAR into the next must be completed no later than May 6th.
- (j) For Operational EMPLOYEES only the following provisions regarding scheduling time off shall apply subject to the forgoing provisions.
 - (1) EMPLOYEES will select available time off for which they are eligible from the schedule as determined by the COMPANY in accordance with the procedures provided in this Article. The period during which time off may be scheduled shall extend through the last full week ending in April of the following CALENDAR YEAR.
 - (2) Time off for this purpose includes full weeks of vacation, day-at-a-time vacation, Excused Work Days (paid), floating holidays, and days in lieu of holidays that occur during a scheduled vacation week.

- (3) EMPLOYEES shall select time off in SENIORITY order within each vacation selection universe, in the priority set forth in this Article, as determined by the COMPANY. It is the intent of the parties that the EMPLOYEES' selection will be granted to the extent practicable consistent with force requirements and the needs of the business.
- (4) The vacation selection process in a vacation selection universe will begin no earlier than November 1. The vacation selection process should ordinarily be completed by December 31, but in any event should be completed no later than April 1. EMPLOYEES who will not be readily available between November 1 and December 31 may express their preference for choices in advance of November 1 and, if available, their choices will be assigned as chosen in accordance with SENIORITY provided that service requirements permit. Prior to the beginning of the CALENDAR YEAR, management will canvass the vacation selection universe to allow the EMPLOYEES to select scheduled vacation weeks from the available dates. Only full weeks of vacation are included in this first selection priority.
- (5) In addition to the time off scheduled under Paragraph 2 (j) (4) above, EMPLOYEES shall also select all other time off for which they are eligible, and such time will be referred to as "Reserve Time" on the second selection priority canvass.
- (6) An EMPLOYEE who is contacted must select the vacation period desired in a reasonable period of time or that EMPLOYEE will be passed. EMPLOYEES who are passed shall have the right to make a selection from the remaining available periods in accordance with their SENIORITY, but may not preempt the period selected by any other EMPLOYEE. For EMPLOYEES who have not selected their vacation by the end of the selection period, the COMPANY will have the option to assign their remaining vacation.
- (7) EMPLOYEES may not select half-TOUR vacations during the vacation selection process described in Paragraph 2 (j) Scheduling Vacations but may subsequently request their vacation on a half-TOUR basis and such request may be granted if service and coverage conditions permit.
- (8) Subject to the needs of the business and force requirements, EMPLOYEES may reschedule any of their vacation, whether

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assigned by the COMPANY or selected by the EMPLOYEE, to available vacation periods, but may not preempt the period selected by any other EMPLOYEE.

- (9) EMPLOYEES shall not be permitted to exchange SENIORITY rights in the selection of vacation periods.

3 Computation of Vacation

- (a) Vacation pay will be computed based on the EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect during the vacation absence.

4 EMPLOYEES Leaving the COMPANY

- (a) When an EMPLOYEE'S service with the COMPANY is terminated before the EMPLOYEE has taken vacation with pay to which eligible, an allowance in lieu thereof will be granted, except that:
- (1) An EMPLOYEE granted a Leave of Absence shall be granted vacation with pay to which eligible, ordinarily before the Leave of Absence begins.
 - (2) An EMPLOYEE being retired under the Lucent Technologies Pension Plan will be granted, prior to retirement, vacation with pay to which eligible; however, when an EMPLOYEE (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, or (2) is retired on disability pension, no vacation with pay or allowance in lieu thereof shall be applicable.
 - (3) No vacation or allowance in lieu thereof shall be granted to an EMPLOYEE who is DISMISSED for unsatisfactory conduct.
- (b) An EMPLOYEE who terminates employment by resignation or termination for cause will be required to reimburse the COMPANY for the value of the vacation 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 Vacation Days For EMPLOYEE Leaving COMPANY During CALENDAR YEAR Due To Resignation Or Termination for Cause

Month of Termination	Term of Employment In Years			
	1-7	7 - 15	15 - 25	25 and over
January	1	2	2	2
February	2	3	4	4
March	3	4	5	7
April	3	5	7	9
May	4	6	9	11
June	5	8	10	13
July	6	9	12	15
August	7	10	14	17
September	7	11	16	19
October	8	13	17	21
November	9	14	19	23
December	10	15	20	25

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- (c) An EMPLOYEE granted vacation or allowance in lieu thereof as provided in Paragraph 4(a) shall also be granted vacation or allowance in lieu thereof, as applicable, for any vacation rescheduled or carried over from the previous CALENDAR YEAR in accordance with Paragraph 2(e), 2(f), 2(h) or 2(i), respectively.
 - (d) In the event an EMPLOYEE dies before taking all the vacation to which eligible as provided in this Article, an allowance in lieu of the vacation not taken will be paid to the EMPLOYEE'S beneficiary, or to the EMPLOYEE'S estate if no beneficiary is designated.
- 5 Rescheduling Vacation Due to Permanent Transfers, Assignments, or Reassignments
- (a) If an EMPLOYEE is permanently transferred, assigned, or reassigned to a different work group as a result of a COMPANY initiated transfer, assignment or reassignment, then to the extent that needs of the business permit, the EMPLOYEE will retain the vacation schedule that was approved in the prior work group.
 - (b) If an EMPLOYEE initiates a transfer, he or she is required to reselect his or her vacation from those days available within the new work group.

ARTICLE 12 – 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 Paragraphs 2 and 8:

ALL LOCATIONS

- 1. New Year's Day
- 2. Memorial Day (Last Monday in May)
- 3. Independence Day
- 4. Labor Day
- 5. Thanksgiving Day
- 6. Day after Thanksgiving
- 7. Christmas Day

Good Friday

Kansas City GPC

Veteran's Day

Kansas City GPC

Day Before Christmas

Kansas City GPC	Guilford Center	P&M	Tier
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Patriot's Day

P&M Tier

President's Day

P&M Tier

FLOATING HOLIDAYS

- Guilford Center (2)
- RDS&S (Charlotte/East Point) (3)
- Bell Labs (4)

Operational

There shall also be observed three (3) floating holidays, except that in the State of New York, the number of floating holidays shall be four (4)

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each CALENDAR YEAR. One of the floating holidays may, at the option of the COMPANY, be designated as a local or national holiday provided the COMPANY so designates the day prior to the scheduling of vacations pursuant to ARTICLE 11 - VACATIONS. Floating holidays must be taken on a normally SCHEDULED DAY of work and will be scheduled in accordance with the scheduling provisions of ARTICLE 11 - VACATIONS, Paragraph 2 (Scheduling Vacations).

In addition:

Inaugural Day - January 20 in the year following Presidential Elections (for EMPLOYEES located in Washington DC; Montgomery and Prince Georges Counties, Maryland; Alexandria; Arlington and Fairfax Counties, Virginia.)

General Election Day - in even number years in New Hampshire only.

- (a) The holiday "Day after Thanksgiving" shall be the workday within the SCHEDULED WEEKLY TOUR that immediately follows the day observed as the Thanksgiving Day holiday.
 - (b) The holiday "Day Before Christmas" shall be the workday within the SCHEDULED WEEKLY TOUR that immediately precedes the day observed as the Christmas Day holiday.
- 2 The holiday period shall be the period between midnight and midnight on the day observed as the holiday as specified in Paragraphs 1 and 8, except that for shifts crossing midnight it shall be the twenty-four (24) consecutive hour period beginning with the regular starting time on the day observed as the holiday. (By mutual agreement between the COMPANY and the UNION, the holiday period for shifts crossing midnight may be changed for a particular holiday to the twenty-four (24) consecutive hour period beginning with the regular starting time on the eve of the day observed as the holiday.)
 - 3 When, in observance of the holiday, an EMPLOYEE is not scheduled to work on a day observed as a holiday within the EMPLOYEE'S SCHEDULED WEEKLY TOUR, the EMPLOYEE shall receive a holiday allowance not to exceed eight (8) hours at ADJUSTED RATE PLUS APPLICABLE NIGHT WORK AND 7-DAY COVERAGE BONUSES for time not worked during the EMPLOYEE'S SCHEDULED DAILY TOUR, provided such EMPLOYEE receives pay from the COMPANY for all or part of either the EMPLOYEE'S scheduled workday preceding or scheduled workday following the day observed as the holiday.

- 4 When the COMPANY designates the Saturday (or a 7-DAY COVERAGE EMPLOYEE'S DAY IN LIEU OF SATURDAY) on which the holiday falls as the day to be observed as the holiday and an EMPLOYEE is not scheduled to work on such day, such EMPLOYEE shall receive a holiday allowance not to exceed eight (8) hours at ADJUSTED RATE for time not worked during the EMPLOYEE'S SCHEDULED DAILY TOUR, provided the EMPLOYEE works all or part of both such SCHEDULED DAILY TOURS preceding and following such Saturday and is excused by the COMPANY for all partial-day absences on such preceding and following days. Paid-for vacation absences shall be considered as time worked for purposes of this paragraph.
- 5 An EMPLOYEE who is scheduled to work on a day observed as a holiday but who is absent on such day shall not be paid holiday allowance, except that subject to the provisions of Paragraph 3 or Paragraph 4, whichever is applicable, holiday allowance shall be paid:
 - (a) Provided the EMPLOYEE'S absence from work on the holiday is due to sickness or injury sustained otherwise than in the course of employment, or
 - (b) For the portion of the EMPLOYEE'S SCHEDULED DAILY TOUR not worked, in the event that while at work on such day the EMPLOYEE is sent home by the COMPANY because of sickness or injury.
 - (c) No provision of this paragraph shall be interpreted so as to require payment of an allowance for a holiday to an EMPLOYEE who is under suspension.
- 6 Floating Holidays
 - (a) 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 14, PAY TREATMENT FOR ABSENCES on a day the EMPLOYEE had previously scheduled as a floating holiday, such day shall be rescheduled, provided however, that the combined number of floating holidays, EWD's and Vacation days which may be rescheduled in accordance with this Article and ARTICLE 11, VACATIONS shall not exceed the number of days determined by the COMPANY to be a reasonable absence under ARTICLE 14, PAY TREATMENT FOR ABSENCES.

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- (b) The COMPANY and the Local UNION may negotiate locally to convert holidays into floating holidays, but in no case shall the number of floating holidays exceed four (4).
- (c) Regular and TEMPORARY EMPLOYEES hired, rehired or reinstated after January 1 in the current CALENDAR YEAR shall be eligible to non-designated Floating Holidays in accordance with the following:

Number of Non-Designated Floating Holidays

	1	2	3	4
<u>Date of Hiring</u>				
January 1 – June 30	1	2	3	4
July 1 – August 31	0	1	2	3
September 1 – October 31	0	0	1	2

An EMPLOYEE hired after October 31 will be eligible only to the designated holidays for the remainder of that year

- (1) Total eligibility to non-designated floating holidays shall be reduced by any such holiday taken by the EMPLOYEE prior to Leave of Absence or other termination of employment in the year in which he or she is subsequently rehired or reinstated.
 - (2) EMPLOYEES hired or rehired after January 1, shall make their selections to the extent provided, within thirty (30) days after becoming eligible to such day or days.
- (d) Floating holidays must be scheduled on a workday within an EMPLOYEE'S scheduled weekly tour. EMPLOYEE'S may request FLOATING holidays at anytime including same day call-in. Non-designated floating holidays will be scheduled in accordance with EMPLOYEE'S selections to the extent possible, consistent with the needs of the business, giving due consideration to TERM OF EMPLOYMENT, and subject to the further provisions of this Article 12.
- (1) An EMPLOYEE'S request to change his or her non-designated Floating Holiday must be made in writing. Such requests may be approved by the COMPANY subject to the needs of the business.
- (e) Transferred EMPLOYEES shall be eligible to non-designated Floating Holidays designated for the LOCATION to which transferred, reduced

by the number of such holidays, if any, taken during the current CALENDAR YEAR at the LOCATION from which transferred.

- (f) An EMPLOYEE shall be paid in accordance with Paragraph 3 for the day in which he or she is off in observance of a floating holiday.
- (g) When an EMPLOYEE'S service with the COMPANY is terminated before the EMPLOYEE has scheduled non-designated floating holidays to which eligible, an allowance in lieu thereof will be granted, except that:
 - (1) An EMPLOYEE granted a Leave of Absence shall ordinarily schedule non-designated floating holidays to which eligible, before the Leave of Absence begins.
 - (2) An EMPLOYEE being retired under the Lucent Technologies Pension Plan shall ordinarily scheduled non-designated Floating Holidays to which eligible prior to retirement; however, when an EMPLOYEE (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, or (2) is retired on disability pension, allowance in lieu thereof shall be granted for any non-designated Floating Holidays to which eligible for the current year and which were previously unscheduled.
- (h) No Floating Holidays or allowance in lieu thereof shall be granted to an EMPLOYEE who is DISMISSED for misconduct.
- (i) In the event an EMPLOYEE dies before scheduling all of the non-designated Floating Holidays to which eligible, an allowance in lieu of such Floating Holiday will be paid to the EMPLOYEE'S beneficiary, or to the EMPLOYEE'S estate if no beneficiary is designated.

7 Premium Pay for Holiday Work

An EMPLOYEE who is required to work on a designated or a floating holiday shall be paid at two and one-half times the ADJUSTED RATE PLUS APPLICABLE NIGHT WORK AND 7-DAY COVERAGE BONUSES for each quarter hour authorized and worked, or the EMPLOYEE may reschedule the floating holiday to a different workday.

8 Rescheduling of Holidays

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If a designated holiday occurs on a Sunday, the following Monday shall be observed as the holiday. If a designated holiday occurs on a Saturday, the immediately preceding Friday shall be observed as the holiday.

If a designated holiday on Monday to Friday, inclusive, falls on a ROTATING SHIFT EMPLOYEE'S NONSCHEDULED DAY, or if such designated holiday falls on a day when a ROTATING SHIFT EMPLOYEE is working a second standard daily schedule within a 24-hour period, some other regularly scheduled working day of that week shall be designated for treatment as a designated holiday.

For a 7-DAY COVERAGE EMPLOYEE, when a holiday specified in Paragraph 1 falls on Sunday or, such EMPLOYEE'S DAY IN LIEU OF SUNDAY the first following day within the EMPLOYEE'S SCHEDULED WEEKLY TOUR shall be observed as the holiday.

The Following shall apply to Manufacturing P&M EMPLOYEES only: For a 7-DAY COVERAGE EMPLOYEE, when a holiday specified in Paragraph 1 falls on Saturday or, 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:

- (a) The calendar day on which the holiday falls, or
- (b) The workday, within the EMPLOYEE'S SCHEDULED WEEKLY TOUR, which immediately precedes the calendar day on which the holiday falls, or
- (c) The workday, within the EMPLOYEE'S SCHEDULED WEEKLY TOUR, which immediately follows the calendar day on which the holiday falls.

9 Compensating Time Off

No compensating regular working time off shall be required for holiday work.

ARTICLE 13 - EXCUSED WORK DAYS

- 1 A regular EMPLOYEE with a TERM OF EMPLOYMENT of six months on January 1 in the current year shall be eligible for five (5) Excused Work Days with pay.
- 2 The COMPANY shall have the option of converting one (1) paid Excused Work Day to a designated day provided the COMPANY so designates prior to January 31 in the current year.
 - (a) An EMPLOYEE in any work group for which an Excused Work Day is designated by the COMPANY and who is not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day, provided he or she is on the active payroll of the COMPANY on the designated Excused Work Day.
 - (b) An EMPLOYEE who has been paid for a COMPANY designated Excused Work Day, but who subsequently transfers to another COMPANY facility during the same CALENDAR YEAR, shall be eligible for payment for a COMPANY designated Excused Work Day at the facility to which transferred which is observed at the facility after the date of such EMPLOYEE'S transfer.
- 3 An EMPLOYEE who is not required to work on any paid Excused Work Day shall receive pay not to exceed eight (8) hours at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for such day.
- 4 If an EMPLOYEE agrees to work on any paid Excused Work Day and, in the event the COMPANY determines that such day cannot be re-scheduled, such EMPLOYEE shall be paid as follows:
 - (a) An EMPLOYEE who works on any paid Excused Work Day shall be paid in lieu of his or her Excused Work Day in accordance with the provisions of Paragraph 3 and shall in addition be paid for all hours worked on such day in the same manner as a regularly scheduled work day.
 - (b) Time worked by an EMPLOYEE on an Excused Work Day shall be considered time worked for all purposes.
- 5 An EMPLOYEE who is absent with pay on a non-designated Excused Work Day shall be permitted to reschedule such day.

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- 6 The COMPANY and the UNIONS recognize that it may be in the best interest of EMPLOYEES to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for the years 2003 and 2004 up to four (4) Excused Work Days (EWDs) each year may be used as follows:
- (a) An EMPLOYEE may designate and schedule, as applicable, four (4) EWDs to be used flexibly. This provision shall apply to the EMPLOYEE'S paid EWD(s) that are not designated by the COMPANY.
 - (b) Each flexible EWD may be divided into increments of two (2) hours for an increment, provided, however, that where the length of an EMPLOYEE'S SCHEDULED DAILY TOUR is not evenly divisible by two (2), the last increment of each EWD may be less than two (2) hours.
 - (1) An increment may be taken at any time during the year up to and including the actual scheduled flexible EWD provided; 1) the EMPLOYEE'S supervisor is notified before the beginning of the tour; and 2) such time granted is consistent with the needs of the business.
 - (c) The time may be taken based on the EMPLOYEE'S personal need to take the time.
 - (d) Any remaining portion of the Excused Work Day(s) so designated must be taken no later than the end of each CALENDAR YEAR.
- 7 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 14, PAY TREATMENT FOR ABSENCES on a day the EMPLOYEE had previously scheduled as a paid Excused Work Day, such day shall be rescheduled, provided however, that the combined number of Excused Work Days which may be rescheduled in accordance with this Article and ARTICLE 11, VACATIONS shall not exceed the number of days determined by the COMPANY to be a reasonable absence under ARTICLE 14, PAY TREATMENT FOR ABSENCES.
- 8 EMPLOYEES who are LAID OFF will be granted pay in lieu of their unused EWD's.

ARTICLE 14 - ABSENCE

1 Absence in General

- (a) An EMPLOYEE who is to be absent for any reason shall promptly notify his or her supervisor with the reason for the absence and its probable duration, in order that proper consideration may be given to the EMPLOYEE'S request. In the event the EMPLOYEE cannot reach his or her supervisor, then a message left with the supervisor's designee or an electronic messaging unit approved by the supervisor shall be appropriate notification, provided the EMPLOYEE leaves a reach number. Absences with or without pay because of other reasons not outlined in this Article may be granted at the discretion of the COMPANY.

2 Personal Illness

- (a) Payment for full or partial days scheduled in a NORMAL WORK WEEK but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis:
 - (1) Less than three (3) years - Pay after the second full consecutive scheduled day of work not worked due to personal illness absence.
 - (2) Three (3) years of service and over - Pay from and including the first full or partial SCHEDULED DAY of work not worked due to a personal illness.
- (b) Payments to EMPLOYEES pursuant to this Paragraph shall be limited to scheduled days of work in a NORMAL WORK WEEK and may be suspended or discontinued for just cause.

3 Payment for Other Absence

(a) Jury or Witness Duty

An EMPLOYEE who is not a party to the action and who is absent in compliance with a summons for jury duty or a subpoena requiring the EMPLOYEE to appear in court as a witness shall be excused with pay for the period during which the EMPLOYEE is absent on scheduled days because of such jury service or court appearance. When an EMPLOYEE is excused from jury or witness duty for part of a day or for an entire day, the EMPLOYEE shall report to his or her supervisor in person or by telephone

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for an assignment. EMPLOYEES on NIGHT TOUR schedules shall be rescheduled to a DAY TOUR during the period of such jury or witness duty.

(b) Election Board Service (The following shall apply to Operational Only)

An EMPLOYEE who requests an absence to serve on an election board in connection with a Federal, State, County, or Municipal election whose service necessitates absence from assigned COMPANY duty within the EMPLOYEE'S SCHEDULED WEEKLY TOUR may be excused for such absence, consistent with the needs of the business, and when so excused shall be paid for such absence the amount, if any, by which the EMPLOYEE'S pay at ADJUSTED RATE exceeds the compensation received for such election board service.

(c) Service as Judges and Clerks of Election (The following shall apply to Bell Labs, P&M, Tier, RDS&S)

An EMPLOYEE appointed to serve as a judge or a clerk of election whose service necessitates absence from assigned COMPANY duty within the EMPLOYEE'S SCHEDULED WEEKLY TOUR may be excused for such absence, consistent with the needs of the business, and when so excused shall be paid for such absence the amount, if any, by which the EMPLOYEE'S pay at ADJUSTED RATE exceeds the compensation received for such election board service.

(d) Voting

Subject to service and coverage conditions and the provisions of applicable state laws, an 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 EMPLOYEE to vote; provided, however, that the COMPANY shall specify the period during which such an EMPLOYEE will be excused.

(e) Quarantine

In case of unavoidable absence due to contagious disease and quarantine in an EMPLOYEE'S immediate household or unavoidable quarantine elsewhere, the EMPLOYEE shall be paid on the same basis as if the absence were caused by personal illness of the EMPLOYEE and as specified in Paragraph 2 (Personal Illness).

(f) Visit to Medical Office

An EMPLOYEE who reports for work and is directed by management to visit a medical office during the EMPLOYEE'S scheduled working hours that day shall be excused without loss of pay.

(g) Death or Funeral

- (1) An EMPLOYEE who is required to be absent for one (1) day or more because of a death in the EMPLOYEE'S immediate family shall be excused for such day or days, but not to exceed five (5) scheduled regular tours or their equivalent, with pay. Immediate family means parents, grandparents or grandparent-in-law, husband or wife, children, grandchildren, brothers or sisters, mother-in-law or father-in-law; also any relative or partner residing with the EMPLOYEE. The provisions of this Paragraph shall also be applicable in the event of the death of a relative or very close friend living in the same household with the EMPLOYEE.
- (2) Any EMPLOYEE who requests an absence to attend the funeral of a more distant relative or a very close friend may be excused for such time as is necessary under the circumstances but not to exceed three (3) scheduled regular tours or their equivalent with pay.
- (3) 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.

(h) Accidental Injury

If an EMPLOYEE is injured in the course of his or her employment and it is necessary for the EMPLOYEE to cease work during an assigned tour, payment for that TOUR shall be at the rate in effect during the time worked.

4 Veterans' Absences

Necessary absences of veterans during SCHEDULED WEEKLY TOURS within the first (1st) year of reinstatement from Special Leave of Absence 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 shall be paid for, subject to a limitation on such payments of ten (10) SCHEDULED DAILY TOURS or an equivalent number of hours. A copy of the Government Agency letter authorizing the veteran to

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visit the doctor, or other satisfactory evidence of the necessity for absence will be required as a condition of payment for the time lost.

- 5 When payment for absence is made, the payment shall be at the EMPLOYEE'S Adjusted Rate plus applicable TOUR differential, NIGHT WORK BONUS and 7-DAY COVERAGE BONUS to which the EMPLOYEE would have been eligible had they not been absent.

ARTICLE 15 – BENEFITS

- 1 The following listed Lucent Technologies Benefit Plans and Programs or their applicable successor Plan(s) or Programs(s), with all subsequent amendments, shall, in accordance with respective terms, apply to EMPLOYEES in the bargaining units:

- Employee Stock Purchase Plan
- Anticipated Disability Program
- Child/Elder Care Reimbursement Account
- Dental Expense Plan for Active Employee
- Dependent Accidental Loss Insurance Plan
- Dependent Group Life Insurance Plan
- Employee Stock Ownership Plan
- Group Life Insurance Programs
- Accidental Death and Dismemberment Insurance
- Basic Group Life Insurance
- Supplementary Basic Group Life Insurance
- Health Care Reimbursement Account Plan
- Long Term Care Plan
- Long Term Disability Plan for Occupational Employee
- Long Term Savings and Security Plan
- Medical Expense Plan for Occupational Employee
- Occupational Group Legal Services Plan
- Pension Plan
- Sickness & Accident Disability Benefit Plan
- Supplementary Accidental Loss Insurance Plan
- Vision Care Plan
- Work and Family Program

- 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 there-under as they apply to EMPLOYEES represented by the UNION without its consent.

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- 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 16 – SAFETY

- 1 Safety and health is a mutual concern to the COMPANY and the UNION. Together we recognize the need for a work environment in which safe, ergonomically correct operations can be achieved in all phases of work. We all recognize the need to promote better understanding and acceptance of safety, health and ergonomic principles by all EMPLOYEES for their own safety and health, and that of their fellow EMPLOYEES, customers, and the general public.

- 2 To achieve the above principles, the COMPANY and the UNION agree to establish an advisory committee on safety principles at the National 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 UNION respectively). This committee shall meet from time to time as required but at least three (3) times per year. The advisory committee shall recommend the date and site, if a dispute should arise, the issue shall be resolved between the Signing REPRESENTATIVE of the UNION and the COMPANY BARGAINING AGENT. The advisory committee may utilize resources from the Health Services and Environmental Health and Safety Organizations as partners in their commitment to insure a safe and healthful workplace. Additionally, the COMPANY and the UNION agree the advisory committee will function as a clearinghouse for safety and ergonomic issues affecting EMPLOYEES. The Co-chairpersons of the advisory committee will jointly determine when meetings are required to share safety and ergonomic issues across the Business and the most appropriate format (face-to-face, conference calls, etc.) for the meeting(s). The Committee co-chairpersons will jointly develop the meeting agendas. Should the parties agree that an in person meeting is required, the parties will jointly arrange such meeting(s).

- 3 In support of its commitment, the COMPANY also outlines the following five (5) step strategy to address ergonomic concerns in the workplace:
 - (a) The COMPANY remains committed to providing training on Video Display Terminal (VDT) usage and ergonomic awareness, or its equivalent, which will include information regarding Cumulative Trauma Disorder (CTD) to all EMPLOYEES who use keyboard skills with a VDT at least four (4) hours per day. New hires or EMPLOYEES transferring into the work group (who have not had this training before), who use VDTs and keyboards at least four (4) hours per day will be offered this training within the first six (6) months of their employment into the group.

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- (b) In order to further promote safe work environments, the Environmental Health and Safety Organization will continue to develop, with the Health Services Organization, Medical Management Programs designed to promote accurate record keeping of Cumulative Trauma Disorders, and to promote the early recognition of such disorders. The COMPANY will share the status of these programs with the Local Safety Committee.
 - (c) Additionally, the COMPANY and UNION REPRESENTATIVES on this Committee agree to arrange a meeting annually to deal with ergonomic and other issues as appropriate. Human Resources Leaders and UNION REPRESENTATIVES from organizations not engaged in advisory committee activities will be invited to attend this meeting as appropriate and mutually agreed upon.
 - (d) The COMPANY will encourage EMPLOYEE participation and safety awareness through the creation of meaningful safety initiatives formed at the Local Safety Committee level. Training will be provided to members of the Local Safety Committee.
 - (e) The COMPANY will maintain the network of Environmental Health and Safety Coordinators throughout the life of the Agreement. They will act as a resource to the safety committees at the local level in their organizations.
- 4 In connection with any safety activities, the COMPANY agrees to reimburse for the time spent by active EMPLOYEES for attendance at such committee meetings during the EMPLOYEE'S scheduled TOUR at their regular ADJUSTED RATE of pay.
- 5 The COMPANY shall provide clothing and other accessories, (including protective hand cream and similar preparations) for the physical protection of the EMPLOYEES as are required by the COMPANY. Such clothing and accessories shall be any item required by the COMPANY, by Federal and State Law or as may be agreed upon by negotiation. The COMPANY shall allow EMPLOYEES required to use such clothing and/or accessories a reasonable time during working hours for their application and removal and the COMPANY shall be responsible for the cleaning of all such clothing or accessories as provided.
- 6 When EMPLOYEES express reasonable concerns about their personal safety in connection with assignments in localities in which it is reasonable for them to believe that they may be victims of assault or other criminal activity, the EMPLOYEES will not be required to work alone.

ARTICLE 17 - MILITARY LEAVES OF ABSENCE

Coverage for employees serving in the military is provided for in the national section of this contract.

ARTICLE 18 - PERSONNEL RECORDS

- 1 Once in each year (and more frequently in unique circumstances where the EMPLOYEE so requests and the COMPANY agrees), EMPLOYEES may inspect their personnel records in accordance with the COMPANY'S practices concerning inspection of personnel and/or medical records.
 - (a) Notwithstanding Article 1 - Recognition and Article 8 - Grievance Procedure, upon their written request, EMPLOYEES' personnel records may also be shown to a UNION REPRESENTATIVE.
- 2 When an EMPLOYEE receives a warning of suspension, demotion or discharge that is to be recorded in the EMPLOYEE'S personnel file, the COMPANY will provide a copy of the warning to the warned EMPLOYEE. A copy of the warning will be given upon request to a UNION REPRESENTATIVE if he/she is present pursuant to the provisions of Article 5 - UNION Representation.

ARTICLE 19 – JURISDICTION OF WORK

1 Bargaining Unit Work

(The following will apply to EMPLOYEES formerly covered under the Bell Labs, RDS&S, Manufacturing P&M and Manufacturing Five Tier contracts). Except during temporary periods when qualified bargaining unit EMPLOYEES are not available, work normally assigned to represented EMPLOYEES will not be performed by salary-rated EMPLOYEES (either supervisory or non supervisory) with the following exceptions:

- (a) When necessary to afford instruction to EMPLOYEES, or
- (b) To maintain production or operations in emergency situations.

2 Information Sharing

From time to time, but no less frequently than every six (6) months, the Workforce Relations Vice President, or his or her designated REPRESENTATIVE, and the UNION'S Vice President, or his or her designated REPRESENTATIVE, will meet to review work which has been contracted out which, heretofore, was performed in a given locality by bargaining unit EMPLOYEES. The focus of the meetings will be to afford the UNION'S Vice President, or his or her designated REPRESENTATIVE, an opportunity to suggest ways in which the COMPANY could, in the future, use bargaining unit members in the same locality to perform the contracted out work at competitive total cost to the COMPANY and within the same completion time requirements. Where such methods are presented by the UNION, the COMPANY will give them due consideration and will advise the UNION of its determination. The Workforce Relations Vice President, or his or her designated REPRESENTATIVE, and the UNION'S Vice President, or his or her designated REPRESENTATIVE, will mutually authorize the formation of Joint Committees on sub-contracting or local committees to examine the contracted work to suggest ways that the work could be performed, in the future, by bargaining unit EMPLOYEES in a given locality at competitive costs and within the same completion time requirements and to discuss the need for, and nature of, information which would assist the committee in performing its function.

3 Contracting Work

In making decisions regarding contracting of work, it is management's objective to consider carefully the interests of both customers and EMPLOYEES along with all other considerations essential to the

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management of the business. Some of these considerations include but are not limited to law, regulations, changing industry structure, economic conditions, and business considerations.

- (a) (For Bell Labs Employees only) Work traditionally performed by bargaining unit EMPLOYEES in a work group will not be contracted out if the contracting out will currently and directly cause LAYOFFS or decrease the working hours of regular EMPLOYEES in the same work group which would have otherwise performed the work. "Work Group" as used in this Article shall be deemed to refer to the group of EMPLOYEES normally treated as a unit for purposes of part-timing or LAYOFF under Article 29, Paragraph 6 "Force Adjustment".
- (b) For Bell Labs, Operational and RDS&S Employees, the terms and conditions of the May 27, 1989 Letter of Agreement referred to as the "Bahr-Williams Letter" will apply.
- (c) For the Manufacturing Five Tier and Manufacturing P&M Employees, the terms and conditions of the April 19, 2001 Memorandum of Agreement (referred to as the "Effects Package") will apply.

ARTICLE 20 - PROVISIONS FOR SUPPLEMENTARY AGREEMENT

- 1 The COMPANY and the UNION agree that negotiations may be requested by either party on any subjects not specifically bargained upon during negotiations of this Agreement. Any agreement reached in such bargaining shall be supplementary to this Agreement, but shall not extend beyond the termination date of this Agreement except by mutual consent of the parties.
- 2 Interpretations of the provisions of this Agreement mutually agreed upon by the COMPANY and the UNION shall be reduced to writing and signed by the authorized REPRESENTATIVES of both parties.

ARTICLE 21 - FORCE ADJUSTMENT WAGE PROTECTION

1 Reduction in Rate Due to Lack of Work, Subcontracting Work Transfer or Technological Change

- (a) When an EMPLOYEE would suffer an immediate reduction in STANDARD RATE, as applicable, because of downgrading, or reclassification or other formal transfer made due to lack of work or directly and immediately due to either the contracting out of work to another COMPANY or the movement of a job to another Lucent Technologies location or due to technological change, the EMPLOYEE shall be paid a WAGE PROTECTION ALLOWANCE (WPA) starting with the effective date of such transfer or downgrading and then reduced gradually. Except as provided in Paragraph 1(b) the allowance shall be paid in accordance with the following schedule:

Number of weeks after effective date of the assignment	Reduction to be applied
0 – 10 Years N.C.S.	
Weeks 1 thru 4	No reduction
Weeks 5 thru 8	1/3 reduction
Weeks 9 thru 12	2/3 reduction
Weeks 13 & thereafter	Full reduction
10 – 15 Years N.C.S.	
Weeks 1 thru 30	No reduction
Weeks 31 thru 34	1/3 reduction
Weeks 35 thru 38	2/3 reduction
Weeks 39 & thereafter	Full reduction
15 Years N.C.S. and over	
Weeks 1 thru 56	No reduction
Weeks 57 thru 60	1/3 reduction
Weeks 61 thru 64	2/3 reduction
Weeks 65 & thereafter	Full reduction

- (b) An EMPLOYEE with fifteen (15) or more years of TERM OF EMPLOYMENT who is so downgraded or transferred due to technological change or an EMPLOYEE with twenty (20) or more years of TERM OF EMPLOYMENT who is so downgraded or transferred directly and immediately due to either the contracting out of work to

another COMPANY or the movement of a job to another Lucent Technologies location, shall be paid a WAGE PROTECTION ALLOWANCE (WPA) as determined in Paragraph 1(c) starting with the date of such downgrade or transfer and then reduced gradually. Such an EMPLOYEE will be paid the allowance in accordance with the following schedule in lieu of the schedule shown in Paragraph 1(a) above:

Time Period	Allowance
1 thru 160 weeks	No reduction
161 thru 164 weeks	1/3 reduction
165 thru 168 weeks	2/3 reduction

(c) Except as provided in Paragraph 1(d), the amount of WPA shall be calculated as follows:

(1) If the EMPLOYEE'S STANDARD RATE (plus any existing WPA) is at or above the MAXIMUM RATE of the Occupational Job Classification from which demoted or reclassified, the allowance shall be the difference between the STANDARD RATE (plus any existing WPA) of the Occupational Job Classification from which demoted or reclassified and the MAXIMUM RATE of the new Occupational Job Classification.

(2) If the EMPLOYEE'S STANDARD RATE (plus any existing WPA) is below the MAXIMUM RATE of the Occupational Job Classification from which demoted or reclassified, the allowance shall be the difference between the EMPLOYEE'S STANDARD RATE (plus any existing WPA) on the job from which demoted or reclassified and the STANDARD RATE based on the Progression Step to which assigned on the lower level Occupational Job Classification. However, such allowance will be reduced by the amount of any Progression Increases the EMPLOYEE subsequently receives in the lower level Occupational Job Classification.

(d) A WPA will be adjusted to include an amount for special Supplementary Wage Treatment or Additional Special Supplementary Wage Treatment or any other form of wage protection which is

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eliminated or reduced as a result of movement to a lower level or to another Lucent Technologies location.

- (e) A WPA shall be recomputed upon the EMPLOYEE'S promotion or reclassification on an assignment at a higher level Occupational Job Classification or upon the EMPLOYEE'S refusal of such an assignment. A WPA shall cease upon the EMPLOYEE'S placement on an assignment at his or her former level or upon the EMPLOYEE'S refusal of such an assignment.
 - (1) In the event such an EMPLOYEE'S WPA ceases as the result of a promotion and the EMPLOYEE is then again demoted within six (6) months of such promotion, the EMPLOYEE will receive a WPA for a period which is limited to the remaining portion of the WPA period associated with the original demotion or transfer in the amounts applicable thereto.
- (f) The WPA will apply to all time paid for including absences approved for payment.
- (g) An allowance under Paragraph 1 shall not be paid in cases of voluntary downgrade or reclassification to a lower occupation, disciplinary downgrade or reclassification to a lower occupation, downgrades at the conclusion of temporary upgrades or reclassification to a higher occupation, or downgrades or reclassification due to lack of competence.
- (h) (For those EMPLOYEES Formerly Covered by the Operations Contract) In lieu of the payments as outlined in Paragraphs 1 (a) and 1 (b) referenced above and at the option of the EMPLOYEE:
 - (1) EMPLOYEES with less than 15 years of service may elect to receive a one time lump sum payment equal to 60 times the difference in the STANDARD RATE (plus any existing WPA) between the new job title and the former job title times the number of hours in the EMPLOYEE'S Scheduled Weekly Tour.
 - (2) EMPLOYEES with 15 years or more of service may elect to receive a one-time lump sum payment equal to 120 times the difference in the STANDARD RATE (plus any existing WPA) between the new job title and the former job title times the number of hours in the EMPLOYEE'S Scheduled Weekly Tour.

- (3) When an EMPLOYEE has received his or her WAGE PROTECTION ALLOWANCE in a lump sum payment and is subsequently returned to his or her former wage level, and the number of weeks since the date of the first WPA payment is less than the number of weeks of Wage Protection Payment payable in accordance with the provisions in this article paragraph 1 (a), the amount of WAGE PROTECTION ALLOWANCE paid the EMPLOYEE in excess of the number of weeks that would have been paid up to the date of the EMPLOYEE'S return to the former level shall be considered as an advance in pay by the COMPANY and repayable through payroll deduction at the rate of ten percent (10%) of such EMPLOYEE'S wages.

ARTICLE 22 - PREMIUM PAYMENTS

1 General

- (a) It is recognized by both parties that the needs of the business may require work in excess of the standard schedule of hours 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 standard schedules is necessary, the LOCAL and the EMPLOYEES involved shall be given at least twenty-four (24) hours' notice unless an emergency arises which precludes giving such notice.
- (c) The amount of overtime, and the schedule for working such overtime, will be established by the COMPANY. However, when such schedules involve regularly scheduled overtime as distinguished from occasional overtime of a nonrecurring nature, the schedule or general pattern for the working of such overtime shall, upon request of the LOCAL become a matter for local negotiations. It is understood that every effort will be made to avoid the necessity for working EMPLOYEES on holidays normally observed by the COMPANY. When it is considered necessary to schedule regular operations on a day normally observed as a holiday, the matter shall be subject to local negotiations.
- (d) Insofar as practicable, 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 and other QUALIFIED EMPLOYEES of appropriate work assignments are available.
- (e) When EMPLOYEES work overtime at other than their regular job location, the SCHEDULED DAILY or WEEKLY TOUR for the location where the overtime work is performed shall be used in determining when work outside of the standard schedule starts.
- (f) Nothing in this Article shall require or permit the payment of overtime on overtime.

2 Overtime Treatment

- (a) TIME AND ONE-HALF

(1) Pay at TIME AND ONE-HALF shall apply to authorized time worked:

- (i) Outside an EMPLOYEE'S SCHEDULED DAILY TOUR provided the SCHEDULED DAILY TOUR is eight (8) hours or more;
- (ii) In excess of forty (40) hours during the WORKWEEK;
- (iii) On a NONSCHEDULED DAY other than Sunday for EMPLOYEES who are not working a 7-DAY COVERAGE JOB or a holiday.

(b) DOUBLE TIME

- (1) Pay at DOUBLE TIME shall apply for overtime hours paid at TIME AND ONE-HALF in excess of eight (8) hours in the WORKWEEK including any payments for Call-Ins and Call-Ups paid at TIME AND ONE-HALF.
- (2) Pay at DOUBLE TIME shall apply to authorized time worked on Sunday for EMPLOYEES who are not working a 7-DAY COVERAGE JOB or on a 7-DAY COVERAGE EMPLOYEE'S DAY IN LIEU OF SUNDAY.

(c) DOUBLE TIME AND ONE-HALF

- (1) Pay at DOUBLE TIME AND ONE-HALF shall apply to authorized time worked on the day on which a holiday is observed.

3 Overtime Adjustment

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
of hours in SCHEDULED WEEKLY TOUR + Overtime Hours worked in week X Total Overtime Hours worked in week X .5 + .009 = Overtime Adjustment.

4 Seven-Day Coverage Bonus

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A 7-DAY COVERAGE EMPLOYEE shall be paid a 7-DAY COVERAGE BONUS of ten percent (10%) for all time worked.

5 NIGHT WORK BONUS

An EMPLOYEE on a NIGHT TOUR (when an EMPLOYEE'S SCHEDULED DAILY TOUR falls wholly or in part between 6 PM and 6 AM), shall be paid a NIGHT WORK BONUS of ten percent (10%) of ADJUSTED RATE for all time worked on such tours

6 Call - In

- (a) When an EMPLOYEE is called during his or her off time to report for a work assignment outside the EMPLOYEE'S SCHEDULED DAILY or WEEKLY TOUR, it shall be considered a call-in. EMPLOYEES responding to a "call-in" shall be paid for time worked outside their STANDARD DAILY or WEEKLY TOUR at the applicable overtime rate. However, when an EMPLOYEE is requested to remain late on a day on which the EMPLOYEE has reported for work, or when, prior to leaving work, an EMPLOYEE is requested to report for work on a subsequent day at either the EMPLOYEE'S standard or non-standard starting time, it shall not be considered a call-in.
- (b) 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 for reasonable time spent traveling both ways. When the call-in does not require extra trips, but does involve reporting earlier than the starting time of the EMPLOYEE'S SCHEDULED DAILY TOUR, reasonable traveling time shall be paid for the trip from such residence to place of work.
- (c) Total payment for time worked on a "call-in" including pay for traveling time as specified above, shall not be less than two (2) hours' pay at the applicable overtime rate plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.
- (d) (The Following Provision Applies To Bell Labs Employees Only): Total payment for time worked on a "call-in" including pay for traveling time as specified above, shall not be less than three (3) hours' pay at the applicable overtime rate plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES on Monday through Friday, and not less than four (4) hours' pay at the applicable overtime rate plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES on Saturday or

Sunday or a holiday or DAY IN LIEU OF SATURDAY or Sunday or a holiday.

- (e) (The Following Provision Applies to Operational Employees): EMPLOYEES receiving call-in payments pursuant to the above paragraph shall be reimbursed for authorized personal vehicle usage at the rate of \$.36 per mile plus actual out-of-pocket travel related expenses incurred in connection with such travel.
- (f) No compensating regular work time off shall be required on another day for any work performed outside of the SCHEDULED WEEKLY TOUR, except when provisions of the State or Federal law make it necessary.

7 Call - Up

- (a) When a telephone call is made by or authorized by a supervisor to an EMPLOYEE during periods the EMPLOYEE is not on work time, the EMPLOYEE will be compensated if the call meets all of the following criteria:
 - (1) The call is made outside the EMPLOYEE'S SCHEDULED DAILY TOUR, on a NON-SCHEDULED DAY, or on an excused Holiday
 - (i) The EMPLOYEE uses his or her job knowledge and skill.
 - (ii) The call was not necessitated by error or omission by the EMPLOYEE.
- (b) An EMPLOYEE will be compensated for a Call-Up as follows:
 - (1) A Call-Up of less than one quarter (1/4) hour, paid one (1) Hour Overtime pay at applicable rate.
 - (2) A Call-Up of one quarter (1/4) hour but less than one (1) hour, paid two (2) hours Overtime pay at applicable rate.
 - (3) A Call-Up greater than one (1) hour, paid the greater of two (2) Hours Overtime pay at applicable rate or the actual time for such call.
- (c) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to

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which the EMPLOYEE would have been entitled had the EMPLOYEE been on the telephone continuously for the combined duration of each telephone call.

8 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.
- (b) 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.
- (c) Where a change of schedule results from an EMPLOYEE'S request for time off, EMPLOYEES working the new schedule shall not be paid an Early Start Allowance for time which falls outside the hours of the original work schedule. No pay shall be allowed for time not worked because of a change in schedule.

9 Sunday Start Allowance

- (a) When an EMPLOYEE working other than a CONTINUOUS OPERATIONS or 7-DAY COVERAGE TOUR is required to begin his or her first SCHEDULED DAILY TOUR between eight P.M. Sunday and Sunday Midnight, such EMPLOYEE shall receive a Sunday Start Allowance.
- (b) 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.

10 On - Call Payment

- (a) EMPLOYEES with the necessary skills may be required to remain in contact with the COMPANY outside of scheduled hours by use of a beeper or other communication device.
- (b) EMPLOYEES with necessary skills will be solicited on a voluntary basis with consideration of their TERM OF EMPLOYMENT; however, if there are an insufficient number of volunteers, the COMPANY may assign this requirement to EMPLOYEES having the necessary skills, with consideration of their TERM OF EMPLOYMENT.

- (c) Depending upon the COMPANY'S needs, EMPLOYEES with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those EMPLOYEES required to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their ADJUSTED RATE, plus TOUR differential and NIGHT SHIFT BONUS and 7-DAY COVERAGE BONUS, for each on-call assignment. EMPLOYEES called-up will be eligible for call-up treatment. EMPLOYEES actually called in will be eligible for call-in payment.

11 Daylight Savings Time

- (a) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (b) When the change is made from daylight savings time to standard time, an EMPLOYEE scheduled to work a TOUR ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with paragraph 2 Overtime Treatment.

Additional Premium payments may be contained within the Functional Articles for Bell Labs, Manufacturing P&M, Tier, Operations and Repair, Distribution and Service & Support.

**ARTICLE 23 – OCCUPATIONAL JOB CLASSIFICATIONS
AND NEW JOB TITLES**

1 General

- (a) The work performed by EMPLOYEES in the bargaining unit shall be classified as to Occupational Job Classifications in accordance with those set forth in Appendix 23-A to this Article. An EMPLOYEE shall be classified in the Occupational Job Classification that covers the major portion of his or her regular work assignment.
- (b) (The following shall apply to Manufacturing Five Tier Employees) – The COMPANY and the UNION agree that the TIER PLAN OCCUPATION JOB CLASSIFICATIONS listed in Appendix 23-A in effect on the date of this collective bargaining agreement, have been properly identified and described in the applicable TIER PLAN OCCUPATION JOB Descriptions in the Wage and Title Appendix.
 - (1) The COMPANY shall continue its administration of the Salary Graded Classification Plan, the Tier Plan (200 series) and any other plan in effect.
- (c) (The following shall apply to Manufacturing P&M Employees) - The COMPANY and the UNION agree that the PRODUCTION AND TESTER OCCUPATIONS and JOURNEYMAN TRADES OCCUPATIONS listed in Appendix 23-A in effect on the date of this collective bargaining agreement, have been properly identified and described in the applicable PRODUCTION AND TESTER OCCUPATIONS and JOURNEYMAN TRADES OCCUPATION Descriptions included in the Wage and Title Appendix.
- (d) (The following shall apply to RDS&S Employees) - All Communications Workers of America Represented HOURLY RATED and SERVICE and SUPPORT Employees covered by this collective bargaining agreement shall be assigned to one of the job classifications listed in Appendix 23-A.
 - (1) New or changed tours of duty shall be evaluated through the application of the "Telephone Division Revised Job Scoring and Grading Plan" adopted May 20, 1947, and subsequently amended as the "Plan for Grading Service Center Hourly Rated Jobs" hereinafter called the "Plan", and shall be assigned a grade and classification by the COMPANY. The COMPANY shall

continue its administration of the Salary Graded Classification Plan.

- (e) (The following shall apply to Bell Labs Employees) - All Communication Workers of America Represented MECHANICAL and PLANT SERVICES Employees covered by this collective bargaining agreement shall be assigned to one of the job classifications listed in Appendix 23- A.
 - (f) (The following shall apply to Operational Employees) All Other Communications Workers of America Represented Employees covered by this collective bargaining agreement shall be assigned to one of the job classifications listed in Appendix 23- A.
- 2 The COMPANY shall give the UNION ninety (90) days' notice in writing prior to assigning wage rate/grades and classifications to new or changed jobs. Such jobs may be placed in effect, if required by the needs of the business, but shall be considered ungraded until the end of the ninety (90) days notice period.
- (a) When it is determined that a job needs to be scored, Local Management will submit a write-up of the job which outlines the functions and the responsibilities of the assignment.
 - (b) The write-up will then be forwarded to the COMPANY for scoring. Any questions by the UNION arising in connection with the scoring, may if presented within sixty (60) days from the end of the 90 day ungraded period, be processed in accordance with ARTICLE 8, GRIEVANCE PROCEDURE, and ARTICLE 10 -MEDIATION, as described in Paragraph 3(a) of this Article.
 - (c) Jobs that have been evaluated and accepted by both parties shall not be reevaluated unless there has been a significant change in the operation.
 - (d) The UNION or MANAGEMENT may at any time request a new, modified or unscored existing job to be scored, by written request to the Joint Labor Grading Committee. The committee shall consist of four (4) members of whom two (2) shall be from the Communications Workers of America and two (2) from the COMPANY and shall meet upon request of either party or as needed.
 - (e) Job evaluation requests shall normally be acted upon within sixty (60) days of the request.

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- (f) Once the Joint Labor Grading Committee sends a scoring sheet to local management and the local UNION, each has sixty (60) days to dispute that scoring sheet.
- (g) Questions concerning the assignment of grades shall be referred to the Joint Labor Grading Committee.

3 Labor Grading Administration

The administration of job grading shall be the function of the COMPANY subject to the right of the UNION to have made available to it information and data utilized by the COMPANY in connection with such administration and the further right to challenge the action taken by the COMPANY in accordance with ARTICLE 8 - GRIEVANCE PROCEDURE.

- (a) Any grievance or dispute involving the assignment of job grades that has not been settled by the Joint Labor Grading Committee, to the satisfaction of each party, shall be resolved utilizing the provisions of ARTICLE 10 – Mediation.

4 Revisions - Pay Treatment and Movement of Personnel

- (a) In the event that the job grade designated for a job assignment is revised upward or downward for any reason, the applicable provisions of internal Movement of Personnel shall apply. If there is no internal Movement of Personnel the applicable provisions of the Lucent Transfer Plan shall apply.
- (b) When the revision is upward, the applicable provisions of Article 24 – WAGES shall apply for internal Movement of Personnel.
 - (1) Retroactive adjustments shall be granted to EMPLOYEES on the COMPANY roll for the period they were on such job assignment or the period during which it was incorrectly assigned, whichever is less, who:
 - (i) Were on the job assignment as of the effective date of the revision (or date of settlement in case of a grievance), or
 - (ii) Were transferred from the job assignment during the thirty (30) days prior to the effective date of the revision (or date of settlement in case of a grievance).

- (c) If there is no Internal Movement of Personnel the applicable provision of the Lucent Transfer Plan shall apply.

**ARTICLE 23A
OCCUPATIONAL JOB CLASSIFICATIONS/TITLES**

Bell Labs Titles
(Article 29)

Job Title

Bench Machine Operator and Assembler	Grounds Service Operator
Building Attendant	Hazardous Materials Technician
Building & Grounds Maintainer	Instrument & Control Mechanic
Chauffeur	Instrument & Tool Maker-Precision
Control Room Operator	Metal Fabricating Mechanic
General Plant Mechanic (Carpenter)	Motor Vehicle Mechanic - A
General Plant Mechanic (Carpen. Trainee)	Motor Vehicle Mechanic - B
General Plant Mechanic (Electrician)	Plant Equipment Maintainer
General Plant Mechanic (Elec. Trainee)	Plant Operation Mechanic
General Plant Mechanic (Mason)	Plant System Specialist
General Plant Mechanic (Mason Trainee)	Plant Watch Operator
General Plant Mechanic (Millwright)	Receiver-Shipper/Storekeeper
General Plant Mechanic (Millwr. Trainee)	Reprographics Operator
General Plant Mechanic (Painter)	Reprographics Specialist
General Plant Mechanic (Paint. Trainee)	Senior Wiring Mechanic
General Plant Mechanic (Pipefitter)	Telephone Operator
General Plant Mechanic (Pipe. Trainee)	Toolmaker - A
General Plant Mechanic (Tinsmith)	Toolmaker - B
General Plan Mechanic (Tinsm. Trainee)	Watch Engineer
General Utility Worker	Wiring Mechanic

Operational Titles
(Articles 25, 26, 27 and 28)

Contract Clerk	Operations Mechanic
Correspondence Clerk	Records Clerk – C
Data Processing Associate I (DPA I)	Records Clerk
Data Processing Associate II (DPA II)	Sales Associate – N
Data Processing Associate III (DPA III)	Senior Data Processing Clerk
Data Processing Associate IV (DPA IV)	Senior File Clerk
General Service Clerk	Senior Office Associate
General Services Senior Clerk	Senior Records Clerk
Office Clerical Assistant – C	Special Reports Clerk

Repair, Distribution and Service and Support Titles
(Article 30)

Hourly Rated Jobs
Global Provisioning Centers/Customer Information Center/
Lucent Calibration and Repair Center

Grade A	Grade B	Grade C
Maintenance Specialist	Maintenance Mechanic	Coordinator
Senior Repair Technician	Repair Technician	General Operator
Senior Technical Specialist	Technical Specialist	Maintenance Operator
		Repair Operator

Service and Support Jobs

R10	R20	R30	R40	R50
Various Titles				

Production and Maintenance (P&M)
Occupation Level Plan Classifications
 (Article 31)

	Legacy Job	GPS Job
PRODUCTION OCCUPATION	Title Code	Code
Level I		
Production Associate	7181	107181
PRODUCTION OCCUPATION	Code	Code
Level II		
Senior Operator, EM-II, MO-II, PL2M/T, MT-II	7182	107182
Senior Operator, (HPT) MT-II		
PRODUCTION OCCUPATION	Code	Code
Level III		
Process Analyst, EM-III, MO-III, PL3M/T, MT-III, Process Analyst, (JTW) MT-III	7183	107183
Tester Analyst	Code	Code
Test Support Specialist	6548	106548

JOURNEYMAN Trades Plan Classifications

	Code	Code
Trades Group 1		
Composite Master Mechanic	687M	106876
Composite Master Tradesworker	681M	106816
Pipefitter	6822	106822
Sheet Metal Worker	6145	106145
D.I. Water	6870	106870
Trades Group 2		
Air Conditioning & Refrigeration Mechanic	6879	106879
Composite Master Toolmaker	441M	104416
Electrician	6815	106815
Facilities Maintenance Specialist	6840	106840
Facilities Sheetmetal Specialist	6846	106846
Industrial Vehicle Technician	6849	106849
Manufacturing Maintenance Pipefitter	0137	110137
Manufacturing Systems Technician	6285	106285
Plant Inspector	6216	106216
Project Trades Planner	6494	106494
System Equipment Technician	0138	110138
Trades Order Analyst	6214	106214

Five Tier Plan Occupational Job Classifications
(Article 31)

Occupational Job Classification	Corridor
Tier 1	
Clerk	Not Applicable
Tier 2	
Senior Clerk	Not Applicable
Secretary	Not Applicable
Tier 3	
Senior Secretary	Not Applicable
Associate	Not Applicable
Tier 4	
Administrative Analyst	Administrative
Computer Operations Analyst	Computer Operations
Drafting Analyst	Drafting
Financial Analyst	Financial
Materials Management Analyst	Materials Management
Technical Support Analyst	Technical Support
Tier 5	
Senior Administrative Analyst	Administrative
Senior Computer Operations Analyst	Computer Operations
Senior Drafting Analyst	Drafting
Senior Financial Analyst	Financial
Senior Materials Management Analyst	Materials Management
Senior Technical Support Analyst	Technical Support
Special Designated Job Tier 4	
Laboratory Assistant	Not Applicable
Photographic Technician	Not Applicable
X-Ray Technician	Not Applicable
Special Designated Job Tier 5	
Laboratory Assistant	Not Applicable
Photographic Technician	Not Applicable
Trades Order Analyst	Not Applicable

**ELIMINATION OF CERTAIN BELL LABORATORIES ARTICLES,
TITLES AND WAGE SCHEDULES**

During 2003 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 2003 Agreement under certain Bell Laboratories Functional Articles, while not including them in this General Agreement.

Below is a list of titles within Articles as numbered in the 1998 Agreement:

Outside Plant Mechanic
Chef
Electron Device Mechanic
Senior Electrical Development Mechanic
Senior Experimental Glass Technician
Laboratory Mechanic
Technician

Article 23A

Below is a list of Wage Schedules as numbered in the 1998 Bell Laboratories Agreement that **will not** be included in this General Agreement:

Exhibit	Occ. Class	Job Title
1	426	Chemical Processer
1	427	Electron Device Processor
1	428	Chef
1	432	Chemical Technology Mechanic
1	433	Electron Device Mechanic
1	434	Instrument Maker
1	446	Outside Plant Mechanic
1	O451	Senior Electrical Development Mechanic
1	M451	Senior Electron Device Mechanic
1	452	Laboratory Mechanic
1	454	Technician
1	456	Senior Experimental Glass Technician
2	452	Laboratory Mechanic
2	454	Technician
2	456	Senior Experimental Glass Technician

ELIMINATION OF CERTAIN OPERATIONS ARTICLES, TITLES & WAGE SCHEDULES

During 2003 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 2003 Agreement under certain Operations Functional Articles, while not including them in this General Agreement.

Below is a list of Articles as numbered in the 1998 Agreement:

- Article 30- Computer Services**
- Article 31- Material Logistics**
- Article 35- Communications Equipment**

Below is a list of titles within Articles as numbered in the 1998 Agreement:

Article 30- Computer Services

Customer Engineer III

Article 31- Material Logistics

Field Operations Clerk	Field Ops Material Handler - 2
Field Ops Material Handler - 1	

Article 32 - Sales

Account Support Representative	Sales Representative - C
Customer Care Representative	Sales Representative - 1
Customer Representative	Senior Catalog Associate
Lead Catalog Associate	Senior Catalog Support Clerk

Article 33 - Support

Account Assistant	Order Writer
Account Service Representative	Project Coordinator
Administrative Clerk – 1	Records Clerk - 1
Administrative Clerk – C	Senior Account Service Rep.
Analytical Clerk	Senior Clerk
Clerical Stenographer	Senior Secretarial Associate
Combination Typist	Service Coordinator
Customer Contact Agent – 1	Software Associate
Data Processing Clerk	Special Clerk
Desktop Publishing Coordinator	Staff Assistant Two
Desktop Publishing Specialist	Systems Applications Specialist
Office Clerical Assistant – 1	Systems Support Specialist
	Word Processing Specialist

Article 35 – Communications Equipment

CSSO Technician	Distribution Technician
Customer Systems Engineer	Senior Technician

Article 36 – Communications Services

Building Technician	Customer Software Administrator - C
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Below is a list of Wage Schedules as numbered in the 1998 Operations Agreement that will remain in this General Agreement:

Table	Level	Wage Area
1	TG-3	P1
2	TG-4	D1, J1, L1, P1
3	TG-5	D1, J1, L1, P1, X1
4	TG-6	D1, J1, L1, P1
8	TECH	L1, P2

**ELIMINATION OF CERTAIN RDS&S ARTICLES, TITLES AND WAGE
SCHEDULES**

During 2003 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 2003 Agreement under certain RDS&S Functional Articles, while not including them in this General Agreement.

Below is a list of Wage Schedules as numbered in the 1998 RDS&S Agreement that **will not** be included in this General Agreement:

	Grade	Job Code
East Point	R 10	R10
East Point	R 20	R20
East Point	R 30	R30
East Point	R 40	R40
East Point	R 50	R50
East Point		DMCH
East Point		DCAC
East Point		DMRH
East Point		DMBH
East Point		DMAH
Lucent Calibration and Repair Center	R 10	R10
Lucent Calibration and Repair Center	R 20	R20
Lucent Calibration and Repair Center	R 30	R30
Lucent Calibration and Repair Center	R 40	R40
Lucent Calibration and Repair Center	R 50	R50
CIC	A	CICA
CIC	B	CICB
CIC	C	CI3C
CIC	Coord.	CI4C
Houston M.S.G.	R 10	R10
Houston M.S.G.	R 20	R20
Houston M.S.G.	R 30	R30
Houston M.S.G.	R 40	R40
Houston M.S.G.	R 50	R50

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ELIMINATION OF CERTAIN MANUFACTURING P&M ARTICLES AND TITLES

During 2003 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 2003 Agreement under certain Manufacturing P&M Functional Articles, while not including them in this General Agreement.

Below is a list of titles within Articles as numbered in the 1998 Agreement:

Building & Plant Facility Service
Composite Master Machinist
Composite Master Mechanic
Composite Master Trades Worker
Control Systems Technician
DI Water Facility Attendant
Industrial Vehicle Technician
Junior Team Member
Pipe Fitter
Sheet Metal Worker
Sheet Metal Worker Tradesman
Senior Operator Wafer Fabrication
Technician
Tester
Tester Analyst
Toolmaker
Trades Worker
Trainee Hourly Occupational

ARTICLE 24 – WAGES

1 Wage Schedules

Wage Schedules for job titles and levels in this Agreement are contained in the Wage Schedules found in the Wage Appendix of this Agreement. Such Wage Schedules are exclusive of all differentials and other special payments.

2 General Wage Increases

The General Wage Increases (GWI's) in the Wage Schedules set forth below shall be computed on an exponential basis and shall be rounded to the nearest penny.

(a) Initial Wage Increase

Effective June 1, 2003, wage schedules shall be increased by 2% on the MINIMUM RATES and by 2% on the MAXIMUM RATES in effect on May 31, 2003.

(b) Second Wage Increase

Effective May 30, 2004, wage schedules shall be increased by 2% on the MINIMUM RATES and by 2% on the MAXIMUM RATES in effect on May 29, 2004.

3 Wage Progression

The STANDARD RATE of each EMPLOYEE whose STANDARD RATE is below the MAXIMUM RATE of his or her Wage Schedule shall be increased during the term of this Agreement, provided that such EMPLOYEE has sixty (60) days NET CREDITED SERVICE on the effective date of the scheduled increase.

Progression increases shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.

4 Starting Rates

If the business conditions require, or when EMPLOYEE qualifications (in the judgment of the COMPANY) justifies starting rates higher than the minimum, such higher rates may be granted. Such starting rates will be

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granted based on the COMPANY'S non-management EMPLOYEE starting wage policy which following prescribed guidelines includes wage credit for job related work or military experience, job-related training or job-related skills, licenses or certificates. In no case shall an EMPLOYEE be paid less than the starting rate on the wage schedule applicable to the EMPLOYEE'S title.

Whenever the COMPANY hires regular EMPLOYEES (except temporaries) at above the start rate due to employment market conditions, incumbent EMPLOYEES who are at lower Standard Rates in the same organization and same title and work location shall have their STANDARD RATE and equivalent service date (wage progression clock) adjusted to that of the new hire effective as of the new hire start date.

5 General

- (a) When an EMPLOYEE'S STANDARD RATE is subject to two (2) or more changes effective on the same date, the changes shall be made in the following order:
- (1) Progression increase in accordance with Paragraph 3.
 - (2) Promotion increase.
 - (3) General Increase in accordance with Paragraph 2.
 - (4) Demotion adjustment.
- (b) An EMPLOYEE who is absent because of sickness, accident or quarantine at the end of the EMPLOYEE'S SCHEDULED WEEKLY 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 return to active duty.

Additional Wage Related Provisions are contained within the Functional Articles.

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- (1) An EMPLOYEE shall not be permitted to select the days of the week the EMPLOYEE is to work or the type of work the EMPLOYEE is to perform.
- (2) TOUR selection shall occur at least three (3) times during each CALENDAR YEAR.
- (3) Where there are two (2) or more regular full-time EMPLOYEES in a work group they shall be allowed to choose their TOUR based on SENIORITY, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time EMPLOYEES in a work group, they shall be allowed to choose their TOUR based on SENIORITY, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where EMPLOYEES' scheduled hours of work and scheduled days do not normally vary.

(d) Hours of Work - Scheduling

- (1) Work schedules will be established for each CALENDAR WEEK, designating the days and hours of work for each EMPLOYEE. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The COMPANY may change an EMPLOYEE'S work schedule by notifying the EMPLOYEE at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an EMPLOYEE'S work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the EMPLOYEE'S established schedule shall be paid at Time and One-Half.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where EMPLOYEES' scheduled hours of work and scheduled days do not normally vary.

(e) Relief/MEAL PERIOD

The assignment of relief periods will be determined by the COMPANY and will be subject to force and work conditions in each office or location. One (1) RELIEF PERIOD will normally be assigned to each EMPLOYEE working a TOUR of four (4) to six (6) hours. Two (2) relief periods and a MEAL PERIOD will normally be assigned for each EMPLOYEE working a TOUR of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) Minimum Scheduling - Part-Time

Part-time EMPLOYEES shall be scheduled to work not fewer than three (3) hours on any given day on which such EMPLOYEES are scheduled to work.

3 Differentials and Other Payments

(a) Night Differential

EMPLOYEES whose weekly work schedules consist of regularly scheduled NIGHT TOURS shall receive a night differential of ten percent (10%) of their ADJUSTED RATE. EMPLOYEES who work fewer than five (5) NIGHT TOURS in a CALENDAR WEEK shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled TOUR so worked. A NIGHT TOUR for EMPLOYEES in the titles of Senior Catalog Associate and Lead Catalog Associate will be 6PM - 6AM.

ARTICLE 26 - SUPPORT

- 1 The Provision of this Article apply only to the EMPLOYEES assigned to the titles listed below:

Title	Title
Contract Clerk	Records Clerk - C
Correspondence Clerk	Reports Clerk
General Service Clerk	Senior Data Processing Clerk
General Services Senior Clerk	Senior File Clerk
Office Clerical Assistant - C	Senior Records Clerk

- 2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the COMPANY with respect to service and work requirements shall be controlling.
- (2) The working conditions of an EMPLOYEE shall be those specified for the group to which the EMPLOYEE is assigned. When an EMPLOYEE is assigned temporarily to a different group within an office or to a similar or different group in another office, the EMPLOYEE shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The NORMAL WORK WEEK shall consist of five (5) tours in one (1) CALENDAR WEEK of Monday through Saturday, inclusive, except that in any work operation where the COMPANY regularly provides coverage on each day of the CALENDAR WEEK the NORMAL WORK WEEK shall consist of five (5) tours in one (1) CALENDAR WEEK of Sunday through Saturday, inclusive.

- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) TOUR Selection

An EMPLOYEE shall be permitted to select the TOUR the EMPLOYEE desires to work subject to the following conditions:

- (1) An EMPLOYEE shall not be permitted to select the days of the week the EMPLOYEE is to work or the type of work the EMPLOYEE is to perform.
- (2) TOUR selection shall occur at least three (3) times during each CALENDAR YEAR.
- (3) Where there are two (2) or more regular full-time EMPLOYEES in a work group they shall be allowed to choose their TOUR based on SENIORITY, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time EMPLOYEES in a work group, they shall be allowed to choose their TOUR based on SENIORITY, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where EMPLOYEES' scheduled hours of work and scheduled days do not normally vary.

(d) Hours of Work - Scheduling

- (1) Work schedules will be established for each CALENDAR WEEK, designating the days and hours of work for each EMPLOYEE. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The COMPANY may change an EMPLOYEE'S work schedule by notifying the EMPLOYEE at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an EMPLOYEE'S work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the

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EMPLOYEE'S established schedule shall be paid at Time and One Half.

- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where EMPLOYEES' scheduled hours of work and scheduled days do not normally vary.

(e) Relief/Meal Period

The assignment of relief periods will be determined by the COMPANY and will be subject to force and work conditions in each office or location. One (1) RELIEF PERIOD will normally be assigned to each EMPLOYEE working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each EMPLOYEE working a TOUR of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) Minimum Scheduling - Part-Time

Part-time EMPLOYEES shall be scheduled to work not fewer than three (3) hours on any given day on which such EMPLOYEES are scheduled to work.

(g) Night Differential

EMPLOYEES whose weekly work schedules consist of regularly scheduled NIGHT TOURS shall receive a night differential of ten percent (10%) of their ADJUSTED RATE. EMPLOYEES who work fewer than five (5) NIGHT TOURS in a CALENDAR WEEK shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled TOUR so worked.

ARTICLE 27 - INFORMATION MANAGEMENT SERVICES

- 1 The provisions of this Article apply only to EMPLOYEES assigned to the titles listed below:

Title
Data Processing Associate I (DPA I)
Data Processing Associate II (DPA II)
Data Processing Associate III (DPA III)
Data Processing Associate IV (DPA IV)

- 2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the COMPANY with respect to service and work requirements shall be controlling.
- (2) The working conditions of an EMPLOYEE shall be those specified for the group to which the EMPLOYEE is assigned. When an EMPLOYEE is assigned temporarily to a different group within an office or to a similar or different group in another office, the EMPLOYEE shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

- 3 Weekly Work Schedules

(a) Scheduled Days Per Week

- (1) An EMPLOYEE shall be scheduled to work normal tours on any five (5) days of the CALENDAR WEEK.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(b) Weekly Schedule

A schedule shall be set up for each CALENDAR WEEK and shall show each EMPLOYEE'S scheduled working days, the EMPLOYEE'S scheduled TOUR for each of these days and the EMPLOYEE'S basic tour. Where service or coverage conditions require, an EMPLOYEE

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may be called on to work in excess of the EMPLOYEE'S scheduled assignments.

(c) Interval Between Tours

The interval between the end of one scheduled TOUR and the beginning of the next scheduled TOUR shall normally be at least a normal tour.

(d) Start of Tours

Scheduled Tours may start at any time of the day and the starting time may vary from day to day, provided, however, that on WEEKDAYS, exclusive of authorized holidays, no scheduled TOUR shall start more than two (2) hours before or after the starting time of the EMPLOYEE'S basic TOUR unless it starts four (4) hours or more before or after such starting time.

(e) Schedule Following an Absence

An EMPLOYEE'S schedule for the week in which he or she returns to duty following a period of absence of indefinite duration shall be a normal DAY TOUR for that work location either Monday through Friday or Tuesday through Saturday provided Saturday is an authorized holiday, unless before 3:00 P.M. Thursday of the preceding week, (1) the EMPLOYEE notifies his or her supervisor of the EMPLOYEE'S intention to report for duty starting with the first scheduled TOUR for the week, in which case the EMPLOYEE'S schedule shall be set up in the normal manner, or (2) the EMPLOYEE is notified by his or her supervisor that the EMPLOYEE'S schedule will be other than as prescribed above.

(f) Posting Schedules

Insofar as is practicable, schedules shall be posted not less than two (2) weeks in advance of the first assignment shown thereon, but in no case shall a schedule for the following week be posted later than 3:00 P.M. Thursday of the current week.

(g) Changes in Schedule

(1) Work schedules for the following week may be changed at or before 3:00 P.M. Thursday of the current week.

- (2) After 3:00 P.M. Thursday of the current week, an EMPLOYEE'S schedule for the following week shall not be changed with respect to his or her basic tour, scheduled days or length of scheduled TOUR on each day, except that, if an EMPLOYEE is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an EMPLOYEE is required to travel on a non-scheduled Sunday on COMPANY business in accordance with Appendix A (Transfers, Travel Allowance and Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a SCHEDULED DAY and the COMPANY shall designate one (1) of the EMPLOYEE'S scheduled days in that week as a Non-Scheduled Day. If the EMPLOYEE is not notified of such designation before the end of the Sunday work, the last SCHEDULED DAY of the EMPLOYEE'S work week shall become a Non-Scheduled Day..
- (3) The starting time of an EMPLOYEE'S scheduled TOUR on any day may be changed provided the EMPLOYEE is given adequate notice and provided further that no TOUR so scheduled shall start more than two (2) hours before, or after, the starting time of the EMPLOYEE'S basic TOUR unless it starts four (4) hours or more before or after such starting time. When a TOUR is changed in accordance with the foregoing the rescheduled TOUR becomes the scheduled TOUR for that day.
- (4) Adequate notice of a change in schedule shall be notice given at least thirty six (36) hours prior to the starting time of the TOUR originally scheduled or the starting time of the rescheduled tour, which is earlier.

(h) TOUR Selection - Regular Full-Time EMPLOYEES

- (1) An EMPLOYEE shall be permitted to select the basic TOUR the EMPLOYEE desires to work subject to the following conditions:
 - (i) An EMPLOYEE shall not be permitted to select the days of the week the EMPLOYEE is to work or the type of work the EMPLOYEE is to perform.
 - (ii) Each EMPLOYEE in a group which is treated as a unit for scheduling purposes may select a TOUR only during January or early February and during July or early August, the time of selection within such periods being determined by the supervisor in charge, provided however that when the

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COMPANY determines that service and coverage conditions require, a selection shall be held prior to either of the above periods and such selection shall, at the discretion of the COMPANY, be in lieu of or in addition to the next selection period.

- (iii) An EMPLOYEE may select only from the tours available in the group. At the time of selection a list of available tours shall be referred to each EMPLOYEE in order of SENIORITY and the EMPLOYEE may indicate thereon his or her selection of the open TOUR (one not previously selected by an EMPLOYEE with greater SENIORITY) the EMPLOYEE wishes to work.
- (2) To the extent that service and coverage conditions and training requirements permit, weekly assignment of scheduled tours shall be made in accordance with the selections indicated at the last selection period. If an EMPLOYEE is not assigned to the TOUR the EMPLOYEE selects under 3(h)(1)(iii) above, because of the EMPLOYEE'S lack of qualifications, the COMPANY will give due regard to the EMPLOYEE'S request for the required training. However, necessary changes in assignments because of absences or changes in requirements between TOUR selection periods shall, except when the TOUR assignment is in connection with training requirements, be made with due consideration to SENIORITY.
- (3) SENIORITY for the selection of tours shall be determined in accordance with Article 3 (DEFINED TERMS).
- (4) The decision of the COMPANY on service and coverage conditions and training requirement shall be controlling unless the COMPANY is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance, and if necessary, submitted to arbitration in accordance with Article 10 (Arbitration).

4 TOUR Selection

- (a) The following provisions shall govern the administration of Paragraph 3(h):
 - (1) The COMPANY agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace

a vacated tour, or add a tour, which consists of more than thirteen (13) normal work weeks, within the current TOUR selection period, such a TOUR shall be offered for selection in the manner provided in Paragraph 3(h)(1)(iii) it being understood, however, that not more than the two (2) next succeeding TOUR vacancies, if any, created by the filling of the afore described vacated or added TOUR shall be offered for selection in the manner provided in Paragraph 3(h)(1)(iii). If more than two (2) such TOUR vacancies are created by the filling of the afore described TOUR originally vacated or added all TOUR vacancies in excess of the two (2) next succeeding vacancies shall be replaced in the manner provided in Paragraph 4(a)(2) below.

- (2) The COMPANY further agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace a vacated tour, or add a tour, which consists of one (1) or more normal work weeks but less than fourteen (14) normal work weeks within the current TOUR selection period, such a TOUR shall be offered for selection in order of SENIORITY to EMPLOYEES in the appropriate TOUR selection unit, who, in the COMPANY'S judgment, are qualified to perform the work and available at that time for release from current work assignments without the necessity of replacement.
 - (3) The COMPANY further agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace a vacated tour, or add a tour, which consists of less than one (1) normal work week, it shall fill such a TOUR by the selection of an EMPLOYEE from the appropriate TOUR selection unit.
- (b) Except as otherwise provided in this Section, all of the provisions of Paragraph 3(h)(1)(iii) of the Contract shall apply with full force and effect to the tours filled in accordance with the provisions of this Section.

5 Meal Period

Time allowed an EMPLOYEE for a MEAL PERIOD (although not paid time) shall not be considered as a break in the continuity of work time.

6 Minimum Scheduling - Part-Time

Part-time EMPLOYEES shall be scheduled to work not fewer than three (3) hours on any given day on which such EMPLOYEES are scheduled to work.

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7 Overtime

(a) Extra Work Time

- (1) Extra work time is time worked in excess of an assigned TOUR on a scheduled day, time worked in excess of a normal work week, or time worked on a Non-Scheduled Day. Extra work time shall be reported in actual hours to the nearest one-quarter (1/4) hour.
- (2) Extra work time continuous with a preceding TOUR worked shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding TOUR shall be considered as occurring on the day such period of extra work time started.

(b) Compensation for Extra Work Time

Compensation for extra work time shall be as follows:

- (1) Equivalent time off with pay may be granted an EMPLOYEE in the current or following CALENDAR WEEK, provided, however, that equivalent time off shall not be granted in the following week to an EMPLOYEE if his or her total work time exceeds forty (40) hours in the current CALENDAR WEEK.
 - (2) If equivalent time off is not granted, compensation shall be at the EMPLOYEE'S HOURLY ADJUSTED RATE, provided, however, that compensation for time worked in excess of forty (40) hours in a CALENDAR WEEK by an EMPLOYEE shall be at the EMPLOYEE'S TIME AND ONE-HALF Overtime Rate
 - (3) On an authorized holiday, for time worked in excess of a normal tour, at the EMPLOYEE'S DOUBLE TIME AND ONE-HALF Overtime Rate.
- (c) Compensation for extra work time for hours worked in excess of eight (8) hours of extra work time which is paid at the EMPLOYEE'S TIME AND ONE-HALF Overtime Rate, as defined in Article 22 (PREMIUM PAYMENTS), Paragraph 2(a)&(b), shall be at the EMPLOYEE'S DOUBLE TIME Overtime Rate.

8 Differentials and Other Payments

(a) Night Differential

- (1) An EMPLOYEE shall be entitled to a weekly night differential for each week the EMPLOYEE'S basic TOUR is a NIGHT TOUR. An EMPLOYEE assigned to a NIGHT TOUR for the duration of a TOUR selection period, or who has been assigned a permanently vacated NIGHT TOUR for the remainder of a TOUR selection period, shall retain his or her night differential while assigned to a COMPANY school if not otherwise eligible for night differential while attending the COMPANY school.
- (2) For the purposes of this Article, a basic TOUR is the scheduled TOUR which is most nearly REPRESENTATIVE of all an EMPLOYEE'S scheduled tours during a NORMAL WORK WEEK and is used for the purpose of determining eligibility for a shifted TOUR or night differential.
- (3) The weekly night differential shall be ten percent (10%) of the EMPLOYEE'S ADJUSTED RATE.

(b) Sunday Payments

Compensation for all time worked on a Sunday shall include a Sunday differential of one-half (1/2) time extra at the EMPLOYEE'S Hourly Overtime Base Rate.

(c) Shifted TOUR Differential.

- (1) An EMPLOYEE shall be paid a shifted TOUR differential of one-half (1/2) time extra at the EMPLOYEE'S Hourly Overtime Base Rate for time worked within a TOUR that has been shifted on any day except a Sunday or an authorized holiday, under the following conditions:
 - (i) When the EMPLOYEE works a normal TOUR which starts four (4) or more hours before or after the starting time of the EMPLOYEE'S basic tour.
 - (ii) When the EMPLOYEE works a scheduled half TOUR all of which is outside the EMPLOYEE'S basic tour.
 - (iii) For the purposes of this article a basic TOUR is the scheduled TOUR which is most nearly REPRESENTATIVE

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of all an EMPLOYEE'S scheduled tours during a NORMAL WORK WEEK and is used for the purpose of determining eligibility for a shifted TOUR or night differential.

(2) Expense Payment

(i) When an EMPLOYEE works a period of two (2) or more hours (a) immediately before or after the EMPLOYEE'S scheduled normal tour, (b) immediately before or after a shifted TOUR on a SCHEDULED DAY other than an authorized holiday or (c) in excess of a normal TOUR on a Non-SCHEDULED DAY or an authorized holiday, the EMPLOYEE shall be paid for the convenience of the employer an expense reimbursement of eight dollars (\$8.00). An EMPLOYEE shall be entitled to only one (1) such expense reimbursement per calendar day or per continuous period of work, except that an EMPLOYEE shall be entitled to two (2) such expense reimbursements when an EMPLOYEE works periods of two (2) or more hours immediately before and after the EMPLOYEE'S scheduled normal tour.

(ii) When an EMPLOYEE works up to a normal TOUR on a Non-Scheduled Day or an authorized holiday, the EMPLOYEE shall not be entitled to an expense reimbursement unless the EMPLOYEE is compensated for such work by equivalent time off.

ARTICLE 28 - COMMUNICATIONS SERVICES

- 1 The provisions of this Article apply only to EMPLOYEES assigned to the title listed below:

Title
Operations Mechanic

- 2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the COMPANY with respect to service and work requirements shall be controlling except as qualified in those cases specifically covered by Paragraph 4(c).
- (2) The working conditions of an EMPLOYEE shall be those specified for the group to which the EMPLOYEE is assigned. When an EMPLOYEE is assigned temporarily to a different group within an office or to a similar or different group in another office, the EMPLOYEE shall assume the working conditions of the temporary assignment.
- (b) A normal TOUR shall be eight (8) hours except in those cases where a normal tour of different length has been specifically authorized. When for service reasons an EMPLOYEE cannot leave the job for a meal period, the MEAL PERIOD shall be included as part of the EMPLOYEE'S tour.

- 3 Weekly Work Schedules

(a) General

(1) Scheduled Days Per Week

- (i) An EMPLOYEE shall be scheduled to work normal tours on any five (5) days of the CALENDAR WEEK.
- (ii) normal tours shall be on the holiday.

(2) Weekly Schedule

A schedule shall be set up for each CALENDAR WEEK and shall show each EMPLOYEE'S scheduled working days, the

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EMPLOYEE'S scheduled TOUR for each of these days and the EMPLOYEE'S basic tour. Where service or coverage conditions require, an EMPLOYEE may be called on to work in excess of the EMPLOYEE'S scheduled assignments.

(3) Interval Between Tours

The interval between the end of one scheduled TOUR and the beginning of the next scheduled TOUR shall normally be at least eight (8) hours.

(4) Start of Tours

Scheduled tours may start at any time of the day and the starting time may vary from day to day, provided, however, that on WEEKDAYS, exclusive of authorized holidays, no scheduled TOUR shall start more than two (2) hours before or after the starting time of the EMPLOYEE'S basic TOUR unless it starts *four (4) hours or more before or after such starting time.*

(5) Schedule Following an Absence

An EMPLOYEE'S schedule for the week in which he or she returns to duty following a period of absence of indefinite duration shall be either 8:00 A.M. to 5:00 P.M. Monday through Friday, or 8:00 A.M. to 5:00 P.M. Tuesday through Saturday provided Saturday is an authorized holiday, unless before 3:00 P.M. Thursday of the preceding week, (1) the EMPLOYEE notifies his or her supervisor of the EMPLOYEE'S intention to report for duty starting with the first scheduled TOUR for the week, in which case the EMPLOYEE'S schedule shall be set up in the normal manner, or (2) the EMPLOYEE is notified by his or her supervisor that the EMPLOYEE'S schedule will be other than as prescribed above.

(6) Insofar as is practicable, schedules shall be posted not less than two (2) weeks in advance of the first assignment shown thereon, but in no case shall a schedule for the following week be posted later than 3:00 P.M. Wednesday of the current week.

(7) Changes in Schedules

- (i) Work schedules for the following week may be changed at or before 3:00 P.M. Thursday of the current week, however, no changes will be made after 3:00 P.M. on Wednesday of the

current week unless the EMPLOYEE(s) receive(s) personal notification at or before 3:00 P.M. Thursday of the current week.

- (ii) After 3:00 P.M. Thursday of the current week, an EMPLOYEE'S schedule for the following week shall not be changed with respect to his or her basic tour, scheduled days or length of scheduled TOUR on each day, except that, if an EMPLOYEE is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an EMPLOYEE is required to travel on a non-scheduled Sunday on COMPANY business in accordance with Appendix A (Transfers Travel Allowance & Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a SCHEDULED DAY and the COMPANY shall designate one of the EMPLOYEE'S scheduled days in that week as a Non-Scheduled Day. If the EMPLOYEE is not notified of such designation before the end of the Sunday work, the last SCHEDULED DAY of the EMPLOYEE'S work week shall become a Non-Scheduled Day.
- (iii) The starting time of an EMPLOYEE'S scheduled TOUR on any day may be changed provided the EMPLOYEE is given adequate notice and provided further that no TOUR so rescheduled shall start more than two (2) hours before, or after, the starting time of the EMPLOYEE'S basic TOUR unless it starts four (4) hours or more before or after such starting time. When a TOUR is changed in accordance with the foregoing the rescheduled TOUR becomes the scheduled TOUR for that day.
- (iv) Adequate notice of a change in a schedule shall be notice given at least thirty-six (36) hours prior to the starting time of the TOUR originally scheduled or the starting time of the rescheduled tour, whichever is earlier.

4 TOUR Selection - (Regular Full-Time)

- (a) An EMPLOYEE shall be permitted to select the basic TOUR the EMPLOYEE desires to work, subject to the following conditions:

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- (1) An EMPLOYEE shall not be permitted to select the days of the week the EMPLOYEE is to work or the type of work the EMPLOYEE is to perform.
 - (2) Each EMPLOYEE in a group, which is treated as a unit for scheduling purposes, may select a TOUR only during January or early February and during July or early August, the time of selection within such periods being determined by the supervisor in charge.
 - (3) An EMPLOYEE may select only from the tours available in the group. An EMPLOYEE temporarily reassigned to a location other than his or her permanent reporting location shall be permitted to select his or her TOUR at his or her permanent reporting location. At the time of selection a list of available tours shall be referred to each EMPLOYEE in order of SENIORITY and the EMPLOYEE may indicate thereon his or her selection of the open TOUR (not one previously selected by an EMPLOYEE with greater SENIORITY) the EMPLOYEE wishes to work.
- (b) To the extent that service and coverage conditions permit, weekly assignments of scheduled tours shall be made in accordance with selection indicated at the last selection period. If the EMPLOYEE is not assigned to the TOUR the EMPLOYEE selects under (a)(3) above, because of the EMPLOYEE'S lack of qualification, the following will apply:
- (1) Between TOUR selection periods, if the TOUR selected by the EMPLOYEE becomes available due to either the adding of a permanent TOUR or a permanent vacancy, and for which the EMPLOYEE is qualified, the EMPLOYEE shall be assigned to the TOUR under (b) above.
 - (2) The COMPANY will give due regard to the EMPLOYEE'S request for the required training.
- (c) Necessary changes in assignments because of absences or changes in requirements between TOUR selection periods, except as covered in (b)(1) above, shall be made with due consideration to SENIORITY.
- (d) SENIORITY for the selection of tours shall be determined in accordance with Article 3 – DEFINED TERMS.

- (e) The decision of the COMPANY on service and coverage conditions and training requirements shall be controlling unless the COMPANY is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance, and if necessary, submitted to arbitration in accordance with Article 9 (ARBITRATION).

5 TOUR Selection Administration -

- (a) The following provisions shall govern the administration of Paragraph 4:
 - (1) The COMPANY agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace a vacated tour, or add a tour, which consists of more than thirteen (13) normal work weeks, within the current TOUR selection period, such a TOUR shall be offered for selection in the manner provided in Paragraph 4(a)(3) it being understood, however, that not more than the two (2) next succeeding TOUR vacancies, if any, created by the filling of the afore described vacated or added TOUR shall be offered for selection in the manner provided in Paragraph 4(a)(3). If more than two (2) such TOUR vacancies are created by the filling of the afore described TOUR originally vacated or added all TOUR vacancies in excess of the two (2) next succeeding vacancies shall be replaced in the manner provided in Paragraph 5(a)(2) below.
 - (2) The COMPANY further agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace a vacated tour, or add a tour, which consists of one (1) or more normal work weeks but less than fourteen (14) normal work weeks within the current TOUR selection period, such a TOUR shall be offered for selection in order of SENIORITY to EMPLOYEES in the appropriate TOUR selection unit, who, in the COMPANY'S judgment, are qualified to perform the work and available at that time for release from current work assignments without the necessity of replacement.
 - (3) The COMPANY further agrees that whenever, in its judgment, it becomes necessary between TOUR selection periods to replace a vacated tour, or add a tour, which consists of less than one (1) normal work week, it shall fill such a TOUR by the selection of an EMPLOYEE from the appropriate TOUR selection unit.

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- (b) Except as otherwise provided in this Section, all of the provisions of Paragraph 4 of the Contract shall apply with full force and effect to the tours filled in accordance with the provisions of this Section.

6 Minimum Scheduling - Part-Time

Part-time EMPLOYEES shall be scheduled to work not fewer than three (3) hours on any given day on which such EMPLOYEES are scheduled to work.

7 Extra Work Time

(a) General

- (1) Extra work time is time worked in excess of an assigned TOUR on a scheduled day, time worked in excess of a normal work week, or time worked on a Non-Scheduled Day. Extra work time shall be reported in actual hours to the nearest one-quarter (1/4) hour.
- (2) Extra work time continuous with a preceding TOUR worked, shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding TOUR shall be considered as occurring on the day such period of extra work time started.
- (3) Time allowed an EMPLOYEE for a MEAL PERIOD (although not paid time) shall not be considered as a break in the continuity of work time.

8 Compensation for Extra Work Time

- (a) Compensation for extra work time, except minimum payments for call-in time as provided in Paragraph 9(f), shall be as follows:

- (1) On a SCHEDULED DAY except an authorized holiday, for time worked outside a scheduled normal or half tour, or outside a shifted normal or half TOUR if the EMPLOYEE'S TOUR was shifted, at the EMPLOYEE'S overtime rate.
- (2) On a Non-Scheduled Day, at the EMPLOYEE'S overtime rate.
- (3) On an authorized holiday, for time worked in excess of a normal tour, at the EMPLOYEE'S DOUBLE TIME AND ONE-HALF Overtime Rate.

(b) Compensation for extra work time for hours worked in excess of eight (8) hours of extra work time which is paid at Time and One-Half, as defined in Article 22 – PREMIUM PAYMENT, Paragraph 2(a) AND 2(b), shall be at the EMPLOYEE'S DOUBLE TIME overtime rate.

(c) Overtime Assignments Not Continuous With a TOUR on a Schedule Day

(1) An EMPLOYEE required to report to the work location for an overtime assignment not continuous with a TOUR on a SCHEDULED DAY shall be paid for all time worked at the applicable overtime rate. To the extent the EMPLOYEE actually incurs an extra commute in connection with the overtime assignment, the EMPLOYEE will be paid for reasonable traveling time actually incurred in the extra commute between her/his residence and the work place. EMPLOYEES receiving payments pursuant to this provision shall not be entitled to payments or reimbursement as provided for in Appendix A (TRANSFERS, TRAVEL ALLOWANCES, & MOVING EXPENSES), except that EMPLOYEES shall be reimbursed for authorized personal vehicle usage at \$.36 per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

9 Differential and Other Payments

(a) Night Differential

(1) An EMPLOYEE shall be entitled to a weekly night differential for each week the EMPLOYEE'S basic TOUR is a NIGHT TOUR. An EMPLOYEE assigned to a NIGHT TOUR for the duration of a TOUR selection period, or who has been assigned a permanently vacated NIGHT TOUR for the remainder of a TOUR selection period, shall retain his or her night differential while assigned to a COMPANY school if not otherwise eligible for night differential while attending the COMPANY school.

(2) The weekly night differential shall be ten percent (10%) of the EMPLOYEE'S ADJUSTED RATE.

(b) On-Call Payments

(1) EMPLOYEES as shown in Paragraph 1 with necessary skills may be requested to remain in contact with the COMPANY outside of

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scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the COMPANY will be rotated among all qualified volunteers in the work group. Depending on operational needs, EMPLOYEES with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those EMPLOYEES who have agreed to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their HOURLY ADJUSTED RATE for each on-call assignment. EMPLOYEES called-up will be eligible for call-up treatment as provided for in Article 22 -- PREMIUM PAYMENT Paragraph 8. EMPLOYEES actually called in will be eligible for call-in payment as provided for in Article 22 -- PREMIUM PAYMENT Paragraph 7. In the absence of sufficient volunteers, the local manager will meet and discuss the need for volunteers with the local UNION.

- (2) 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 a daily on-call payment (under the same terms and conditions described in Article 22 -- PREMIUM PAYMENT Paragraph 11 instead of the originally assigned EMPLOYEE for each day of substitution.

(c) *Sunday Differential*

Compensation for time worked during a scheduled TOUR on a Sunday shall include a Sunday differential of one-half (1/2) time extra at the EMPLOYEE'S Hourly Overtime Base Rate.

(d) *Shifted TOUR Differential*

An EMPLOYEE shall be paid a shifted TOUR differential of one-half (1/2) time extra at the EMPLOYEE'S Hourly Overtime Base Rate, for time worked within a TOUR that has been shifted on any day except a Sunday or an authorized holiday, under the following conditions:

- (1) When the EMPLOYEE works a normal TOUR which starts four (4) or more hours before or after, the starting time of the EMPLOYEE'S basic tour.
- (2) When the EMPLOYEE works a scheduled half TOUR all of which is outside the EMPLOYEE'S basic tour.

(e) *Minimum Interval Differential*

Interval between Tours - Work on WEEKDAYS Exclusive of Authorized Holidays.

If the interval between the end of a scheduled TOUR or a shifted TOUR that has been worked, and the beginning of the next scheduled TOUR is less than eight (8) hours, an EMPLOYEE shall be paid a differential of one-half (1/2) time extra at the EMPLOYEE'S Hourly Overtime Base Rate, for all time worked during the second of the two tours. The compensation on a TIME AND ONE-HALF (1-1/2) basis as prescribed herein for hours worked during the second of the two tours is the full amount of compensation to which an EMPLOYEE is entitled for such work.

(f) Christmas Eve and New Year's Eve Payments

For tours or overtime worked on December 24 and December 31, an EMPLOYEE shall be compensated at twice the EMPLOYEE'S Hourly Overtime Base Rate, for all time worked between 7:00 P.M. and 12:00 midnight.

(g) Temporary Assignment to Higher Occupational Job Classification

EMPLOYEES temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an EMPLOYEE works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

10 Expense Allowance

- (a) When an EMPLOYEE works a period of two (2) or more hours (a) immediately before or after the EMPLOYEE'S scheduled normal tour, (b) immediately before or after a shifted TOUR on a SCHEDULED DAY other than an authorized holiday or (c) in excess of a normal TOUR on a Non-SCHEDULED DAY or an authorized holiday, the EMPLOYEE shall be paid for the convenience of the employer an expense reimbursement of eight dollars (\$8.00). An EMPLOYEE shall be entitled to only one (1) such expense reimbursement per calendar day or per continuous period of work, except that an EMPLOYEE shall be entitled to two (2) such expense reimbursements when an EMPLOYEE works periods of two (2) or more hours immediately before and after the EMPLOYEE'S scheduled normal tour.

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- (b) When an EMPLOYEE works up to a normal TOUR on a Non-SCHEDULED DAY or an authorized holiday, the EMPLOYEE shall not be entitled to an expense reimbursement unless the EMPLOYEE is compensated for such work by equivalent time off.

**APPENDIX A
TRANSFERS, TRAVEL ALLOWANCES AND MOVING EXPENSES**

- 1 The following provisions apply to those EMPLOYEES in titles covered under Article 25, Article 26, Article 27 and Article 28.
- 2 The COMPANY may transfer, assign or reassign, temporarily or permanently, EMPLOYEES from one job title to another, from one job assignment to another within the same job title and/or from one work location to another. Permanent transfers, assignments or reassignments will be accomplished in accordance with the following:
 - (a) The COMPANY may permanently transfer, assign, or reassign EMPLOYEES within a Geographical Commuting Area (GCA) as the COMPANY may deem necessary or appropriate. EMPLOYEES' SENIORITY shall be taken into account in the treatment of EMPLOYEES under Appendix A, Paragraph 2(a), insofar as the conditions of the business and the abilities of the EMPLOYEES permit. A GCA will include work locations within reasonable commuting distances and shall be defined by the Workforce Relations Vice President and the UNION'S appropriate Vice President.
 - (b) When the COMPANY finds it necessary or appropriate to permanently transfer, assign or reassign EMPLOYEES to a reporting location that is outside the GCA, the COMPANY will seek volunteers in the job titles in the Organization of the COMPANY in the GCA from which the transfer, assignment or reassignment is to be made. The transfer, assignment or reassignment will be accomplished from among the volunteers in descending order of SENIORITY, provided the COMPANY determines that the volunteers are qualified and can be released.
 - (c) If the COMPANY determines that it cannot effect the transfer, assignment or reassignment pursuant to 2(b) above from among the volunteers, the transfer, assignment or reassignment will be effected from among EMPLOYEES in the job title(s) in the Organization of the COMPANY in the GCA from which the transfer, assignment or reassignment is to be made in inverse order of SENIORITY, provided the COMPANY determines that those EMPLOYEES are qualified and can be released. If such transfer, assignment or reassignment would require an affected EMPLOYEE to relocate his or her residence as provided under Paragraph 8 below and that EMPLOYEE refuses the assignment, the COMPANY will implement the procedures set forth in the appropriate Forced Adjustment and LAYOFF provisions of this Agreement.

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- (d) Insofar as the conditions of the business and the abilities of the EMPLOYEES permit, the provisions of Paragraphs 2(a), 2(b) and 2(c) shall apply to temporary transfers, assignments or reassignments.
- 3 Travel Allowances - Temporary Transfers, Assignments or Reassignments Within Commuting Distance

(a) An EMPLOYEE temporarily transferred, assigned or reassigned to a reporting location within commuting distance of the EMPLOYEE'S regular reporting location (whether or not it is within the EMPLOYEE'S GCA) who is not otherwise reimbursed for expenses associated with the transfer, assignment or reassignment shall be paid one (1) or two (2) allowances each day, as appropriate, in accordance with the following schedule provided the COMPANY determines that:

- (1) Travel to or from the EMPLOYEE'S temporary reporting location occurs wholly outside of the EMPLOYEE'S scheduled tour,
- (2) The EMPLOYEE does not travel via COMPANY provided transportation, and
- (3) The transfer, assignment or reassignment results in either a longer commuting distance for the EMPLOYEE or an increase in commuting expense to the EMPLOYEE:

Distance in Road Miles From The EMPLOYEE'S Regular Reporting Location to the Temporary Reporting Location	Allowances (One-Way)
Over 1 mile, but not over 3 miles	\$ 5.00
Over 3 miles, but not over 5 miles	\$ 6.00
Over 5 miles, but not over 15	\$ 8.00
Over 15 miles, but not over 25 miles	\$ 9.00
Over 25 miles, but not over 35 miles	\$12.00

- 4 Travel Allowances - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance

(a) If an EMPLOYEE is temporarily transferred, assigned or reassigned to a reporting location more than thirty-five (35) road miles from the permanent reporting location, or to a location to which, in the judgment

of the COMPANY, daily commuting is not practical, the COMPANY will, at the option of the EMPLOYEE:

- (1) Provide the per diem expense reimbursement of either Paragraph 4(b) or 4(c) plus reimbursement for lodging at the location, or;
 - (2) Providing an EMPLOYEE meets the criteria of Paragraphs 3(a)(1), 3(a)(2) and 3(a)(3), afford the EMPLOYEE the option of reimbursement for actual commuting mileage at \$.36 per mile or sixty dollars (\$60.00) per day, whichever is less. Except as provided in 4(e) below, on temporary assignments of greater than one (1) day, commuting time for EMPLOYEES reimbursed pursuant to this Paragraph shall not be considered time worked.
- (b) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging only is provided shall be forty dollars (\$40.00) a day for the first five (5) days and shall be fifty dollars (\$50.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging only is provided covers meals, laundry, local transportation, gratuities, and other expenses that the EMPLOYEE may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 5(c), 6 and/or 7.
 - (c) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging and meals are provided shall be four dollars (\$4.00) a day for the first five (5) days and shall be six dollars (\$6.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging and meals are provided covers laundry, local transportation, gratuities, and other expenses that the EMPLOYEE may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 5(c), 6 and/or 7.
 - (d) Except in the case of an EMPLOYEE attending a COMPANY school at which the EMPLOYEE is required to live and remain, if the temporary work location is more than thirty-five (35) road miles from the EMPLOYEE'S regular reporting location, an EMPLOYEE may elect to receive an allowance of fifty dollars (\$50.00) per day in lieu of board and lodging for each day of the temporary assignment so long as the EMPLOYEE does not actually commute between his or her home and the temporary reporting location.

Appendix A

- (e) Time spent traveling at the start and end of an assignment under the provisions of Paragraphs 4(a) and 4(d) will be considered time worked. This will not include time spent traveling to and from the temporary living quarters to the temporary work location.

5 Interim Return Home

- (a) If the temporary work location is more than thirty-five (35) road miles from the EMPLOYEE'S regular reporting location, the COMPANY will provide for travel reimbursement to return the EMPLOYEE to his or her home for two consecutive non-scheduled days every third week of the temporary assignment.
- (b) In lieu of the provision of Subparagraph 5(a) above, when an EMPLOYEE is attending a COMPANY school at which he or she is required to live and remain, the EMPLOYEE shall be eligible to periodically return to his or her home according to the requirements of the school.
- (c) EMPLOYEES who are authorized to periodically return to their homes, shall be reimbursed, as determined by the COMPANY, as follows:
 - (1) Personal vehicle usage at the rate of the \$.36 per mile plus actual out-of-pocket, travel-related expenses; or
 - (2) Authorized expense for travel by public transportation when such is convenient.
- (d) Time spent traveling under the provisions of this Paragraph shall not be considered as time worked.
- (e) When an EMPLOYEE leaves the temporary location under these provisions, the EMPLOYEE will release his or her room and make a reservation for the date of return. The COMPANY shall not be required to pay lodging not actually used.

6 Transportation to Temporary Assignment

- (a) The COMPANY will provide or determine the mode of transportation to the temporary assignment.

(b) Should the EMPLOYEE request and be granted permission to use a means of transportation other than the preferred COMPANY mode of transportation, reimbursement will be made as follows:

- (1) Time for travel will be based on a reasonable duration had the EMPLOYEE used the COMPANY preferred mode of transportation.
- (2) Personal vehicle usage will be reimbursed at \$.36 per mile up to the cost of the lowest round trip fare to the temporary assigned destination, based on the COMPANY'S preferred mode of transportation.
- (3) No per diem expense reimbursement or lodging reimbursement will be made over what would have been reimbursed had the preferred COMPANY mode of transportation been used.

7 Travel Expenses During Work Time

(a) EMPLOYEES required to travel after the start of or before the end of their tours will be provided transportation by the COMPANY or reimbursed for travel-related out-of-pocket expenses and/or authorized use of their personal vehicle in connection with such travel. EMPLOYEES who travel by public transportation will be reimbursed for their actual out-of-pocket, travel-related expenses. EMPLOYEES who are authorized to use their personal vehicles for such travel will be reimbursed at the IRS allowable rate, in effect at the time, per mile plus actual out-of-pocket, travel-related expenses.

8 Moving Expenses

(a) An EMPLOYEE (1) who is permanently transferred, assigned or reassigned outside the GCA according to the provisions of Paragraph 2(b) and/or 2(c) and (2) whose new reporting location is more than thirty-five (35) road miles distant from the EMPLOYEE'S old reporting location and (3) who has an increase in road miles from the EMPLOYEE'S current permanent residence to the new work location will be provided a lump sum payment of \$14,000.00 or the amount of termination allowance the EMPLOYEE would receive if the EMPLOYEE were LAID OFF, whichever is less; provided however, that in no case shall such a relocating EMPLOYEE be paid a lump sum payment of less than \$5,750.00.

Appendix A

- (1) *The lump sum payment will be subject to the withholding of appropriate taxes.*
 - (2) *Appropriate change-of-residence documentation will be provided to management within forty-five (45) days of the change of residence.*
 - (3) *Change of residence must be completed within one (1) year of the date of transfer.*
- (b) *An EMPLOYEE entitled to moving expenses under the provisions of Paragraph 8(a) may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of \$1,750.00 in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.*
- (c) *EMPLOYEES transferred via this Appendix A who meet the appropriate relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon LAYOFF; or (2) \$14,000 if the following conditions are met:*
- (1) *The EMPLOYEE is LAID OFF at the new site within three (3) years of placement; and*
 - (2) *The EMPLOYEE relocates back to the original geographical location; and*
 - (3) *The EMPLOYEE does not qualify for any other Lucent provided relocation compensation program.*

**APPENDIX B
FORCE ADJUSTMENT - LAYOFF, PART-TIMING, AND RECALL**

- 1 The following provisions apply to those EMPLOYEES in titles covered under Article 25, Article 26, Article 27 and Article 28.
- 2 LAYOFFS and Part-Timing

Whenever force conditions are considered by the COMPANY to warrant part timing or LAYOFF of regular EMPLOYEES, such force adjustments as the COMPANY may deem necessary, shall be made among those regular EMPLOYEES in a Geographical Commuting Area (GCA) as defined in Appendix A (Transfers, Travel Allowances, and Moving Expenses), in the same Organization having the same job title through part timing or LAYOFFS or both subject to the following conditions:

- (a) Prior to any regular EMPLOYEE being LAID OFF or part timed pursuant to this Appendix B temporary and term EMPLOYEES in the same job title, same Organization and GCA shall be work completed. However, such temporary or term EMPLOYEES may be retained or employed temporarily to meet peak load situations or other temporary situations unless there are qualified volunteers from among those at-risk EMPLOYEES in the same job title, same Organization and GCA scheduled to be LAID OFF who will assume the duties of the temporary or term EMPLOYEES.
- (b) In an effort to avoid force adjustments by means of LAYOFF, the COMPANY may offer within the Organization, as an inducement to voluntarily leave the COMPANY, a termination payment as specified in Appendix E (TERMINATION PAYMENTS), plus compensation for any vacation to which the EMPLOYEE is entitled at the time of leaving the COMPANY. In the event that force adjustments by means of LAYOFF are deemed by the COMPANY to be necessary, the UNION shall be advised by the COMPANY as to its proposed plan for accomplishing such further force adjustments sixty (60) days before the adjustment is to become effective. During the first forty-five (45) calendar days of the sixty (60) day period, the UNION may offer the COMPANY, in writing, a plan to accomplish the force adjustments deemed by the COMPANY to be required. If the UNION'S plan meets the foregoing requirements, the COMPANY agrees to consider the plan proposed by the UNION. If no such written plan is received by the COMPANY from the UNION within said forty-five (45) days, or if the parties are unable to agree upon a plan, the COMPANY will proceed with the force adjustments according to the plan the COMPANY proposed.

Appendix B

- (c) Whenever such force adjustments are accomplished by LAYOFFS, such LAYOFFS shall be among those regular EMPLOYEES in the same Organization having the same job title, in the GCA. LAYOFFS shall be in inverse order of SENIORITY except that EMPLOYEES who (1) have been assigned to a management title, other than as a result of a temporary promotion, for a continuous period of twelve (12) or more months prior to their most recent return to the bargaining unit and (2) whose most recent return to the bargaining unit from a management title other than one arising from a temporary promotion, is within twelve (12) months of a declaration of surplus in the bargaining unit title in the GCA and Organization to which they are assigned at the time of the surplus declaration (hereinafter referred to as a returning manager), shall be LAID OFF prior to any other EMPLOYEE in the same title in the same Organization and the same GCA being LAID OFF.
- (d) When EMPLOYEES other than a returning manager (as described in Paragraph 2c) in the affected job title within the same Organization of the COMPANY in the GCA (as identified in Paragraph 2) who have five (5) or more years NET CREDITED SERVICE are notified by the COMPANY that they are to be LAID OFF, those EMPLOYEES shall have the right to select in order of SENIORITY, another job from a list of jobs with the same job title, in the same Organization of the COMPANY held by EMPLOYEES having the least SENIORITY within the EMPLOYEE'S Force Adjustment Region (as outlined in the note below) provided [1] the selecting EMPLOYEE is qualified to perform the selected job; and [2] the EMPLOYEE holding the selected job has less SENIORITY than the selecting EMPLOYEE. The list of jobs held by the least senior EMPLOYEES identified above shall not be greater than the number of jobs declared surplus, or the number of EMPLOYEES who have indicated a desire to select from this list another job within the applicable Force Adjustment Region, whichever is less.

NOTE: The Force Adjustment Regions shall be comprised of the following groups of states:

REGION 1: NY, ME, NH, VT, MA, CT, RI, NJ, PA, DE, MD, WV, VA, DC

REGION 2: NC, SC, GA, KY, TN, MS, LA, FL, AL, AR, MO, KS, OK, TX

REGION 3: OH, IN, IL, MI, MN, WI, NE, IA, ND, SD

REGION 4: AZ, NM, CO, CA, MT, WY, UT, ID, WA, OR, NV, HI, AK

- (e) When the affected title exists in only one GCA within a Force Adjustment Region, the provisions of 2(d) will apply as if the Force Adjustment Regions were the entire country.

3 Pooled Titles

- (a) When the affected title in Paragraph 2 (LAYOFFS or Part-timing) above is Records Clerk, or Office Clerical Assistant, all EMPLOYEES in the GCA in each specific title shall be treated as though they are in the same organization of the COMPANY for force adjustment purposes.

4 Recall

If additions of regular EMPLOYEES to the work force are required in the affected job titles, Organization, and GCA within three (3) years of the last LAYOFF therein, the COMPANY shall proceed as follows before hiring new EMPLOYEES:

- (a) Former regular EMPLOYEES who held the affected job titles within the Organization and the GCA, at time of LAYOFF, shall be offered recall to their prior job title (or its successor title or for a title of equivalent status for which they qualify), in the GCA in inverse order in which such EMPLOYEES were LAID OFF, provided:
 - (1) Their period of LAYOFF has not exceeded three (3) years; and,
 - (2) They are physically able to perform the duties of the work available.
- (b) Notice for recall shall be mailed by certified or registered letter, return receipt requested, to the EMPLOYEE'S last mailing address known to the COMPANY'S employment office.
- (c) The COMPANY will assume that failure on the part of any former EMPLOYEE to notify the COMPANY within fifteen (15) days concerning acceptance of an offer of recall or to report for duty within fifteen (15) calendar days from the date of the offer, constitutes a rejection.
- (d) It shall be the responsibility of such former EMPLOYEES to notify the COMPANY, at the employment office, of their desire for recall and to keep the COMPANY currently informed of their correct address.

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- (e) Nothing in this agreement shall limit the engagement of term or temporary EMPLOYEES in the event of an emergency or to meet peak load or other temporary situations.

5 LAYOFF Payments

EMPLOYEES LAID OFF under the provisions of this Appendix B will be entitled to a payment as specified in Appendix E - Termination Payments.

6 Relocation Expenses

A Surplus Placement EMPLOYEE who accepts a position that is outside his/her Local Placement Area (LPA) will receive a lump sum relocation allowance provided the new reporting location exceeds thirty-five (35) road miles from the EMPLOYEE'S old reporting location, and is further in road miles from the EMPLOYEE'S current residence than the old reporting location.

Provided the EMPLOYEE actually relocates his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of: (1) the termination allowance for which they would have been eligible upon LAYOFF; or (2) \$14,000.

Surplus EMPLOYEES who are placed via the Lucent Transfer Program (LTP) Surplus Placement program, meet the (LTP) relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon LAYOFF; or (2) \$14,000 if the following conditions are met:

- (1) The EMPLOYEE is LAID OFF at the new site within three (3) years of placement;
- (2) The EMPLOYEE relocates back to the original geographic location;
- (3) The EMPLOYEE does not qualify for any other COMPANY provided relocation compensation program.

**APPENDIX C
WAGES**

- 1 The following provisions apply to those EMPLOYEES in titles covered by Articles 25, 26, 27 and 28.
- 2 Wage Progression
 - (a) The STANDARD RATE of each EMPLOYEE whose STANDARD RATE is below the MAXIMUM RATE of his or her Wage Schedule shall be increased during the term of this Agreement, provided that such EMPLOYEE has sixty (60) days NET CREDITED SERVICE on the effective date of the scheduled increase.
 - (b) Progression increases shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.
- 3 Starting Rates
 - (a) If business conditions require, or when EMPLOYEE'S qualifications (in the judgment of the COMPANY) justify starting rates higher than the minimum, such higher rates may be granted. Such starting rates will be granted based on the COMPANY'S non-management EMPLOYEE starting wage policy which following prescribed guidelines includes wage credit for job related work or military experience, job-related training or job-related skills, licenses or certificates. In no case shall an EMPLOYEE be paid less than the starting rate on the wage schedule applicable to the EMPLOYEE'S title.
 - (b) Whenever the COMPANY hires regular EMPLOYEES (except temporaries) at above the start rate due to employment market conditions, incumbent EMPLOYEES who are at lower Standard Rates in the same organization and same title and work location shall have their STANDARD RATE and equivalent service date (wage progression clock) adjusted to that of the new hire effective as of the new hire start date.
- 4 Transfers

When an EMPLOYEE is permanently transferred within the bargaining unit to another locality where a different wage schedule is applicable, the EMPLOYEE'S STANDARD RATE shall be adjusted to conform to the schedule in the new locality. If the transfer is temporary, then the wage

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schedule in effect at the EMPLOYEE'S permanent work location will be applicable.

5 Reassignment to a Title Having a Lower Maximum STANDARD RATE in Same Locality

When an EMPLOYEE is reassigned to a title having a lower maximum Standard Rate, such EMPLOYEE'S STANDARD RATE shall be reduced if:

- (a) The EMPLOYEE is reassigned to his or her former title following a temporary promotion, in which case the STANDARD RATE shall be adjusted to the STANDARD RATE the EMPLOYEE would have acquired had the EMPLOYEE remained in the lower title.
- (b) The reassignment is EMPLOYEE initiated, in which case the EMPLOYEE'S new STANDARD RATE will be determined by placing the EMPLOYEE on the same step of the lower schedule as the EMPLOYEE occupied on the higher schedule.
- (c) *The EMPLOYEE'S STANDARD RATE is higher than the maximum indicated in the wage schedule applicable to the EMPLOYEE'S new title, in which case the EMPLOYEE'S STANDARD RATE shall be reduced to such maximum, except as indicated in Article 21 – Forced Adjustment Wage Protection.*
- (d) The EMPLOYEE is reassigned because of failure to meet requirements of the job.

6 Wage Treatment

- (a) In determining a candidate's qualifications for promotion within the bargaining unit, the COMPANY will consider many factors including, but not limited to, SENIORITY, attendance, job performance, technical skills and experience. If qualifications are substantially equal, the senior NET CREDITED SERVICE EMPLOYEE will be selected. The selection shall be subject to the procedures of Article 8 - Grievance Procedure and of Article 9 - Arbitration. The decisions of the COMPANY concerning whether qualifications of the candidates are substantially equal shall be controlling unless the COMPANY is shown to have acted arbitrarily or in bad faith.
- (b) EMPLOYEES who move within the provisions of articles 25, 26, 27, 28 and within the same wage table to another location where a different

wage area is applicable shall have their STANDARD RATE adjusted to conform to the schedule in the new locality.

- (c) EMPLOYEES who move to a wage schedule with fixed periodic steps:
 - (1) Promotion - move from present STANDARD RATE to a whole step above the nearest step on the new schedule
 - (2) Lateral - move from present STANDARD RATE to nearest step on new schedule insuring no loss in pay
 - (3) Demotion- move from present STANDARD RATE to the nearest step on new schedule insuring no gain in pay
- (d) In no event shall an EMPLOYEE'S new STANDARD RATE be above the MAXIMUM RATE of the new schedule.

7 Tentative Wage Schedule Assignments

If an EMPLOYEE whose title is listed in Article 23A – Occupational Job Classifications/Titles, is assigned to a new territory or locality for which no wage schedule assignment is indicated for the EMPLOYEE'S title, the COMPANY shall make a tentative wage schedule assignment to cover the situation. If the final wage schedule assignment is different from the tentative assignment, an EMPLOYEE who holds such position during the period of tentative assignment shall be eligible to receive wage treatment during such period in accordance with the final assignment.

8 Temporary Assignment to Higher Occupational Job Classification

EMPLOYEES temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an EMPLOYEE works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

9 Management Relief Differential

- (a) An EMPLOYEE who is assigned to relieve a Management Employee shall receive a payment of fifteen dollars (\$15.00) for each TOUR or part in excess of one-half (1/2) thereof so worked.

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- (b) EMPLOYEES assigned to relieve a Management employee may perform all duties normally performed by the manager except that the EMPLOYEE shall not have access to personnel files and may not administer disciplinary action. EMPLOYEES may also perform their normal duties while relieving the manager.

10 Overtime Continuous With a Tour

Overtime continuous with a TOUR worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a TOUR shall be considered as occurring on the day such period of overtime started.

**APPENDIX D
CLASSIFICATION AND TREATMENT OF PART TIME EMPLOYEES**

- 1 The following provisions apply to those EMPLOYEES in titles covered under Article 25, Article 26, Article 27 and Article 28.
- 2 Except for payment of overtime hours worked, all hours worked by a part-time EMPLOYEE in Direct Marketing/Direct Response Centers and any equivalent retail sales operations, and any EMPLOYEE who is transferred to or employed by any new unregulated subsidiary or affiliated entity of the COMPANY'S predecessor shall be paid at the equivalent HOURLY ADJUSTED RATE for a comparable full-time EMPLOYEE working a normal daily TOUR in the same job title, classification and work group. Payment to a part-time EMPLOYEE for hours worked in excess of an equivalent normal daily TOUR or work week for a comparable full-time EMPLOYEE shall be at the applicable overtime rate for a comparable full-time EMPLOYEE, based on such part-time EMPLOYEE'S HOURLY ADJUSTED RATE. Any regular EMPLOYEE who was on the active payroll of a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor, as of December 31, 1980, and worked part-time on or after January 1, 1981 with Lucent Technologies Inc. or a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor, and whose employment has been continuous since December 31, 1980 with a COMPANY of Lucent's predecessor, or a former affiliate or subsidiary of Lucent's predecessor, shall thereafter continue, during the current term of employment, to be paid, on a pro rata basis, under the terms of this Agreement as applicable to regular full-time EMPLOYEES.
- 3 The classification of a part-time EMPLOYEE is based on the EMPLOYEE'S "part-time equivalent work week" which shall be determined prospectively by dividing the EMPLOYEE'S total normally scheduled hours per month by 4.35 and rounding the result to the next higher whole number. (Illustration: 68 hours per month divided by 4.35 equals 15.6 rounded to a "part-time equivalent work week" classification of 16.)
- 4 The Part-Time "Equivalent Work Week" (EWW) classification of each part-time EMPLOYEE shall be reviewed by the COMPANY during December and June of each year and adjusted as appropriate and become effective on January 1 and July 1 respectively of each year. In determining the appropriate EWW, the COMPANY will consider the actual average number of hours worked in each of the two (2) quarters during the preceding six (6) month period except that any hours worked which are paid at the overtime rate shall not be counted in computing the average number of hours

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worked. If the result in both of the preceding two (2) quarters is a number higher than the EMPLOYEE'S existing EWW, the EMPLOYEE will be reclassified to the classification represented by the lower of the two (2) quarters. If the result in one (1) of the two (2) preceding quarters is equal to or lower than the EMPLOYEE'S existing EWW, and the result of the other quarter is equal to or greater than the EMPLOYEE'S existing EWW, then the EMPLOYEE'S existing EWW will remain unchanged. If the result in both the preceding two (2) quarters is a number lower than the EMPLOYEE'S existing EWW, the EMPLOYEE will be reclassified to the classification represented by the higher of the two (2) quarters.

5 Treatment of Part-Time EMPLOYEES

- (a) For payment purposes, all Vacations, Paid Excused Work Days and Floating Holidays will be converted to a Paid Time Off Bank (PTO) calculated as follows:
- (1) Eight (8) hours X EMPLOYEE'S annual eligibility in days for Vacations, Paid Excused Work Days and Floating Holidays (if any) = total annual hours of PTO eligibility.
 - (2) Total annual hours of PTO eligibility shall be pro-rated based on the EMPLOYEE'S Equivalent Work Week (EWW).
 - (3) *Such pro-rated PTO will be established in January of each CALENDAR YEAR and adjusted in July if the Part-Time EMPLOYEE'S EWW changes.*
 - (4) In the event a Full-Time EMPLOYEE converts to a Part-Time EMPLOYEE during the year, the PTO will be established at the time of the conversion by applying a factor of 40 for the number of weeks prior to the conversion and a factor based on an EWW for the remainder of the year. The PTO shall be further adjusted in July, as applicable.
 - (5) In the event a Part-Time EMPLOYEE converts to a Full-Time EMPLOYEE during the year, the PTO will be adjusted at the time of the conversion by applying a factor of 40 for the remaining number of weeks in the CALENDAR YEAR. Such result will establish the Full-Time EMPLOYEE'S entitlement to remaining Vacation, Excused Work Days and Floating Holidays in that year.

- (6) All payments made to a Part-Time EMPLOYEE for Vacation, Excused Work Days and Floating Holidays will be deducted from the EMPLOYEE'S prorated PTO.
 - (b) Payments to a Part-Time EMPLOYEE for sickness disability, accident disability, or death benefits and the COMPANY'S Sickness and Accident Disability Benefit Plan, anticipated disability leave, sickness absence (not under the COMPANY'S Sickness and Accident Disability Benefit Plan), shall be prorated based on the relationship of the individual Part-Time EMPLOYEE'S EWW to 40 hours.
 - (1) All paid absences shall be paid based on the hours absent from the Part-Time EMPLOYEE'S Scheduled Weekly Tour.
 - (c) "Time and One-Half" shall be paid to a Part-Time EMPLOYEE for overtime hours worked in excess of his or her Schedule Daily TOUR provided the SCHEDULED DAILY TOUR is 8 hours or more.
 - (d) Payments to a regular Part-Time EMPLOYEE for termination allowance (or its equivalent) shall be prorated based on the relationship of the individual Part-Time EMPLOYEE'S "Part-Time Equivalent Work Week" to 40 hours.
 - (e) Regular EMPLOYEES who were on the active payroll of a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor as of December 31, 1980, and who worked part-time on or after January 1, 1981 with a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor, and whose employment has been continuous since December 31, 1980 with Lucent Technologies Inc. or a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries, shall continue, during the current term of employment, to receive payments for the benefits and other items listed above on the same basis as was applicable to a part-time EMPLOYEE on December 31, 1980.
- 6 Part-time EMPLOYEES shall, if otherwise eligible to participate under the terms of such plans, be eligible for coverage under the Medical Expense Plan for Occupational EMPLOYEES, Dental Expense Plan for Active EMPLOYEES, and Vision Care Plan, as follows:
- (a) EMPLOYEES whose part-time equivalent work week classification is sixteen (16) or less shall be eligible by enrollment and payment of one hundred percent (100%) of the premiums for such coverage.

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- (b) EMPLOYEES whose part-time equivalent work week classification is seventeen (17) through twenty-four (24) shall be eligible by enrollment and payment of fifty percent (50%) of the premiums for such coverage.
 - (c) EMPLOYEES whose part-time equivalent work week classification is twenty-five (25) or more shall be eligible for such coverage on the same basis as a regular full-time EMPLOYEE.
 - (d) Regular EMPLOYEES who were on the active payroll of a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor as of December 31, 1980, and whose employment since December 31, 1980 has been continuous with a COMPANY of Lucent's predecessor, or former affiliates or subsidiaries of Lucent's predecessor, shall continue to be eligible for such coverage on the same basis as a regular full-time EMPLOYEE regardless of classification.
- 7 Part-time EMPLOYEES, regardless of classification, shall be eligible for Excused Work Days on a pro-rata basis based upon the ratio of any such part-time EMPLOYEE'S equivalent work week to the NORMAL WORK WEEK of a comparable full-time EMPLOYEE.

**APPENDIX E
TERMINATION PAYMENTS**

(The following provisions apply to those EMPLOYEES in titles covered under Article 25, Article 26, Article 27 and Article 28)

- 1 A termination payment, plus compensation for any vacation to which the EMPLOYEE is entitled at the time of leaving the COMPANY, shall be paid to a regular EMPLOYEE who is LAID OFF or may be offered by the COMPANY to an EMPLOYEE as an inducement to voluntarily leave the COMPANY.
- 2 The termination payment shall be computed in accordance with the following schedule and shall be based on the EMPLOYEE'S NET CREDITED SERVICE and the EMPLOYEE'S ADJUSTED RATE, except that for an EMPLOYEE who received an evening or night differential payment for the week in which the date of the LAYOFF or resignation occurred, the rate of pay shall include the evening or night differential payment.
- 3 The termination allowance shall, at the option of the EMPLOYEE, be paid in a lump sum, less applicable deductions, or as income continuation in periodic installments, subject to the limitations in Subparagraphs 3(a) and 3 (b) below. If an EMPLOYEE elects to receive income continuation periodic installments, each installment will be equal to one (1) week of the ADJUSTED RATE, for each week in the EMPLOYEE'S normal payroll period, less applicable deductions, and will be paid during the normal payroll period. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:
 - (a) The total amount of the income continuation installments to the EMPLOYEE equals the total amount of termination allowance which the EMPLOYEE is to receive.
 - (b) The EMPLOYEE is recalled or rehired as a regular EMPLOYEE by the COMPANY.
- 4 EMPLOYEES who have received or elect to receive a termination allowance in a lump sum shall, as a condition precedent to being recalled or rehired as regular EMPLOYEES of the COMPANY, repay that portion of the termination allowance they received that is equal to their ADJUSTED RATE multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as

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regular EMPLOYEES of the COMPANY. EMPLOYEES who are recalled or rehired as other than regular EMPLOYEES and who are subsequently reclassified as regular EMPLOYEES, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph 4 based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.

- 5 The amount of termination allowance for an individual (1) who has been previously laid off or terminated by the COMPANY; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again LAID OFF or terminated after having been re-engaged, will be calculated as follows:

The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph 1 shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the EMPLOYEE is again LAID OFF or terminated.

- 6 The provisions of Paragraph 1 do not apply in case of:
- (a) An EMPLOYEE leaving the COMPANY voluntarily without inducement by the COMPANY;
 - (b) An EMPLOYEE on a leave of absence;
 - (c) An EMPLOYEE who is dismissed for misconduct;
 - (d) An EMPLOYEE who is classified as Term or Temporary at the time they are work completed.

<u>YEARS OF NET CREDITED SERVICE</u>	<u>AMOUNT OF PAYMENT</u>
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
12 years but less than 13 years	28 weeks' pay
13 years but less than 14 years	32 weeks' pay
14 years but less than 15 years	36 weeks' pay
15 years but less than 16 years	40 weeks' pay
16 years but less than 17 years	44 weeks' pay
17 years but less than 18 years	48 weeks' pay
18 years but less than 19 years	52 weeks' pay
19 years but less than 20 years	56 weeks' pay
20 years but less than 21 years	60 weeks' pay
21 years but less than 22 years	64 weeks' pay
22 years but less than 23 years	68 weeks' pay
23 years but less than 24 years	72 weeks' pay
24 years but less than 25 years	76 weeks' pay
25 years but less than 26 years	80 weeks' pay
26 years but less than 27 years	84 weeks' pay
27 years but less than 28 years	88 weeks' pay
28 years but less than 29 years	92 weeks' pay
29 years but less than 30 years	96 weeks' pay
30 years but less than 31 years	100 weeks' pay
31 years but less than 32 years	104 weeks' pay

Note: The maximum amount of termination payment shall not exceed twice the basic annual salary plus the applicable differential or one hundred four (104) weeks.

**APPENDIX F
OPERATIONAL EMPLOYEES AGREEMENTS**

(The following provisions apply to those EMPLOYEES in titles covered under Article 25, Article 26, Article 27 and Article 28)

Continuation of Letters and Agreements

January 9, 2003

Mary Jo Sherman.
CWA REPRESENTATIVE
Communications Workers of America
501 Third St. NW
Washington, DC

Dear Ms. Sherman:

Subject: Continuation of Letters and Agreements

All letters and agreements not deleted or modified by the parties shall remain in full force and effect for the term of this Agreement.

Very truly yours,

/s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th day of January 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/Mary Jo Sherman
CWA REPRESENTATIVE

Appendix F

January 9, 2003

Ms. Mary Jo Sherman, CWA Staff Representative

Dear Ms. Sherman:

Re: Continuation of National Operations Table Items Included During the Term of the 1998 National Memorandum of Understanding – Operational Employees

The following National Operations Table agreements, will be terminated in all respects effective 11:59 P.M. on February 28, 2003. The following agreements and stipulations shall be considered restated effective 12:00 A.M. on March 1, 2003, subject to ratification, and continue in effect in accordance with their original terms, except as modified or changed by the terms of the 2003 CWA/IBEW/Lucent National Memorandum of Understanding. It is agreed that this letter and the attachments described below are to be appended to the section of the Consolidated Workers General Agreement applicable to Operational Employees:

- Elimination of Certain Articles and Titles (1998)
- Resolution of Medical Disagreements (1998)
- Green Circle Conversion to Evergreen (1998)
- Operational Appendix A Involuntary Downgrades/Advance Notice (1998)
- RPPP Understanding (1998)
- Operational Appendix A Transfers and Reclassifications to Part-Time During Surplus (1995)
- Excused Work Days (1998)
- Agency Temporaries (1989)
- Subcontracting Subcommittee Structure and Guidelines (1998)
- Subcontracting – CWA Operations (1989)
- ATS Trail: Consideration of Recall Candidates Concurrently With Surplus Candidates (1995)
- Electronic Monitoring (1992)
- Alternate Work Schedules (1992)
- Appearance Guidelines (1989)
- Compensatory Time (1989)
- Designated Holidays (1989)
- Employee Training (1995)
- Evening Meal Allowance and Expenses (1989)
- Extended Vacations (1989)

- Scheduling (1989)
- 1992 Letters Extended
- 1989 Provision – Groups
- 1989 Provisions – Individual

Sincerely,

/s/ Jason A. Risoli
Workforce Relations Manager

Concurred:

/s/ Mary Jo Sherman
CWA Staff Representative

ELIMINATION OF CERTAIN ARTICLES AND TITLES

During 1998 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 1998 Agreement, while not including them in the actual memorandum.

Below is a list of Articles as numbered in the 1995 Agreement:

Article 32 - Messaging Application Services

Article 37 - Operator Services

Article 39 - Commission Sales

Below is a list of titles within Articles as numbered in the 1995 Agreement:

Article 32 - Messaging Application Services

Administrative	Technical
Administrative Associate - I	Computer Center Plant Engineer
Administrative Associate - II	Computer Network Associate - II
Drafting Associate	Computer Network Associate - III
Reprographics Associate	Customer Support Technician - II
Financial	Technical Support
Billing Associate - II	Computer Network Clerk
Billing Associate - III	Customer Service Associate - I
	International Process Associate

Article 37 - Operator Services

Bi-Lingual Operator	Service Assistant
Communications Assistant	Teleconference Specialist
Operator	

Article 39 - Commission Sales

Communications Associate	Store Clerk
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Article 33 - Computer Services

Administrative Clerk - Data	Inventory Specialist - Data
Clerical Typist - Data	Customer Engineer I
Customer Service Representative - Data	Dispatch Clerk - Data
Data Service Coordinator	Customer Engineer II

Article 35 - Sales

Account Representative	Customer Sales Associate - Bi-Lingual
Accounts Receivable Specialist	Federal Account Representative
Business Inquiry Representative	Federal Business Representative
Catalog Support Clerk	Federal Sales Representative
Commercial Account Specialist	Marketing Associate
Commercial Telemarketing Representative	Marketing Support Specialist
Customer Representative - Business	Sales Representative - C - Commission
Customer Representative - Residence	Telecommunications Attendant
Customer Sales Associate	Telemarketing Sales Representative

Article 36 - Support

Apparatus Cleaner	Lounge Attendant
Assistant Graphics Specialist	Mechanic - I

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Bi-Lingual Billing Clerk	Network Security Representative
Bill Processing Clerk	Office Associate
Billing Clerk	Office Clerk
Building Attendant	Office Support Clerk
Business Systems Service Representative	Operator Service Center Clerk
CSDG Assembler	Order Typist
CSDG Technician	Revenue Results Clerk
Clerical Assistant	Secretarial Associate
Commercial Sales Support Associate	Secretarial Stenographer
Communications Operator	Security Clerk
Credit Representative	Security Reports Clerk
Credit Support Clerk	Security Representative
Customer Service Clerk	Senior Bill Processing Clerk
Customer Support Associate	Senior Communications Operator
Engineering Associate	Senior Facilities Clerk
Engineering Data Clerk	Senior Graphics Specialist
Estimate Clerk	Senior Office Clerk
Facilities Clerk	Senior Operator Service Center Clerk
Facilities Engineering Clerk	Senior Stenographer
Federal Administrative	Service Bureau Assistant

Clerk	
Federal Graphics Specialist	Service Order Administrator
Federal Office Assistant	Service Order Typist
Federal Order Administrator	Services Associate
Federal Records Clerk	Special Billing Clerk
Federal Senior Clerk	Staff Assistant I
Federal Senior Graphics Specialist	Stenographer
General Clerk	Subpoena Clerk
Graphics Assistant	Subpoena Management Clerk
Graphics Specialist	Teller
Leasing Associate	Traffic Routing Clerk

Article 41 - Communications Services

Operations Employees	Construction Employees
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Communications Technician	Construction Technician
Customer Contact Agent - C	Senior Construction Technician
Customer Service Support Agent	
Mechanic - C	
Network Order Administrator	
Operations Clerk	
Senior Operations Clerk	

Appendix F

RESOLUTION OF MEDICAL DISAGREEMENTS

June 6, 1998

Ms. Janine Brown
CWA Staff Representative
Communications Workers of America

Dear Ms. Brown:

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/ Charles R. Reichold
District Manager
Workforce Relations

GREEN CIRCLE CONVERSION TO EVERGREEN

June 6, 1998 /

Ms. Janine Brown
CWA Staff Representative
Communications Works of America

Dear Ms. Brown,

During 1998 bargaining, the parties agreed to convert employees from Green Circle to Evergreen.

Sincerely,

/s/ Charles R. Reichold
District Manager
Workforce Relations

Attachment

**OPERATIONAL APPENDIX A INVOLUNTARY
DOWNGRADES/ADVANCE NOTICE**

Before an employee is involuntarily downgraded pursuant to the applicable functional Article, the Company will provide advance notice to the local Union. Within fifteen (15) days from such notice, the Union may initiate discussions relative to alternatives prior to involuntary downgrades. Where appropriate discussions will be at the Business Group Planning Council.

RPPP UNDERSTANDING

If the Company and the Union agree to establish a Cash Balance Pension Plan, either party may notify the other, within 30 days after agreement, of its desire to discuss the impact upon Article 21 Paragraph 1(h), Reassignment Pay Protection Plan (RPPP).

**OPERATIONAL APPENDIX A TRANSFERS AND
RECLASSIFICATIONS TO
PART-TIME DURING SURPLUS**

During our recent negotiations, we have discussed the Union's claim that individuals have been reclassified to part-time or laterally transferred from a title in which there is an impending surplus to a title that will not be affected by the impending surplus declaration, for the purpose of protecting the employee from the surplus declaration. Both the Company and Union agree that such a practice is not in the best interest of employees and the Company will not support or condone such a practice.

If the Union believes that such a transfer or reclassification has occurred, it may, notwithstanding any contrary provision of Article 8 - Grievance Procedures, notify the Company, in writing, of its claim within 30 days of the involved surplus declaration. Representatives of the Company and the Union will meet, within seven days of the Company's receipt of the written notice, to review and attempt to resolve the Union's claim. If the parties are unable to resolve the dispute, the Union may submit its claim to arbitration and the Company agrees it will process the demand for arbitration in an expeditious manner. The provisions of this paragraph shall not apply to employee movement pursuant to the Lucent Transfer Program.

EXCUSED WORK DAYS

After a surplus declaration, the Company will make every reasonable effort to grant time off for unused Excused Work Days to those employees in the at risk group prior to their scheduled off roll date.

AGENCY TEMPORARIES

Agency Temporaries

The Company and the Union understand and agree that Agency Temporaries who hold a position normally filled by a bargaining unit employee will be removed from that position at the end of three months unless there is agreement otherwise between the Union and the Company.

The Company, as appropriate, shall provide information to the Union on the use of agency temporaries.

SUBCONTRACTING SUBCOMMITTEE STRUCTURE AND GUIDELINES

In an effort to reach a better understanding of the complex issue of subcontracting, the parties agree that it is in their mutual interest to establish appropriate subcommittee(s) for advanced information sharing and open and thorough discussions of matters involving subcontracting.

Accordingly, on this 30th day of May, 1998, Lucent Technologies (the "Company") and IBEW Systems Council T-3 and the CWA (the "Union") have agreed to establish a Subcontracting Subcommittee during the life of the 1998 collective bargaining agreement.

During 1998 negotiations, the Company and the Unions expressed mutual concerns over the employment security of on-roll Lucent employees represented by the Unions and their desire to retain work traditionally performed by those employees. The parties also understood the Company's need to maintain flexibility in making business decisions involving subcontracting of work traditionally performed by represented employees and the potential that such decisions may have a detrimental effect on the employment security of on-roll Lucent employees.

In recognition of these mutual concerns, the parties agree that a process should be developed to address the issues. Thus, it is agreed that the Unions will be provided, in advance, pertinent information such as but not limited to, the economics, skills necessary to perform the work, and the impact such subcontracting may have on the employment security of on-roll Lucent employees. In addition, the Unions will be given an opportunity to discuss such

Appendix F

matters relating to the Company's intentions to subcontract work traditionally performed by members of the affected bargaining unit. It is further agreed that any process cannot interfere with the Company's right to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Lucent employees.

Subcommittee Structure and Purpose

A Joint Subcontracting Subcommittee will be established consisting of up to (4) four representatives from the Union, ((2) two designated by the CWA and (2) two designated by the IBEW) and four (4) representatives from the Company designated by the Business Group Vice-President or appropriate mutually agreed upon group. Specific composition of this subcommittee will be jointly determined by October 31, 1998.

The purpose of the subcommittee is to give the parties the opportunity to conduct open and thorough discussion concerning the Company's intention and rationale on subcontract work presently performed by on-roll Lucent employees.

Subcommittee Information Sharing Guidelines

Sharing information on the Company's intention and rationale to subcontract will include the following:

- 1 The establishing of subcommittees at the Services General Manager level for the purpose of sharing information in more detail. Such information will include items such as amount of hours or jobs, the names of the contractors being utilized, locations of contracted work, (more specific than a zip code level), discussions of the quality of such work, and other pertinent information pertaining to the subcontracting of traditional work that has been regularly performed by members of the bargaining unit in the geographic area.
- 2 Advance information of intention to subcontract consistent with the principles established above will be provided to local unions or GM level subcommittee union representatives as appropriate.
- 3 List of Lucent employees on re-call or the extended compensation option under the Lucent Option Plan.
- 4 Economic conditions of such subcontracting
- 5 Skills that are necessary to perform the work
- 6 Impact subcontracting may have upon on-roll Lucent employees at the affected location(s).
- 7 Other pertinent information (e.g. time constraints, market conditions, hiring opportunities via Lucent Transfer Plan or job advertisements, flexibility, other and viable alternatives)

- 8 Identify specific areas or locations where hours of subcontracted work performed in the previous (6) month period are sufficient for the purpose of hiring new employee / employees.

Role of Workforce Relations

Corporate Workforce Relations will have the final responsibility to assure that the Information Sharing Guidelines are followed. Any dispute that may arise as to whether the Information Sharing Guidelines have been followed shall be submitted to the Workforce Relations Vice President for final resolution.

Appendix F

SUBCONTRACTING - CWA OPERATIONS

May 27, 1995

Mr. J. E. Irvine, Vice President, CWA

The attached Bahr letter dated May 27, 1989, concerning subcontracting was a National item that was agreed to in 1989 and continued in 1992 as supplemented by Dispute Resolution - Subcontracting (CWA Operations) for certain bargaining units, will continue in effect in accordance with its original terms until the termination of the 1995 National Operations Memorandum of Understanding between AT&T, CWA and IBEW, dated May 27, 1995.

/s/ B. E. DeLury
Labor Relations, V.P.

Concurred:

/s/ J. E. Irvine
Vice President, CWA

Attachment

Attachment

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 contracted, 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

**ATS TRIAL: CONSIDERATION OF RECALL CANDIDATES CONCURRENTLY
WITH SURPLUS CANDIDATES**

May 27, 1995

Mr. R. J. Allen, Assistant to the Vice President, CWA
Mr. J. E. Irvine, Vice President, CWA
Mr. E. A. Keller, President, System Council EM-3, IBEW
Mr. J. J. Penna, Chairman, System Council T-3, IBEW

Gentlemen:

**Re: ATS Trial: Consideration of Recall Candidates Concurrently with
 Surplus Candidates**

The Unions and the Company, recognizing that unforeseen circumstances may result in the need to fill positions from which individuals were recently laid off, agree to conduct a trial for one year in which, under the circumstances described below, Recall candidates will be considered for ATS vacancies concurrently with Surplus candidates.

ATS staffing of job requisitions in Business Units which utilize ATS to administer recall will be accomplished using the following order of consideration: when a position is advertised in a Business Unit which utilizes ATS to administer recall and there is an individual who was laid off by that BU in the same LPA and title being advertised (or its predecessor), who has exercised his/her recall rights, who is still within his/her period of eligibility for recall and who has greater net credited service than any surplus candidate who has requested consideration for the position, the recall candidate will be placed in the position. The recall candidate must comply with all provisions for recall as outlined in the applicable collective bargaining agreement.

The Joint ATS Review Board will evaluate the success of the trial and will report the results to the National Bargaining Team at the end of the trial or when requested.

Very truly yours,

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

/s/ B. E. DeLury
Labor Relations, V.P.

Concurred:
/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ J. E. Irvine
Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

/s/ J. J. Penna
Chairman, System Council T-3,
IBEW

ELECTRONIC MONITORING

Sampling of service, used in the spirit of trust and respect, is a valuable tool to enhance customer service. To assure courteous treatment, accurate information and superior service, customer calls may be monitored to assist in the training and development of employees, identification of customer needs and product evaluation.

Feedback of all calls sampled will be provided to the employee by the end of the day of the completed contact (defined as the day the employee being sampled has initiated and/or provided the service requested by the customer). The employee will be notified of exceptional service or gross customer abuse immediately.

No employee shall be disciplined, nor documentation made in any personnel or Company record, as a result of service sampling except for gross customer abuse, fraud, violation of privacy of communications, or when developmental programs have not been successful. A developmental program will be jointly developed by the associate and the coach to bring the best quality service to the customer.

Process monitoring is defined as any call sampling other than individual call sampling. Employees will not be disciplined as a result of process monitoring. However, if gross customer abuse is observed and the specific employee can be identified, it may be documented and reviewed with the employee in an effort to correct the behavior. Such documentation will not be placed in the employee's file.

It is agreed that all past practices and local letters of agreement which restrict the practice of service observing and monitoring are eliminated. The Company will continue to comply with any applicable laws regarding service monitoring or observation.

ALTERNATE WORK SCHEDULES

In order to implement Alternate Work Schedules, modifications to certain contract articles will have to be made. In addition, new provisions for Hourly Time Bank and Residual Time will have to be added. The parties recognize the following contract areas may be changed as a result of local negotiations to implement a four day basic work week and a rotating three and four day basic work week. The Constructive Relationship Council shall approve each specific plan for alternative work schedules negotiated at the local level, including trials and implementation. The following uniform provisions shall apply for all Alternate Work Schedules:

Four Day Work Week (FDWs)

The hours of a Scheduled Daily Tour will be based on the normal hours of the location divided by four. A Basic Work Week will consist of either four 10 hour days, four 9.375 hour days, or four 8.75 hour days.

Continuous Operations (ConOps) [Rotating Three and Four Day Work Week]

The hours of a Scheduled Daily Tour will be twelve (12). A basic work week will consist of either three 12 hour days or four 12 hour days and will be scheduled on a rotating basis so that over a three week period an employee will average forty (40) hours of work.

Hourly Basic Rate

Is determined by dividing the five (5) day weekly basic wage rate by the number of hours contained in the Scheduled Weekly Tour for the location (i.e., 40, 37.5, 35).

Night Tour

1. For FDWs is a tour which falls within the time period beginning at 6:00 P.M. and ending at 6:00 A.M.
2. For ConOps schedules there shall be one (1) Day Tour and one (1) Night Tour. Starting and stopping times of each tour are to be determined locally.

Overtime

For those employees on the Four Day Work Week:

1. Daily overtime will be paid after ten (10) hours in a day.
2. Weekly overtime will be paid after forty (40) hours in a week
3. Double time will be paid after eight (8) overtime hours (paid at 1.5) have been worked, (subject to successful negotiation of "Payroll Simplification").

For those employees on the ConOps Rotating Three and Four Day Work Week:

1. Daily overtime will be paid after twelve (12) hours in a day.

2. Weekly overtime will be paid after forty (40) hours in a week.
3. Double time will be paid after eight (8) overtime hours (paid at 1.5) have been worked, (subject to successful negotiation of "Payroll Simplification").

Hourly Time Bank

Vacations, Excused Work Days, Designated Holidays and Floating Holidays will be converted to an hourly total and taken on an alternate tour length basis. Any remaining time (time less than an AWS Scheduled Tour) will be designated as "residual time" and will be credited to the employee's Hourly Time Bank.

Residual Time

Time remaining in the Hourly Time Bank after an employee has taken either a holiday, vacation day, or excused work day on an alternate tour length basis. Residual Time may be taken as excused paid time in conjunction with Vacation, Designated Holiday Time, Floating Holiday Time or Excused Work Day Time.

If, at the end of a calendar year, the total Residual Time in an employee's Hourly Time Bank is equal to or greater than the number of hours in such employee's AWS Scheduled Daily Tour, the employee must take the necessary number of days off to reduce the number of hours to below the number of hours in such employee's Scheduled Daily Tour. If total Residual Time is less than the number of hours in such employee's AWS Scheduled Daily Tour, the employee may take the Residual Time as excused paid time in one or more increments, of no less than 2 hours each.

Residual Time that is not used in accordance with the previous provisions may be "Bought Out" by the Company at the basic hourly rate (including any evening or night differentials when applicable). This will be limited to a single buy out per calendar year. In no case will the amount of Residual Time that is to be bought out be greater than the number of hours in an employee's Scheduled Daily Tour.

"Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death will also apply to Residual Time.

Leave of Absence

Employees on leaves of absence will be changed to the five day, standard hours per day for their location for the duration of the leave.

Termination Payment

For an employee assigned to an Alternate Work Schedule, Termination Payment shall be computed based on the standard weekly tour at that employee's location.

Employee Benefits

Appendix F

For an employee assigned to an Alternate Work Schedule, Sickness or Accidental Disability shall be based on the standard weekly tour at that employee's location.

Personal Illness

Sickness Wait Period will be converted from days to hours based on the existing articles contained in the local agreements.

Discretionary absence, whether paid or unpaid, will be charged to the employee at the alternate daily tour hour basis.

Rest Period

For FDWs and for ConOps employees one (1) rest period of 20 minutes during each one-half Scheduled Daily Tour.

Incidental Absences (Jury Duty, Military Duty, Death in Family, etc.)

Payment will be made for the number of days specified in the local labor agreement. Incidental absences will not be converted to hours.

APPEARANCE GUIDELINES

The parties recognize and agree that, consistent with the professional image vital to the Company, all employees are expected to be neat and well groomed at all times. Appearance should be appropriate for the community in which the employee works, in keeping with the job assignment, and consistent with what is acceptable for employees in other similar type business establishments.

Explicit in the parties' expectations is recognition between the Company and the Union that all employees should wear appropriate attire for the work assignment expected to be performed.

In the event of a dispute concerning whether appearance guidelines promulgated or in effect in a particular office or facility are consistent with these expectations, the grievance procedure shall be utilized. If the parties are unable to resolve the dispute in the grievance procedure, the Union may proceed to arbitration pursuant to the provisions of Article 9 of the Agreement. The arbitrator shall determine whether the appearance guidelines promulgated or in effect are reasonable.

COMPENSATORY TIME

Employees who, on May 26, 1989, were covered by Article 29, Paragraph 29.25 or Article 34, Paragraph 34.23 of the 1986 Agreement between AT&T Communications and Communications Workers of America shall continue, for the term of the 1998 Agreement, to be eligible for the scheduling and compensation treatment provided therein on the same terms, conditions and requirements that were applicable to them on that date.

COVERAGE

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Compensatory Time as provided by Articles 29.25 and 34.23, will continue to be eligible for Compensatory Time pursuant to the conditions of Article 29.25 and 34.23 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (in List A) previously entitled to Compensation Time under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (in List A) to Compensatory Time under the 1986 AT&T-C/CWA Contract to another title previously entitled to Compensatory Time (in Attachment A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Compensatory Time (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in Attachment B.

**LIST A
TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
COMPENSATORY TIME**

- 1 ADMINISTRATIVE EMPLOYEES
 - (a) Clerical Employees - Group A

Data Processing Clerk	Senior Data Processing Clerk
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 - (b) Clerical Employees - Group B

Administrative Clerk	Office Clerical Assistant
Clerical Stenographer	Records Clerk
Combination Typist	Reports Clerk
Contract Clerk	Sales Representative
Correspondence Clerk	Senior File Clerk
Customer Representative	Senior Office Clerk
General Service Clerk	Senior Records Clerk
General Services Senior Clerk	Special Reports Clerk
- 2 STAFF EMPLOYEES - GROUP B

Staff Assistant 2

- 3 OPERATIONS EMPLOYEES - GROUP A
 - (a) Technician

Building Technician

 - (b) Others

Customer Software Administrator	Operations Mechanic
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DESIGNATED HOLIDAYS

The Local Unions which were entitled under the terms of the 1986 AT&T Communications Agreement, shall continue to be eligible to designate holidays under the terms and conditions, procedures and requirements as were applicable under the terms of paragraph(z)(5) of the 1992 Settlement Memorandum with the following changes.

In 2003, Locals shall designate 1 day (except in New York where the Locals may designate 2 days) for each of the years 2003 and 2004 respectively, rather than the current practice of designating holidays in each calendar year. The parties recognize the designated day need not be the same day for each of the 2 years.

EMPLOYEE TRAINING

The parties mutually recognize that it is in the best interest of the Company, its employees and customers that employees be provided the opportunity to participate in training which will enable them to maintain and improve job skills and qualifications. The Company retains its right to assign training to employees within a title. However, when making decisions concerning training, the Company will take into account length of service (Net Credited Service as determined by the Employee Benefit Committee) and expressions of interest of all affected employees insofar as the conditions of the business and the abilities of the employees permit.

It is the intention of the parties through the above to achieve the mutual goals and objectives of the Union and the Company.

EVENING MEAL ALLOWANCE AND EXPENSES

Those employees who were employed on May 26, 1989 and who, on that date, were covered by the provisions of Paragraph 31.11 or Paragraph 36.11 of the Agreement between AT&T Communications and Communications Workers of America and who are not covered by a similar provision in the 1989 Agreement, shall continue to be eligible to receive the expense allowance described therein under the terms, conditions and requirements that were applicable to them on that date. Those employees who were employed on May 26, 1989 and who, on that date, were eligible to receive evening meal payments pursuant to the June 21, 1986 letter from Mr. C. L. Brumfield to Mr. R. J. Allen, reprinted as Letter of Agreement 9 appended to the Agreement between AT&T Information Systems and CWA and who are not eligible for a similar payment pursuant to the 1989 Agreement, shall continue to be eligible to receive the evening meal allowance described therein under the terms, conditions, and requirements that were applicable to them on that date.

COVERAGE - Previously AT&T Communications Only

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Expenses Allowance Payments as provided by Articles 31.11 and 36.11 will continue to be provided Expense Payments pursuant to the conditions of Articles 31.11 and 36.11 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to expense allowance under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to expense allowance payments under the 1986 AT&T-C/CWA Contract to another title previously entitled to expense allowance (List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to expense allowance (in Attachment A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A
TITLES FROM THE 1986 AT&T-C/WA CONTRACT ELIGIBLE FOR
EVENING MEAL ALLOWANCE AND EXPENSE PAYMENTS

- 1 ADMINISTRATIVE EMPLOYEES
 - (a) Clerical Employees - Group A
 - Data Processing Clerk Senior Data Processing Clerk
 - (b) Clerical Employees - Group B
 - Administrative Clerk Office Clerical Assistant
 - Clerical Stenographer Records Clerk
 - Combination Typist Reports Clerk
 - Contract Clerk Sales Representative
 - Correspondence Clerk Senior File Clerk
 - Customer Representative Senior Office Clerk
 - General Service Clerk Senior Records Clerk
 - General Services Senior Clerk Special Reports Clerk

- 2 STAFF EMPLOYEES - GROUP B
 - Staff Assistant 2

- 3 OPERATIONS EMPLOYEES - GROUP A
 - (a) Technician
 - Building Technician
 - (b) Others
 - Customer Software Administrator Operations Mechanic

EXTENDED VACATIONS

Those employees who were employed on May 26, 1989 and who, on that date, were covered under the 1986 Agreement between AT&T Communications and Communications Workers of America will continue to be eligible for Extended Vacations under the terms, procedures, conditions and requirements that were applicable to them on that date.

COVERAGE

Except for employees covered by Article 37 - Operator Services of the 1995 Agreement, employees previously covered by the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in Attachment B and who were entitled to Extended Vacation as provided by Article 9.40, will continue to be eligible for Extended Vacation pursuant to the conditions of Articles 9.40 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Extended Vacation under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to Extended Vacation under the 1986 AT&T-C/CWA Contract to another title previously entitled to Extended Vacation (in Attachment B) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Extended Vacation (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A
TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
EXTENDED VACATIONS

- 1 **ADMINISTRATIVE EMPLOYEES**
 - (a) **Clerical Employees - Group A**
 - Data Processing Clerk Senior Data Processing Clerk
 - (b) **Clerical Employees - Group B**
 - Administrative Clerk Office Clerical Assistant
 - Clerical Stenographer Records Clerk
 - Combination Typist Reports Clerk
 - Contract Clerk Senior File Clerk
 - Correspondence Clerk Senior Records Clerk
 - General Service Clerk Special Reports Clerk
 - General Services Senior Clerk

- 2 **OPERATIONS EMPLOYEES - GROUP A**
 - (a) **Technician**
 - Building Technician
 - (b) **Others**
 - Customer Software Administrator Operations Mechanic

LIST B

- 1 **SUCCESSOR TITLES**
 - Data Processing Associate (DPA) I
 - Data Processing Associate (DPA) II
 - Data Processing Associate (DPA) III
 - Data Processing Associate (DPA) IV

SCHEDULING

Those employees who were employed on May 26, 1989 and who, on that date, were covered by the provisions of Paragraph 28.34 or Paragraph 33.62 of the Agreement between AT&T Communications and Communications Workers of America, shall continue to be covered by the scheduling treatment described therein under the terms, conditions and requirements that were applicable to them on that date.

COVERAGE

Employees covered the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in List A and who were entitled to Scheduling Provisions as provided by Articles 28.34 and 33.62 will continue to be provided Scheduling Provisions pursuant to the conditions of Articles 28.34 and 33.62 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Scheduling Provisions under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to Scheduling Provisions under the 1986 AT&T-C/CWA Contract to another title previously entitled to Scheduling Provisions (in List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Scheduling Provisions (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A
TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
SCHEDULING PROVISIONS

- 1 Clerical Employees - Group B
 - Administrative Clerk
 - Clerical Stenographer
 - Combination Typist
 - Contract Clerk
 - Correspondence Clerk
 - General Service Clerk
 - General Services Senior Clerk
 - Office Clerical Assistant
 - Records Clerk
 - Reports Clerk
 - Senior File Clerk
 - Senior Office Clerk
 - Senior Records Clerk
- 2 STAFF EMPLOYEES - GROUP B
 - Staff Assistant 2

LIST B

- 1 SUCCESSOR TITLES
 - Data Processing Associate (DPA) I
 - Data Processing Associate (DPA) II
 - Data Processing Associate (DPA) III
 - Data Processing Associate (DPA) IV

1992 LETTERS EXTENDED

The following items were agreed to in 1992 local bargaining and will continue in accordance with their original terms.

(a) LOCAL AGREEMENTS

Local agreements, other than those that are specifically provided for in the Agreement, that violate the provisions of the Agreement will be null and void immediately upon the effective date of the Agreement. Other local agreements will continue to effect unless and until either party gives 45-days written notice of their termination. During that 45-day period, either party may initiate negotiations pursuant to Article 2 (Collective Bargaining), Paragraph 2.10 of the 1992 Agreement. If no agreement is reached during that 45-day period, the local agreement will no longer be effective and binding upon either Company or the Union.

(b) INDEMNIFICATION

It is the policy of the Company to indemnify and hold harmless from liability, employees who are determined to be liable to others as a result of the actions and/or simple negligence of the employees arising in the scope of their employment. Employees who participate in the Motor Vehicle Usage Program will be considered to be acting within the scope of their employment while operating the Company-provided vehicle between work locations, and between work locations and their residences or other places of vehicle storage, provided that employees are traveling in a reasonably direct route between their work locations and their residences or other places of vehicle storage and are traveling within a reasonable period of time before or after the start or end of their work day.

(c) OVERTIME EQUALIZATION

The Company will continue existing overtime equalization agreements as they exist unless and until they are canceled pursuant to Item (a) of the Settlement Memorandum. All such agreements shall be subject to the grievance procedure of Article 8. Only those that were subject to the provisions of Arbitration of the 1989 Agreement shall continue to be subject to arbitration.

(d) SCHEDULE CHANGE - PART-TIME EMPLOYEES

During our recent negotiations, we discussed the Union's concern that part-time employees' schedules were sometimes changed on very short notice resulting in fewer scheduled hours on a given day or for a given week. It is not the Company's intent to reduce the regularly scheduled hours of part-time employees without adequate notice.

(e) MMS WAGE PROTECTION

Employees covered by Article 34 who, on May 27, 1992, were covered by the MMS Agreements and who were, on this date, receiving a wage "plug" (Special Supplementary Wage Treatment (SSWT)) shall continue to receive the wage plug under the conditions formerly applicable to them unless and until they leave that title. Those employees will continue to have their Pension Band Differential included in the calculation of their pensions as long as they remain in the covered group to which reclassified in 1986.

1989 PROVISION - GROUPS

The Company will continue to apply the following provisions of Part II of the 1989 Settlement Memorandum to work groups which were covered under the terms of those paragraphs on May 30, 1992, under the circumstances provided in those paragraphs:

Night Tour
Letter, Last Work Day Before Christmas, NJ
Letter, Vacation Scheduling

NIGHT TOUR

For employees assigned to a title listed in Article 32 (Sales) or Article 33 (Support), who are assigned to an administrative unit whose employees were, on May 26, 1989, covered under terms of the 1986 Agreement between AT&T Information Systems, Inc. and Communications Workers of America, the night tour shall be defined, for the term of the 1989 Agreement as a regularly scheduled tour which falls wholly or partially within the period from 6:00 PM - 6:00 AM. During the same period and for the same employees the day tour shall be defined as a regularly scheduled tour which falls wholly within the period from 6:00 AM - 6:00 PM.

LAST WORK DAY BEFORE CHRISTMAS, NEW JERSEY

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our recent discussions about our agreement, reached during recent collective bargaining negotiations, concerning the last workday before Christmas Day in New Jersey. Accordingly, this letter confirms that employees in the State of New Jersey, who were covered by the provisions of Paragraph 17 of the Letters of Agreement and Statements of True Intent and Meaning of the 1983 collective bargaining agreement between the New Jersey Bell Telephone Company and the Union, and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said Paragraph 17.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

Note: This letter applies only to those work groups to which ATT-IS letter 19 applied on May 26, 1989.

VACATION SCHEDULING

During the 1998 negotiations between Lucent Technologies and Communications Workers of America, the Union expressed a concern relative to service and coverage requirements in connection with vacation schedules and personal holiday schedules.

The Company recognizes the importance of vacations to our employees and believes that vacation schedules should be prepared in such a manner as to permit a maximum number of vacations during the most desirable vacation periods to the extent that service and coverage requirements permit.

It is also our belief that special consideration should be given to the traditionally observed holidays that were replaced with personal holidays in the 1989 Agreement. The new holiday language, in and of itself, should not change the coverage requirements for those days that were designated as holidays in past contracts. Every effort should be made by managers to make available as many of these days as possible for selection as personal holidays.

1989 PROVISIONS - INDIVIDUAL

For the term of the 1992 Agreement, the Company will continue to apply the following provisions of Part II of the 1989 Settlement Memorandum to individuals which were eligible for coverage under the terms of those paragraphs and who were covered by these paragraphs on May 30, 1992, under the circumstances provided in those paragraphs:

Letter, Overtime Payment Provisions
Letter, Overtime Limitations

OVERTIME PAYMENT PROVISIONS

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning certain overtime payment provisions. Those Company employees who, pursuant to their respective applicable 1983 BOC agreements or contracts, were entitled to be paid for overtime hours worked immediately preceding or following their regularly scheduled tour and/or following their normally scheduled work weeks, and those employees engaged hereafter in the same or similar titles in the same work groups, shall, during the term of the 1989 Agreement, continue to be paid for such overtime in a manner consistent with the applicable provisions of the 1983 BOC agreement or contract that pertained in the geographic area.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

Appendix F

OVERTIME LIMITATIONS

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning limitations on the assignment of overtime work in certain circumstances during the term of the 1989 Agreement.

Those employees previously covered by the provisions of Article 17.06 of the agreement between the Union and New York Telephone Company (dated December 2, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 17.06.

Those employees previously covered by the provisions of Section 8, Article VI of the agreement between the Union and the Southwestern Bell Telephone Company (dated as of August 28, 1983), and those employees engaged hereafter in the same or similar titles in the same geographic area, shall continue to be treated in a manner consistent with the language contained in the provisions of Section 8, Article VI.

Those employees previously covered by the provisions of a letter dated August 16, 1980 from W. S. Pursell (General manager - Labor Relations and Personnel Administration of the Bell Telephone Company of Pennsylvania) to Mrs. Gale P. Dreves, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letter.

Those employees previously covered by the provisions of separate letters dated August 23, 1983 from J. R. Lawrie, Division Manager - Labor Relations, Diamond State Telephone Company, to Charlotte Jamieson and to Robert J. Wehde, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letters.

Those employees previously covered by the provisions of Article 3.022 of the agreement between the Bell Telephone Company of Pennsylvania and the Union (formerly known as the Federation of Telephone Workers of Pennsylvania) (dated May 17, 1943 as last amended August 7, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.022.

Those employees previously covered by the provisions of Article 3.10E of the agreement between the Union and the South Central Bell Telephone Company (dated August 28, 1983), and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.10E.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

ARTICLE 29 - BELL LABS

- 1 The provisions of this Article apply only to EMPLOYEES assigned to the title listed below:

Job Title

Bench Machine Operator & Assembler	Grounds Service Operator
Building Attendant	Hazardous Materials Tech.
Building & Grounds Maintainer	Instrument & Control Mechanic
Chauffeur	Instrument & Tool Maker, Precision
Control Room Operator	Metal Fabricating Mechanic
General Plant Mechanic (Carpenter)	Motor Vehicle Mechanic - A
General Plant Mechanic (Carpenter Trainee)	Motor Vehicle Mechanic - B
General Plant Mechanic (Electrician)	Plant Equipment Maintainer
General Plant Mechanic (Elec. Trainee)	Plant Operation Mechanic
General Plant Mechanic (Mason)	Plant System Specialist
General Plant Mechanic (Mason-Trainee)	Plant Watch Operator
General Plant Mechanic (Millwright)	Receiver-Shipper/Storekeeper
General Plant Mechanic (Millwright-Trainee)	Reprographics Operator
General Plant Mechanic (Painter)	Reprographics Specialist
General Plant Mechanic (Painter-Trainee)	Sr. Writing Mechanic
General Plant Mechanic (Pipefitter)	Telephone Operator
General Plant Mech. (Pipefitter Trainee)	Toolmaker - A
General Plant Mechanic (Tinsmith)	Toolmaker - B
General Plant Mechanic (Tinsmith-Trainee)	Watch Engineer
General Utility Worker	Wiring Mechanic

- 2 Weekly Work Scheduled and Hours of Work

(a) WORKWEEK

Bell Laboratories WORKWEEK shall be established as 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.

(b) Work Schedules

- (1) A SCHEDULED DAILY TOUR shall be the hours in a day an EMPLOYEE is scheduled to work, excluding any unpaid meal periods of not more than one (1) hour 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.
- (2) The SCHEDULED WEEKLY TOUR is the portion of the WORKWEEK comprised of SCHEDULED DAILY TOURS but excluding NONSCHEDULED DAYS, which for:
 - (i) Other than a rotating shift (or special schedule) assignment, shall be from Monday through Friday, including the Friday night shift which extends into Saturday when the EMPLOYEE was not scheduled to work the previous Sunday night shift extending into Monday.
 - (ii) A rotating shift (or special schedule) assignment shall be arranged by the COMPANY on any days within the WORKWEEK, frequently including Saturdays and/or Sundays.
- (3) A NONSCHEDULED DAY is a day outside the SCHEDULED WEEKLY TOUR.
- (4) SCHEDULED WEEKLY TOURS of 37-1/2 hours shall be known as full-time schedules.
- (5) SCHEDULED WEEKLY TOURS of less than 37-1/2 hours shall be known as part-time schedules.
- (6) The standard number of scheduled hours of work per day or week for each classification shall be 40 hours except as denoted in the wage addendum.

(c) Sunday Assignment

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Sunday work shall not be assigned except where necessary to maintain plant security and building service and to meet urgent work requirements. For EMPLOYEES whose SCHEDULED WEEKLY TOUR is Monday through Friday, pay at DOUBLE TIME shall apply to time worked on Sunday. For 7-DAY COVERAGE EMPLOYEES, pay at DOUBLE TIME shall apply to time worked on the EMPLOYEE'S DAY IN LIEU OF SUNDAY. (Refer to Article 22 Premium Payments)

(d) Change in Schedule

- (1) If Bell Laboratories requires a change in the schedule of an EMPLOYEE whose standard weekly work schedule is Monday to Friday, inclusive, such an EMPLOYEE shall be notified of such change not later than noon Wednesday of the week preceding the week in which the change is to be effective, and the changed schedule shall be considered to be the standard work schedule.
- (2) If a change in the standard work schedule of an EMPLOYEE whose standard weekly work schedule is Monday to Friday, inclusive, is required by Bell Laboratories on short notice (after noon Wednesday of the preceding week), all time worked on the new schedule in such week which falls outside the hours of the original standard schedule shall be paid for at time and one-half, whether or not the regularly scheduled hours are worked.
- (3) EMPLOYEES on rotating shifts or special schedule assignments shall be notified of a change in their standard work schedules no later than noon Wednesday of the preceding week. If this advance notice is not given, all time worked on the new schedule in such week which falls outside the hours of the original standard schedule shall be paid for at time and one-half.
- (4) Where a change schedule results from an EMPLOYEE'S request for time off received after noon on Wednesday, EMPLOYEES working the new schedule shall not be paid at the TIME AND ONE-HALF rate for time which falls outside the hours of the original standard schedule. No pay shall be allowed for time not worked because of a change in schedule.

(e) Early Start Allowance

- (1) 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.

- (2) 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) Where a change of schedule results from an EMPLOYEE'S request for time off, EMPLOYEES working the new schedule shall not be paid an Early Start Allowance for time which falls outside the hours of the original work schedule. No pay shall be allowed for time not worked because of a change in schedule.

(f) Job Training

- (1) Training of EMPLOYEES required by Bell Laboratories, except as covered in 2(e)(2), will be done during SCHEDULED DAILY TOURS and if so, will be considered as time worked.
- (2) EMPLOYEES classified as trainees in the Building Shop Group as set forth in Exhibit I, are EMPLOYEES whose principal activity is work-training. They shall not be paid for time spent in attending classroom exercises or lecture courses held outside of SCHEDULED DAILY TOURS.

(g) Excused Work Days

At the option of the EMPLOYEE paid EWD's may be carried over from one CALENDAR YEAR to the next CALENDAR YEAR provided that the paid EWD's must be taken no later than May 6th.

3. Equalization of Overtime

- (a) Equalization of overtime lists shall be reduced to zero on May 31, 2003. Thereafter, the COMPANY shall establish and maintain weekly lists of overtime totals by EMPLOYEE for each equalization unit. A copy of these lists using a standard format shall be provided to the UNION. The unit, for the purposes of equalization of overtime, shall be by:
 - (1) Occupational Classification
 - (2) Skill Sub-Group (when there is a clearly definable special skill within a classification)
 - (3) Organizational Sub-Group

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(4) Shift Assignment

- (b) Unit composition shall be determined by the supervisor in consultation with the UNION.
- (c) If a skill sub-group list is established and an EMPLOYEE is deemed not qualified for said list, then the EMPLOYEE in a meeting with the supervisor and a REPRESENTATIVE of the UNION shall be informed of the skills that are lacking. A plan of action for the EMPLOYEE to develop the necessary skills in order to qualify for said list should result from this meeting.
- (d) Disagreements involving either the definition of a particular unit or the assignment of personnel to that unit shall be subject to the grievance procedure in Article 8 and the arbitration procedure in Article 9.
- (e) Overtime within each unit shall be virtually equalized on May 31 and November 30 of each year.

4 Overtime Charging

- (a) All overtime shall be charged in terms of hours worked.
- (b) An EMPLOYEE who is offered and does not work shall be charged with the number of hours he/she would have worked if in fact worked by another EMPLOYEE. However, in no event will an EMPLOYEE be charged with hours refused if those hours were offered after noon on the day worked, or noon Thursday for Saturday or Sunday, or noon two days preceding Holiday overtime or when an EMPLOYEE is at an offsite COMPANY sponsored meeting or event.
- (c) EMPLOYEES shall, if they so desire, be removed from the list for purposes of offering overtime. If they subsequently desire to return to the list they shall be credited with the average hours on the list.
- (d) EMPLOYEES transferred permanently or temporarily from one location to another or from one sub-group to another shall assume the average hours of the sub-group they are entering. The average is to be calculated prior to transfer.
- (e) Newly hired, promoted or demoted EMPLOYEES will assume the average overtime of the unit he/she is assigned and be placed on the list.

- (f) EMPLOYEES who are on light duty assignment or absent due to illness in excess of five consecutive working days shall be charged upon their return to work or full duty with the overtime hours he/she would have had an opportunity to work while on light duty or absence due to illness.
- (g) EMPLOYEES who are absent from the job or not available to be offered overtime, shall be charged upon their return to work with the overtime hours he/she would have had an opportunity to work during the absence.

5 No Compensating Time Off

- (a) No compensating regular work time off shall be required on another day for any work performed outside of the SCHEDULED WEEKLY TOUR, except when provisions of the State or Federal law make it necessary.

6 Force Adjustment

- (a) Notice of LAYOFF

When Bell Laboratories considers it necessary to reduce its working force due to lack of work, such reduction will be regarded as a LAYOFF and the following shall apply:

- (1) Bell Laboratories shall determine the effective date of the LAYOFF, the occupational classifications and locations to be affected, and the number of EMPLOYEES to be LAID OFF in each classification and location.
- (2) The UNION will be notified fourteen days in advance of any LAYOFF of the number, names, occupational classifications, and locations of those EMPLOYEES in the bargaining unit who are to be affected by the LAYOFF.
- (3) The UNION will be notified thirty days in advance before any UNION OFFICER or steward is LAID OFF.

- (b) LAYOFF Procedure

LAYOFFS shall take place within each occupational classification in the following order:

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- (1) Temporary EMPLOYEES shall be LAID OFF first, then
 - (2) Regular EMPLOYEES shall be LAID OFF in inverse order of SENIORITY.
- (c) Surplus EMPLOYEES Movement of Personnel
- (1) EMPLOYEES will be declared surplus by location within the state and will be the least senior EMPLOYEE in the classification at that location(s) as defined in the terms of this Article and Article 1.
 - (2) In an effort to reduce or eliminate a surplus condition, LCTOP options will be offered, in accordance with the Lucent Career Transition Option Program, across the State for a classification(s) in which a surplus condition has been declared or is created by displacement. Any opening would be filled in accordance with Paragraph 3 (a) of this Article.
 - (3) EMPLOYEES who have 18 months or more of NET CREDITED SERVICE and are declared surplus shall have the following options.
 - (i) Fill a vacancy within the State in the same classification. Should the vacancy be at a different location than the surplus EMPLOYEE, the vacancy will be filled by asking for volunteers in that classification from the surplus location. If two or more EMPLOYEES volunteer, SENIORITY will be the determining factor. If there are no volunteers, the least senior EMPLOYEE in that classification in the surplus location shall be transferred to fill the vacancy.
 - (ii) If no vacancy exists, then the surplus EMPLOYEE may displace the least senior EMPLOYEE in the same classification within the State. In cases of multi surplus within the same classification, SENIORITY shall be the determining factor in location preference until exhausted.
 - (iii) If the surplus EMPLOYEE does not elect the option set forth in Paragraph (3) (ii) above or is not eligible by SENIORITY, then the surplus EMPLOYEE, if senior, shall displace the least senior EMPLOYEE in the next lower available classification by corridor as set forth in Paragraph G, Job Corridors Chart. Any move under the terms of this paragraph shall be by region.

- (iv) In the event that the next lower job classification in the region is not populated or populated with more senior EMPLOYEES within the region, the surplus EMPLOYEE may displace the least senior EMPLOYEE in that job classification across the state.
 - (v) EMPLOYEES displacing least senior service EMPLOYEES in a lower rated classification in (iii) or iv above must have a satisfactory or better annual appraisal and, in the judgment of the COMPANY, perform the job within a reasonable training period not to exceed two (2) weeks.
 - (vi) An EMPLOYEE who elects option (3) (i), (ii) or (iv) above, will receive, if eligible, relocation expenses as set forth in Paragraph 7 "Relocation Expenses" of the Lucent Transfer Program.
 - (vii) An EMPLOYEE who has been notified of his/her opportunity to displace the least senior EMPLOYEE under (ii), (iii), or (iv) above, may elect to be LAID OFF. In such case, the EMPLOYEE must notify the COMPANY in writing, within five (5) calendar days of his/her being notified by the COMPANY of his/her opportunity to continue employment under the provisions of (ii), (iii) or (iv) above, that he/she elects to be LAID OFF. If an EMPLOYEE elects to be LAID OFF under this option, then the provisions of Article 20 shall apply. The provisions of Paragraph (f), Recall Procedure, shall also apply to such EMPLOYEE.
- (4) A surplus EMPLOYEE or EMPLOYEE who becomes surplus by displacement and has no options referenced above shall be LAID OFF and subject to the provisions of Paragraph (f), Recall Procedure, and Appendix 29-B.
 - (5) Any option requiring a decision as set forth in this Article, unless otherwise specified, shall be made within (5) calendar days.
- (d) **Reclassification of Former Bargaining Unit EMPLOYEES**

Bell Laboratories may consider for such reclassification to occupational classifications in the bargaining unit, EMPLOYEES who have at any time been members of the bargaining unit. The COMPANY will not,

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however, exercise such right to reclassify if in doing so a surplus condition would be created.

(e) Return to Former Classifications

- (1) If a vacancy is not filled in accordance with Paragraph c, the following will apply:
 - (i) Current EMPLOYEES within the classification where a vacancy exists, with more SENIORITY than downgraded or LAID OFF EMPLOYEES, shall be given an opportunity to fill those vacancies before downgraded or LAID OFF EMPLOYEES. The openings will be advertised to the UNION and the Request for Change in Work Assignment (RCWA) form must be submitted within 5 business days.
 - (ii) If there are no current EMPLOYEES with more SENIORITY who submit a RCWA to fill a vacancy (Paragraph 1, (i) above), then, based on SENIORITY, LAID OFF EMPLOYEES who are currently on the recall list and were LAID OFF from the classification in which the vacancy exists or current EMPLOYEES who have been downgraded within the last 24 months from the classification in which the vacancy exists will be offered the opportunity to fill that vacancy. Where multiple vacancies exist in the same classification, SENIORITY will be the determining factor for location preferences.
 - (iii) If an EMPLOYEE refuses the above options of Paragraph (1) (i), or (1) (ii), above or does not respond within two (2) working days of receipt of the offer, the COMPANY considers its obligation to that EMPLOYEE completed.
- (2) The foregoing procedure shall apply to the Indian Hill Laboratory as one and to all other locations as a second unit.

(f) Recall Procedure

- (1) In recalling after a LAYOFF, the COMPANY agrees to offer re-employment within the occupational classification or job corridor(s) (Paragraph G) in which the vacancy exists to former EMPLOYEES who have one year or more of NET CREDITED SERVICE. Such offers of re-employment shall be made in the inverse order in which such former EMPLOYEES were LAID OFF,

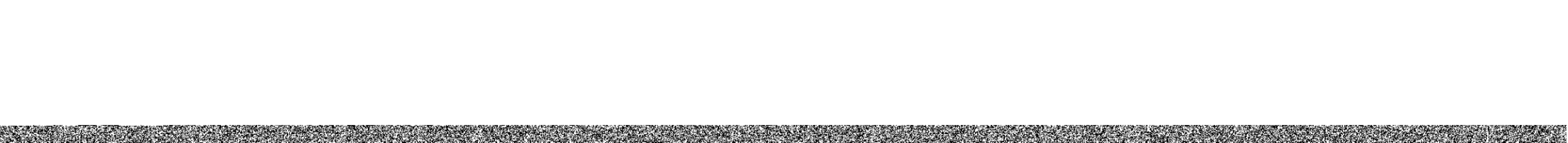
provided, however, that the obligation of offering re-employment to former EMPLOYEES shall not apply to such former EMPLOYEES who:

- (i) Have been off the COMPANY payroll for a period of more than 24 months; or
- (ii) Were placed with other companies as a result of direct efforts of the COMPANY and have not notified the Employment Department that they are no longer employed; or
- (iii) Are employed by an affiliate or subsidiary COMPANY; or
- (iv) Do not meet all the tests and conditions required for the available job; however, physical defects possessed by such former EMPLOYEES and known to the COMPANY prior to LAYOFF shall not of themselves debar them from re-employment unless further aggravated during the period of LAYOFF to the extent that they cannot perform their duties efficiently; or
- (v) Have refused an offer of re-employment at the same work location and same classification that had been held prior to LAYOFF; or
- (vi) Do not respond within two (2) working days of receipt of a COMPANY offer of recall. (The COMPANY shall send a copy of this offer to the UNION.)

Article 29

Definition of Terms:

STATE	State of New Jersey covered by Locals 1060, 1061, 1062 State of Illinois covered by Local 4260
LOCATION	Whippany, Murray Hill, Holmdel, and Indian Hill and their respective satellites are considered locations.
REGION	For the purpose of Paragraph 6 Force Adjustment only. In New Jersey there are two regions. The Northern Region consists of the Whippany and Murray Hill locations and their satellites. The Southern Region consists of the Holmdel location and its satellites.
SPECIAL SKILLS	A surplus EMPLOYEE must have previously held the job classification in Bell Laboratories in order to displace into these job classifications.
COMMON CORRIDOR	A surplus EMPLOYEE need not have previously held the job classification in Bell Corridor Laboratories in order to displace into these job classifications.



Article 29

7 Job Vacancies and Promotions
(For Vacancies not filled in Accordance with the Provisions of Paragraph 6)

(a) Job Vacancies

- (1) Bell Laboratories will provide the president of each local with a list of M&PS openings on a weekly basis and at least one (1) week prior to the filling of any position. The COMPANY will post all M&PS openings. The presidents of locals 1060, 1061 and 1062 will receive New Jersey M&PS openings; the president of local 4260 will receive Illinois M&PS openings. The UNION may share this information with bargaining unit members and may also post it.
- (2) Bell Laboratories shall furnish to EMPLOYEES, upon their request, a form which can be used to indicate the EMPLOYEE'S interest in a change of work assignment. In New Jersey, EMPLOYEES with one year or more in their current classification will be given first consideration for: (1) all lateral transfers from one unit to another, and/or (2) all promotions to Control Room Operator, Building & Grounds Maintainer, Bench Machine Operator & Assembler, Hazardous Materials Technician, Electronic Device Processor, General Plant Mechanic-Trainee, Motor Vehicle Mechanic-B, Outside Plant Mechanic, Plant Equipment Maintainer, or Plant System Specialist.
- (3) Should it be found that there are no EMPLOYEES who have spent one year in their present classification and who are qualified for Control Room Operator, Building & Grounds Maintainer, Bench Machine Operator & Assembler, Hazardous Materials Technician, Electron Device Processor, General Plant Mechanic-Trainee, Motor Vehicle Mechanic - B, Outside Plant Mechanic, Plant Equipment Maintainer, or Plant System Specialist, other EMPLOYEES with less than one year's will be considered prior to hiring new EMPLOYEES into those classifications.

(b) Filling of Job Vacancies

- (1) In the filling of job vacancies, the following locations will each be considered as a promotional unit:
 - (i) Naperville, Illinois.

- (ii) Holmdel, New Jersey (including Crawford Hill and Red Hill).
- (iii) Whippany, New Jersey (including Chester, and Liberty Corner).
- (iv) Murray Hill, New Jersey.

- (2) All job vacancies within a unit will be filled by considering only the EMPLOYEES within that unit. However, if an EMPLOYEE wishes to be considered for a job vacancy outside his/her unit, he/she will be considered if he/she files an RCWA.
- (3) The factors to be taken into consideration in the filling of a job vacancy with an EMPLOYEE from a lower-rated classification shall be SENIORITY and necessary qualifications for the job to be filled. SENIORITY shall determine the selection of an EMPLOYEE for a higher-rated classification when two or more EMPLOYEES have in the opinion of Bell Laboratories substantially equal qualifications for the job to be filled.
- (4) Lucent Transfer Plan (LTP)
- (5) EMPLOYEES may refer to the Job Vacancies and Promotion Information Booklet for further information.

8 Demotions, Discharges and Suspensions

(a) Demotions

- (1) Whenever Bell Laboratories decides that the work or conduct of an EMPLOYEE having 30 days or more of service is such that demotion is necessary, it agrees to notify the EMPLOYEE and the UNION one (1) week in advance of the effective date of such action.
- (2) Where there is a question of just cause on the part of Bell Laboratories in connection with the demotion of an EMPLOYEE with two or more years of service and who has been in his/her present occupational classification for one year or more, it shall be handled under the grievance procedure of Article 8 and may be submitted to arbitration under provisions of Article 9 of this Agreement.

(b) Discharges

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- (1) Whenever Bell Laboratories decides that the work or conduct of an EMPLOYEE having 30 days or more of service is such that discharge is necessary, it agrees to notify the EMPLOYEE and the UNION one (1) week in advance of the effective date of such action.
- (2) Nothing in the foregoing shall prevent Bell Laboratories from immediately removing an EMPLOYEE from the premises for cause such as grave misconduct or when ordered to do so by government authorities. When this occurs, Bell Laboratories shall notify the Local UNION immediately followed in writing to the local UNION president.
- (3) Bell Laboratories may, at its option, give the EMPLOYEE an equivalent pay allowance in lieu of one week's notice.
- (4) Where there is a question that the discharge of an EMPLOYEE with one year or more of service was without just cause, it shall be handled under the grievance procedure of Article 8 and may be submitted to arbitration under the provisions of Article 9 of this Agreement.

(c) Suspensions

- (1) Whenever Bell Laboratories decides that the work or conduct of an EMPLOYEE having 30 days or more service is such that suspension is necessary, it agrees to notify the Local UNION immediately followed in writing to the local UNION president.
- (2) Where there is a question that the suspension of an EMPLOYEE with one year or more of service was without just cause, it shall be handled under the grievance procedure of Article 8 and may be submitted to arbitration under the provisions of Article 9 of this Agreement.
- (3) In the event Bell Laboratories determines that in attendance related matters where circumstances warrant, it may issue a "paper suspension" in lieu of an actual suspension. In such case, Bell Laboratories will specify the amount of time off that would have applied but the EMPLOYEE shall lose no time or pay as the result of such action.
- (4) Bell Laboratories and the UNION agree that a "paper suspension" shall carry precisely the same impact as an actual suspension

with regard to progressive discipline. The parties also agree that the granting or failure to grant a "paper suspension" in lieu of an actual suspension shall not constitute a precedent with regard to any other case.

- (5) In the event the UNION wishes to challenge the imposition of a "paper suspension" it may do so by filing a grievance specifying the precise grounds for its challenge.

(d) UNION Representation

At any meeting between a REPRESENTATIVE of Bell Laboratories and an EMPLOYEE in which discipline (including official reprimand, suspension, demotion or discharge for just cause) or counseling which is to be recorded in the EMPLOYEE'S organization personnel file, is to be announced or where the EMPLOYEE reasonably believes the meeting will result in disciplinary action, a UNION REPRESENTATIVE may be present if the EMPLOYEE so requests.

**APPENDIX 29 – A
WAGES**

1 Wage Progression

- (a) An EMPLOYEE'S rate of pay may be increased within the rate range for his/her job classification, commensurate with his/her demonstrated performance, within a period not to exceed one year after his/her employment. An EMPLOYEE shall be entitled, upon request, to meet with his/her supervision and UNION REPRESENTATIVE prior to the end of the one-year period for purposes of reviewing the EMPLOYEE'S performance.
- (b) When an EMPLOYEE is given special training by Bell Laboratories in connection with his/her work, his/her rate of pay may be increased at the completion of the training period.

2 Promotions

- (a) A full-time EMPLOYEE who is promoted into a higher-rated classification shall receive an immediate increase.
- (b) The EMPLOYEE shall be moved to a whole Progression Step above the nearest Progression Step on the Wage Schedule of the job to which promoted.

3 Demotions

- (a) In the case of a Demotion, the EMPLOYEE shall be moved from the present STANDARD RATE to the nearest step on the Wage Schedule of the job to which demoted insuring no gain in pay.

4 Promotional Increases

- (a) A full-time EMPLOYEE who is promoted into a higher-rated classification shall receive an immediate increase. The EMPLOYEE shall be moved to a whole progression step above the nearest progression step on the wage schedule of the job to which promoted.
- (b) An EMPLOYEE'S rate of pay may be increased within the rate range for his/her job classification, commensurate with his/her demonstrated performance, within a period not to exceed one year after a promotion. An EMPLOYEE shall be entitled, upon request, to meet with his/her supervision and UNION REPRESENTATIVE prior to the end of the

one-year period for purposes of reviewing the EMPLOYEE'S performance.

5 Temporary Promotion Allowance

- (a) An EMPLOYEE who is temporarily promoted to a higher LEGS (Level Equalization Groups) level shall be eligible to receive a TPA in the amount of \$10.00 per day per level. An EMPLOYEE within the same LEGS level who is temporarily promoted into a higher occupational classification (wage schedule) shall be eligible to receive a TPA in the amount of \$10.00 per day for each day such EMPLOYEE works in the higher occupational classification. While on such temporary assignment, the EMPLOYEE shall continue to receive the STANDARD RATE he or she would have received in the lower job classification.
- (b) However, in no event shall the combination of a TPA when divided by the number of hours worked in a day and added to the EMPLOYEE'S STANDARD RATE exceed the MAXIMUM RATE of the Occupational Job Classification which the EMPLOYEE is temporarily promoted.

Article 29 – Appendix A

6 Note Differentials for Bargaining Unit Occupations

Occupational Class by ALPHABETICAL	Notes
Bench Machine Oper. & Assembler – 410	i,k
Bldg. & Grounds Maintainer 411	i,k
Bldg. Att. FT – 405	h,i,k,m
Bldg. Att. PT – 401	i,k
Chauffeur – 419	f,i,k
Control room Operator – 475	i,k
Gen. Plant Mech. (GPM)	i,k
Gen. Utility Wkr. – 409	f,h,i,k
GPM (Carpenter Trn.) – 422	i,k
GPM (Carpenter) – 442	i,k,t
GPM (Electrician Trn.) – 429	i,k
GPM (Electrician) – 447	i,k,t
GPM (Mason Trn.) – 421	i,k
GPM (Mason) – 441	i,k,t
GPM (Millwright Trn.) – 423	i,k
GPM (Millwright) – 443	i,k,t
GPM (Painter) – 438	i,k,t
GPM (Painter-Train.) – 416	i,k
GPM (Pipefitter) – 444	i,k,t
GPM (Pipefitter Trn.) – 424	i,k
GPM (Tinsmith Trn.) – 420	i,k
GPM (Tinsmith) – 440	i,k,t
Grounds Service Operator – 417	i,k
Hazardous Materials Technician – 464	h,i,k
Instrument & Control Mechanic – 448	i,k
Instrument & Toolmaker, Precision	i,k
Metal Fab. Mech. – 445	i,k
Motor Vehicle Mechanic-A-460	i,k
Motor Vehicle Mechanic-B- 461	i,k
Plant Equipment Maintainer – 418	i,k
Plant Op. Mech. – 439	i,k
Plant Sys. Spec. – 465	i,k
Plant Watch Oper. – 435	i,k

Receiver-Shipper Storekeeper – 413	f,h,i,k
Repro. Spec. – 474	i,k
Reprographics Operator – 476	i,k
Sr. Wiring Mechanic – 436	h,i,k
Telephone Oper., - 408	i,k
Toolmaker A – 462	i,k
Toolmaker B – 463	i,k
Watch Engineer – 453	i,k
Wiring Mechanic – 431	h,i,k

Occupational Class by JOB CODE	Notes
000 Gen. Plant Mech. (GPM)	i,k
401 Bldg. Att. PT	i,k
405 Bldg. Att. FT	h,i,k,m
408 Telephone Oper.	i,k
409 Gen. Utility Wkr.	f,h,i,k
410 Bench Machine Oper. & Assembler	i,k
411 Bldg. & Grounds Maintainer	i,k
413 Receiver-Shipper Storekeepr	f,h,i,k
416 GPM (Painter-Train.)	i,k
417 Grounds Service Oper.	i,k
418 Plant Equipment Maintainer	i,k
419 Chauffeur	f,i,k
420 GPM (Tinsmith Trn.)	i,k
421 GPM (Mason Trn.)	i,k
422 GPM (Carpenter Trn.)	i,k
423 GPM (Millwright Trn.)	i,k
424 GPM (Pipefitter-Trn.)	i,k
429 GPM (Electrician Trn.)	i,k
431 Wiring Mechanic	h,i,k
435 Plant Watch Oper.	i,k
436 Sr. Wiring Mechanic	h,i,k
438 GPM (Painter)	i,k,t
439 Plant Op. Mech.	i,k
440 GPM (Tinsmith)	i,k,t
441 GPM (Mason)	i,k,t
442 GPM (Carpenter)	i,k,t

Article 29 – Appendix A

443 GPM (Millwright)	i,k,t
444 GPM (Pipefitter)	i,k,t
445 Metal Fab. Mech.	i,k
447 GPM (Electrician)	i,k,t
448 Instrument & Control Mechanic	i,k
453 Watch Engineer	i,k
455 Instrument & Toolmaker, Prec.	i,k
460 Motor Vehicle Mechanic – A	i,k
461 Motor Vehicle Mechanic – B	i,k
462 Toolmaker A	i,k
463 Toolmaker B	i,k
464 Hazardous Materials Technician	h,i,k
465 Plant Sys. Spec.	i,k
474 Repro. Spec.	i,k
475 Control Room Operator	i,k
476 Reprographics Operator	i,k

Note Differentials

Note f: An EMPLOYEE assigned to perform minor modification and repair of furniture shall receive a pay differential of \$6.00 per day.

Note h: An EMPLOYEE who drives an auto, truck, or highlift fork lift as part of his/her regular job duties, except where he/she drives the vehicle for the sole purpose of transporting himself/herself and material or equipment to or from his/her place of work and the use of a public highway is not required, shall receive a pay differential of \$5.00 per day.

Note i: A non-supervisory EMPLOYEE in any classification, who in addition to the work of his/her occupational classification, is designated by supervision to make operational setups for others, give instruction, or assign and check the work of a group in similar occupational classifications or on a job project, shall be called a leader and shall receive a pay differential of \$8.00 per day.

A leader is not responsible for disciplining personnel, or for reporting on or passing judgment on the individual performance of other EMPLOYEES with respect to production, quality, or attendance.

Note k: An EMPLOYEE who is assigned to a higher-rated classification shall receive a Temporary Promotion Allowance pay differential of \$10.00 per day. (See Article 2, Wages, Paragraph 7, Temporary Promotion Allowances.)

Note m: An EMPLOYEE assigned to mopping and waxing floors and operating floor machines shall receive a pay differential of \$3.00 per day.

Note t: A General Plant Mechanic assigned to work with a General Plant Mechanic-Trainee shall receive a pay differential of \$8.00 per day.

Definitions

Truck: Motor vehicle registered with Motor Vehicle Bureau as a truck.

**APPENDIX 29 – B
TERMINATION ALLOWANCE**

- 1 The following applies to those EMPLOYEES covered under the provisions of Article 29.
- 2 Termination Allowance
 - (a) EMPLOYEES LAID OFF because of lack of work shall be paid a termination allowance based on years of NET CREDITED SERVICE in accordance with the following schedule:

Term of Employment	Termination Allowance (Equivalent of Regular Wages for)
1 year and less than 2 years	1 week
2 years and less than 3 years	2 weeks
3 years and less than 4 years	3 weeks
4 years and less than 5 years	4 weeks
5 years and less than 6 years	5 weeks
6 years and less than 7 years	7 weeks
7 years and less than 8 years	9 weeks
8 years and less than 9 years	11 weeks
9 years and less than 10 years	13 weeks
10 years and less than 11 years	15 weeks
11 years and less than 12 years	18 weeks
12 years and less than 13 years	21 weeks
13 years and less than 14 years	24 weeks
14 years and less than 15 years	27 weeks
15 years and less than 16 years	30 weeks
16 years and over	

Termination Allowance payments shall be computed at an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect as of the date of LAYOFF.

Equivalent of 30 weeks' pay plus 4 weeks' pay for additional full year of service beyond 15 years to 19 years.

Equivalent of 30 weeks' pay plus 5 weeks' pay for additional full year of service for 20 or more years up to a maximum of 104 weeks.

- (b) Effective June 1, 1986, Bell Laboratories will offer to regular EMPLOYEES who are LAID OFF or terminated from the active payroll

of Bell Laboratories due to force surplus conditions and who are eligible for a termination allowance the option of receiving such payment (1) as income continuation in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.

Such payments shall be in addition to earned pay, payment in lieu of advance notice, and any vacation payment to which EMPLOYEES may be eligible, but are subject to the following provisions:

- (1) If the periodic installment option is chosen, the frequency of these installments will match the EMPLOYEE'S normal pay cycle. The amount of each income continuation installment will be determined by multiplying the number of weeks in the EMPLOYEE'S pay cycle by the Termination Allowance Factor applicable to the EMPLOYEE. (Any odd balance will be carried forward into another pay cycle.) An EMPLOYEE'S Termination Allowance Factor is the dollar figure used as a "week of pay" in calculating the total termination allowance to which that EMPLOYEE is entitled.
- (2) Income continuation periodic installments shall continue until the earliest occurrence of any of the following events:
 - (i) The total amount of the income continuation installments to the EMPLOYEE equals the total amount of termination allowance which the EMPLOYEE is to receive.
 - (ii) The EMPLOYEE is recalled or re-employed as a regular EMPLOYEE by Lucent Technologies or any of its affiliates, subsidiaries or entities.
- (3) EMPLOYEES who have received or elect to receive a termination allowance in a lump sum, shall as a condition precedent to being recalled or rehired as regular EMPLOYEES of Lucent Technologies or any Lucent Technologies affiliate, subsidiary or entity, make a repayment of any Excess Termination Allowance they may have received. As used in this Section, Excess Termination Allowance shall be the amount of Termination Allowance EMPLOYEES may have received which is over and above the figure derived by multiplying their Termination Allowance Factor by the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular EMPLOYEES of Lucent Technologies or any

Lucent Technologies affiliate, subsidiary or entity. EMPLOYEES who are recalled or rehired as other than regular EMPLOYEES and who are subsequently reclassified as regular EMPLOYEES shall, as a condition precedent to such reclassification, also make a repayment of the Excess Termination Allowance.

- (4) The amount of Termination Allowance for an individual (1) who has been previously LAID OFF or terminated by Lucent Technologies or any Lucent Technologies affiliate, subsidiary or entity; (2) who has received Termination Allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again LAID OFF or terminated after having been re-engaged, will be calculated as follows: The number of weeks of Termination Allowance originally received (or, in the case of a lump sum payment, the number of weeks of pay received and not repaid as Excess Termination Allowance) shall be deducted from the number of weeks of Termination Allowance that is determined to be payable as of the date that the EMPLOYEE is again LAID OFF or terminated.

3 Technological Displacement

If during the term of this Agreement Bell Laboratories notifies the UNION in writing that technological change (defined as changes in equipment or methods of operation used by Bell Laboratories bargaining unit EMPLOYEES in the performance of their job assignments) has or will create a surplus in any job title in a work location which will necessitate reassignments of regular EMPLOYEES to different job titles involving a reduction in pay or to locations requiring a change in residence, or if a force surplus necessitating any of the above actions exists for reasons other than technological change and Bell Laboratories deems it appropriate, any regular EMPLOYEE (1) who is in the affected job titles and work locations; and (2) who is not eligible for a service pension, may elect not to accept such reassignment to a job title involving a reduction in pay or to a location requiring a change in residence and shall be paid a Termination Allowance. Any such regular EMPLOYEE who refuses to accept a transfer to a job title having the same or greater rate of pay and which does not require a change in residence shall not be paid a Termination Allowance.

EMPLOYEES eligible for a termination allowance under the terms of this provision alternatively may elect to participate in the Lucent Career Transition Option Program providing they meet the eligibility requirements of that program. (See National Section.)

APPENDIX 29 – C
BELL LABORATORIES LOCAL AGREEMENTS

Continuation of letters and agreements

January 9, 2003

Mary Jo Sherman.
CWA REPRESENTATIVE
Communications Workers of America
501 Third St. NW
Washington, DC

Dear Ms. Sherman:

Subject: Continuation of Letters and Agreements

All letters and agreements not deleted or modified by the parties shall remain in full force and effect for the term of this Agreement.

Very truly yours,

/s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th day of January 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/ Mary Jo Sherman
CWA REPRESENTATIVE

Coverage Under the Collective Bargaining Agreement

May 31, 1995

Ms. Pat A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA
1030 St. Georges Avenue, Suite 304
Avenel, NJ 07001

Dear Ms. Niven:

During the course of negotiations, Bell Laboratories has advised the CWA that certain represented EMPLOYEES have been or will be assigned to various Business Units. Bell Laboratories has assured the CWA that such a move will have no effect on the coverage of such EMPLOYEES under the collective bargaining agreement. They will continue to be represented and will continue to be part of the existing bargaining unit and covered by the collective bargaining agreement.

Very truly yours,

AT&T BELL LABORATORIES

By: /s/ C. A. MCGILL
BARGAINING AGENT

Agreed to on the 31st day of May, 1995

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ P. A. Niven
CWA REPRESENTATIVE

Qualifications for Plant Watch Operator (PWO)

May 28, 1981

Mrs. Jean Fawcett
International REPRESENTATIVE
Communications Workers of America
14 Commerce Drive
Cranford, New Jersey 07016

Dear Jean:

It is agreed that beginning June 1, 1981, the qualifications for Plant Watch Operator (PWO) at the Murray Hill location (not the Murray Hill promotional unit) will include the possession of a New Jersey Steam Boiler Operator's License (Blue Seal) Third Class Engineer.

If a candidate does not possess the above license, and would be successful in filling the PWO vacancy otherwise, that EMPLOYEE will be allowed to fill such vacancy with the understanding that the EMPLOYEE will perform the necessary steps to obtain such license within one year from the effective date of the vacancy being filled.

The Laboratories will furnish to the EMPLOYEE all necessary information relating to the procedure for obtaining the license and will make the EMPLOYEE available during that year to obtain the necessary time in experiencing the operation of boilers.

Should the EMPLOYEE not obtain the license during the year, that EMPLOYEE will be reclassified to a position for which qualified. The position to which the EMPLOYEE is reclassified will depend on openings available at the time such reclassification is necessitated, and may not be to the position held by the EMPLOYEE immediately prior to attaining Plant Watch Operator.

It should be noted that EMPLOYEES in the Plant Watch Operator classification at Murray Hill prior to June 1, 1981, will not be subject to the new licensing qualifications or the stipulations set forth in this letter.

Please signify your agreement to the foregoing by signing the original of this letter at the place indicated below and return it to me. Two copies are provided for your records.

Very truly yours,
BELL TELEPHONE LABORATORIES, INC.

By: /s/ LLOYD L. FRIEND, III
BARGAINING AGENT

By: /s/ W. INSULL
BARGAINING AGENT

Agreed to on the 4th day of June, 1981

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ JEAN FAWCETT
International REPRESENTATIVE

Blue Seal License Qualifications for Watch Engineer

January 9, 2003

Mary Jo Sherman.
CWA REPRESENTATIVE
Communications Workers of America
501 Third St. NW
Washington, DC

Dear Ms. Sherman:

It is agreed that beginning March 1, 2003, the qualifications for the possession of a *New Jersey Steam Boiler Operator's License (Blue Seal) Third Class Engineer* is required at Lucent's 600 Mountain Ave, Murray Hill, New Jersey location for the Watch Engineer (WE) position.

If a Watch Engineer does not possess the above license, and would be successful in filling the Watch Engineer vacancy otherwise, that EMPLOYEE will be allowed to fill such vacancy with the understanding that the EMPLOYEE will perform the necessary steps to obtain such license within one year from the effective date of the vacancy being filled.

The Laboratories will furnish to the EMPLOYEE all necessary information relating to the procedure for obtaining the license and will make the EMPLOYEE available during that year to obtain the necessary time in experiencing the operation of boilers.

Should the EMPLOYEE not obtain the license during the year, that EMPLOYEE will be reclassified to a position for which qualified. The position to which the EMPLOYEE is reclassified will depend on openings available at the time such reclassification is necessitated, and may not be to the position held by the EMPLOYEE immediately prior to attaining Watch Engineer.

Please signify your agreement to the foregoing by signing the original of this letter at the place indicated below and return it to me. Two copies are provided for your records.

Very truly yours,
LUCENT TECHNOLOGIES INC.

By: /s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th day of January, 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/ Mary Jo Sherman
CWA REPRESENTATIVE

**Advisory Committee on the General Plant Mechanic
(Building Shop) Training Program**

August 4, 1986

Mr. Michael P. Ash
International REPRESENTATIVE
Communications Workers of America
21 Commerce Drive
Cranford, New Jersey 07016

Dear Mr. Ash:

AT&T Bell Laboratories and the Communications Workers of America mutually recognize the need for periodic reviews of ongoing programs to ensure that programs involving UNION EMPLOYEES are keeping abreast of changing internal and external circumstances.

It is this recognition which leads Bell Laboratories and the UNION to agree to establish for the duration of the current agreement, an Advisory Committee on the *General Plant Mechanic (Building Shop) Training Program*. The Committee shall consist of four REPRESENTATIVES each from Bell Laboratories and the UNION (to be appointed by Bell Laboratories and the UNION respectively). The Committee shall meet from time to time as required, but no fewer than three times per year.

The objectives of the Committee will be those of advising management on matters pertaining to the possible enhancement of the Building Shop Training Program.

Please signify your agreement to the foregoing by signing the original of this letter at the place indicated below and return it to me. Two copies are provided for your records.

Very truly yours,
BELL TELEPHONE LABORATORIES, INC.

By: /s/ E. P. FELCH, III
BARGAINING AGENT

Agreed to on the 4th day of August, 1986

COMMUNICATIONS WORKERS OF AMERICA

/s/ MICHAEL P. ASH
International REPRESENTATIVE

Snow Removal

October 26, 1988

Mr. James H. Dennis, Jr.
CWA REPRESENTATIVE
Communications Workers of America
1030 St. Georges Avenue
Avenel, New Jersey 07001

Subject: Snow Removal

Dear Mr. Dennis:

This will confirm and update our understanding of August 29, 1980, with regard to snow removal operations.

It is agreed that each AT&T Bell Laboratories location will compile a list of CWA-represented bargaining unit EMPLOYEES who wish to work on snow removal by canvassing such EMPLOYEES.

With respect to such snow removal operations, the overtime accepted or refused by EMPLOYEES on the lists will not be counted for purposes of equalization of overtime.

The Laboratories does not by this agreement waive its right under Article 4, Paragraph 1 of the General Agreement to require work outside of standard schedules of EMPLOYEES in the bargaining unit when it finds that it cannot obtain a sufficient number of EMPLOYEES for snow removal work from the above lists. Should such occur, the COMPANY will notify the UNION.

EMPLOYEES who report for snow removal work before the beginning of their standard schedule will be provided breakfast at Laboratories expense and the breakfast break will be recorded as time worked.

Please signify your agreement to the foregoing by signing the original of this letter at the place indicated below and return it to me. Two copies are provided for your records.

Very truly yours,
BELL TELEPHONE LABORATORIES, INC.

By: /s/ E. P. FELCH, III
Labor Relations Director

Agreed to on the 17th day of November, 1988

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ JAMES H. DENNIS, JR.
CWA REPRESENTATIVE

Qualifications and Skills Review

June 20, 1995

Ms. Pat A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA
1030 St. Georges Avenue
Avenel, NJ 07701

Dear Ms. Niven:

Subject: Qualifications and Skills Review

It is mutually agreed by AT&T Bell Laboratories and the Communications Workers of America that it is in the interests of all parties involved, EMPLOYEES, COMPANY and UNION, to establish a process to advance the abilities and opportunities of promotion for the EMPLOYEE.

It is agreed that occupational EMPLOYEES who are at the top of progression in a lower classification within their job corridor, shall upon request, be entitled to meet with their Supervisor for the purpose of reviewing the necessary qualifications and/or skills to advance to the next higher classification. If it is determined by the Supervisor that any necessary skills or qualifications are lacking, then this meeting should result in the development of a plan of action to attain such skills or qualifications, should the EMPLOYEE so desire. A copy of this plan will be provided to the EMPLOYEE within ten (10) working days after this meeting.

Very truly yours,
BELL TELEPHONE LABORATORIES, INC.

By: /s/ C. A. MCGILL
Labor Relations Director

Agreed to on the 20th day of June, 1995
COMMUNICATIONS WORKERS OF AMERICA

/s/ Pat A. Niven
CWA REPRESENTATIVE

Recognition of Perfect Attendance

June 20, 1995

Ms. Pat A. Niven
CWA REPRESENTATIVE
Communications Workers of America
1030 St. Georges Avenue, Suite 304
Avenel, New Jersey 07001

Dear Ms. Niven:

Subject: Recognition of Perfect Attendance

AT&T Bell Laboratories and the UNION mutually agree that in the interest of consistently recognizing those EMPLOYEES who achieve one or more years of perfect attendance the following shall apply:

EMPLOYEES with one (1) through four (4) years of perfect attendance will receive \$50.00 each year.

EMPLOYEES who achieve five (5) or more years of perfect attendance will receive \$100.00 each year.

Very truly yours,

By: /s/ C. A. MCGILL
BARGAINING AGENT

Agreed to on the 20th day of June, 1995

COMMUNICATIONS WORKERS OF AMERICA

/s/ P. A. Niven
CWA REPRESENTATIVE

PRC EMPLOYEES Temporarily Assigned to Facilities Construction Group

May 31, 1992

Ms. Patricia A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA

Subject: PRC EMPLOYEES Temporarily Assigned to Facilities Construction Group

This is to renew our previous agreement dated August 4, 1986.

It is agreed that while this Letter of Agreement is in effect AT&T Bell Laboratories may, as the needs of the business require, temporarily assign EMPLOYEES in Prototype Realization Center (PRC) classifications, except Indian Hill, to only Facilities Construction Group work as helpers in accordance with the provisions set forth below.

It is further agreed that while this Letter of Agreement is in effect, EMPLOYEES holding classifications in the PRC Group, as set out in Exhibit IV of the General Agreement between Bell Laboratories and the Communications Workers of America dated May 31, 1992, shall be classified in the occupations covering the major portion of their regular work assignments, except those assigned to work with the Facilities Construction Group. In no case will any EMPLOYEE with a PRC Group classification be reclassified to reflect the fact that he/she may be spending a major portion of his/her time in Facilities Construction Group work, nor shall his/her rate of pay be changed from that rate which he/she currently receives or may receive at any time in accordance with his/her PRC Group classification during the term of this Letter of Agreement.

Bell Laboratories shall select PRC Group EMPLOYEES for Facilities Construction Group work within their base work unit as follows:

1. Bell Laboratories will designate the PRC Group classifications, the number of EMPLOYEES to be selected from those classifications, and the unit or units (unit as described in Article 14 of the General Agreement) to be affected.
2. EMPLOYEES shall be selected first on the basis of volunteers from each classification designated by Bell Laboratories up to the number required of such classification and second, if the required number has not been

reached by volunteers, then by inverse order of SENIORITY of EMPLOYEES in the classification up to the number of the classification.

- 3 Bell Laboratories will notify the UNION of the names of the EMPLOYEES to be selected, in accordance with Paragraph 2 above, for Facilities Construction Group work and the effective date for the assignment as far in advance as practicable. All EMPLOYEES will be advised that those assigned to Facilities Construction Group work may be subject to NIGHT TOUR work. If so assigned, the 10% NIGHT TOUR differential will be paid in accordance with the terms of the General Agreement.
- 4 Bell Laboratories may exclude from the above selection process for 60 days, EMPLOYEES it deems essential to the operation of numerically controlled lathes. Bell Laboratories shall exclude PRC Group EMPLOYEES who are disqualified by its Medical Group departments from working on Facilities Construction Group assignments and UNION REPRESENTATIVES in PRC Group classifications unless they volunteer with the approval of the Local President.

If Bell Laboratories decides that the work done by a selected EMPLOYEE in the Facilities Construction Group is unacceptable, it shall return him/her to his/her previous PRC Group work without prejudice. Bell Laboratories will assign a selected EMPLOYEE to Facilities Construction Group work for a minimum of one week. However, if Bell Laboratories decides that he/she is needed on his/her previous PRC Group job before one week has been completed, he/she may be returned to his/her previous job.

Selected EMPLOYEES will work the hours of the Facilities Construction Group to which they are assigned.

If Facilities Construction Group night shift work is necessary at a particular unit, Bell Laboratories will select EMPLOYEES for assignment to such work on the basis of:

- (a) volunteers, and then
- (b) inverse order of SENIORITY from EMPLOYEES who have already been assigned to Facilities Construction work at that particular location.

Bell Laboratories will furnish, replace, and continue to own any tools required by Bell Laboratories in order that EMPLOYEES selected for Facilities Construction work can perform their assigned work. EMPLOYEES shall return any such furnished tools to Bell Laboratories as the need for that tool ends.

Article 29 – Appendix C

All overtime in the Facilities Construction Group will continue to be assigned to Facilities Construction Group classifications and not to PRC Group EMPLOYEES assigned to Facilities Construction Group work. PRC Group EMPLOYEES assigned to Facilities Construction Group Work will be afforded the opportunity to work overtime in their PRC Group classifications in accordance with Article 4, Paragraph 2 of the General Agreement.

Article 11, Vacations, of the General Agreement shall apply to PRC Group EMPLOYEES assigned to Facilities Construction Group work in the same manner as it would have applied to them had they continuously worked in their PRC Group classifications.

PRC Group EMPLOYEES assigned to Facilities Construction Group work will continue to be eligible for consideration for promotion under Article 14 of the General Agreement the same as if they were working on PRC work in their classifications.

Note k will not be applicable to any PRC Group EMPLOYEE assigned to Facilities Construction Group work. Note i will not be applicable to Facilities Construction Group classifications merely because they are working with PRC Group EMPLOYEES.

The provisions of this Letter of Agreement will be subject to the grievance procedure in accordance with Article 16 of the General Agreement.

The General Agreement shall remain in effect except for the deviations made by this Letter of Agreement.

This Letter of Agreement shall be in effect for the duration of the current Agreement, or until 30 days after Bell Laboratories notifies the UNION of its desire to terminate it, whichever occurs earlier.

Please signify your agreement to the foregoing by signing the original of this letter at the place indicated below and return it to me. Two copies are provided for your records.

AT&T Bell Telephone Laboratories

By: /s/ BARBARA A. LANDMANN
BARGAINING AGENT

Agreed to on the 31st day of May, 1992

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ PATRICIA A. NIVEN
International REPRESENTATIVE

Pay Treatment for General Plant Mechanic -Trainees

May 31, 1992

Ms. Patricia A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA

Subject: Pay Treatment for General Plant Mechanic-Trainees

For the duration of the current bargaining Agreement, it is agreed that successful candidates for General Plant Mechanic-Trainee openings will be placed within the wage progression schedule for that job at their current wage rate. In the event that a successful candidate's current wage rate is higher than the MAXIMUM RATE for his or her particular training classification, he or she shall be frozen at the current wage rate and receive only General wage increases for the duration of the time spent in the GPM-Trainee classification.

This Letter of Agreement shall become effective with the General Agreement dated May 31, 1992, and shall continue in effect until the termination of the said General Agreement.

AT&T BELL LABORATORIES

By: /s/ BARBARA LANDMANN
BARGAINING AGENT

Agreed to on the 11th day of July, 1992

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ PATRICIA A. NIVEN
International REPRESENTATIVE

1995 Article 8 - Force Adjustment

June 15, 1995

Ms. Pat A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA
1030 St. Georges Avenue
Avenel, NJ 07701

Dear Ms. Niven:

Subject: Memorandum of Understanding
1995 Article 8 - Force Adjustment

In view of the substantial changes associated with Article 8 during 1995 negotiations, the following sets forth the parties understanding for purposes of initial application of the newly negotiated language.

For purposes of Article 8, a surplus EMPLOYEE may be deemed qualified to displace or fill a vacancy in a different corridor as defined in Paragraph 10 under the following conditions:

- (a) If he/she has previously worked in that classification during his/her career with Bell Labs.
- (b) The parties will verify, pursuant to a jointly agreed upon process between the parties, the EMPLOYEE'S out-of-corridor job assignments and qualifications.

The parties will, by September 1, 1995, jointly agree on a process for implementation of identifying EMPLOYEES qualification for out-of-corridor purposes. The EMPLOYEES will have a two-month period beginning October 1, 1995, to complete and submit their out-of-corridor self declared assignments by December 1, 1995.

- (c) A surplus EMPLOYEE'S most recent annual appraisal must be satisfactory or better and, in the judgment of the COMPANY, the EMPLOYEE must be able to perform the job within a reasonable training period, not to exceed two (2) weeks.

Please signify your agreement to the foregoing by signing the original of this letter in space indicated below and returning it to me by Monday, June 19, 1995.

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AT&T BELL LABORATORIES

By: /s/ C.A. McGill
BARGAINING AGENT

Agreed to on the 15th day of June, 1995

COMMUNICATIONS WORKERS OF AMERICA

/s/ P. A. Niven
CWA REPRESENTATIVE

Overtime Hours for Emergency Response Teams

May 31, 1992

Ms. Patricia A. Niven
International REPRESENTATIVE
COMMUNICATIONS WORKERS OF AMERICA

Subject: Overtime Hours for Emergency Response Teams

It is agreed that with respect to overtime equalization for participation on the Emergency Response Teams outside the EMPLOYEE'S SCHEDULED WEEKLY TOUR, the overtime hours accepted or refused for such participation will not be counted for equalization purposes under the following circumstances:

- Emergency Response Teams' training and team responses
This Letter of Agreement shall become effective with the General Agreement dated May 31, 1992, and shall continue in effect until the termination of the said General Agreement.

AT&T BELL LABORATORIES

By: /s/ BARBARA LANDMANN
BARGAINING AGENT

Agreed to on the 11th day of July, 1992

COMMUNICATIONS WORKERS OF AMERICA

By: /s/ PATRICIA A. NIVEN
International REPRESENTATIVE

ALTERNATIVE WORK SCHEDULE

The provisions for the Alternative Work Schedule are as follows:

1 Four Day Work Week

The SCHEDULED WEEKLY TOUR shall be four scheduled daily tours of not more than 10 hours each, with the exception of a MEAL PERIOD for not more than one hour. The three remaining days in the work week shall be known as "non-scheduled days." The SCHEDULED WEEKLY TOUR shall be Monday through Thursday or Tuesday through Friday, based on SENIORITY. Starting times consistent with ten hour shifts will fall between 6:00 A.M. with stopping times between 4:30 P.M. and 7:00 P.M.

2 Hourly Basic Rate

The hourly basic rate is determined by dividing the five (5) days weekly basic wage rate by 40 hours which is the SCHEDULED WEEKLY TOUR for New Jersey.

3 NIGHT TOUR

NIGHT TOUR is when an EMPLOYEE'S daily scheduled TOUR falls wholly or in part between 6:00 P.M. and 6:00 A.M. An EMPLOYEE on a NIGHT TOUR shall be paid a NIGHT WORK BONUS of 10 percent of ADJUSTED RATE for all time worked on such tours.

4 Overtime

(a) For those EMPLOYEES on the Four Day Work Week:

- (1) Daily overtime will be paid after ten (10) hours in a day.
- (2) Weekly overtime will be paid after forty (40) hours in a week.
- (3) DOUBLE TIME will be paid after eight (8) overtime hours (paid at 1.5) have been worked.

5 Hourly Time Bank

Vacations, Excused Work Days, Designated Holidays, and Floating Holidays will be converted to an hourly total and taken on an alternative TOUR length basis. Any remaining time (time less than an AWS Scheduled

Tour) will be designated as "residual time" and will be credited to the EMPLOYEE'S Hourly Time Bank.

6 Residual Time

- (a) Residual Time is time remaining in the Hourly Time Bank after an EMPLOYEE has taken either a holiday, vacation day, or excused work day on an alternative TOUR length basis. Residual Time may be taken as excused paid time in conjunction with vacation, designated holiday time, floating holiday time, or excused work day time.
- (b) If at the end of a CALENDAR YEAR the total Residual Time in an EMPLOYEE'S Hourly Time Bank is equal to or greater than the number of hours in such EMPLOYEE'S AWS Scheduled Daily Tour, the EMPLOYEE must take the necessary number of days off to reduce the number of hours to below the number of hours in such EMPLOYEE'S AWS Scheduled Daily Tour. If total Residual Time is less than the number of hours in such EMPLOYEE'S AWS Scheduled Daily Tour, the EMPLOYEE may take the Residual Time as excused paid time in one or more increments of no less than 2 hours each.
- (c) Residual Time that is not used in accordance with the previous provisions may be "Bought Out" by the COMPANY at the basic hourly rate (including any evening or night differentials when applicable). This will be limited to a single buy out per CALENDAR YEAR. In no case will the amount of Residual Time that is to be bought out be greater than the number of hours in an EMPLOYEE'S Scheduled Daily Tour.
- (d) "Pay in lieu of" situations applicable to vacations because of separations through DISMISSAL (except misconduct), LAYOFF, resignation, retirement, or death will also apply to Residual Time.

7 Leave Of Absence

EMPLOYEES on leaves of absence will be changed to the five day, standard hours per day for their location at New Jersey for the duration of the leave.

8 Termination Payment

Termination payment for an EMPLOYEE assigned to an Alternative Work Schedule shall be computed based on the standard weekly TOUR at AT&T Bell Laboratories, New Jersey, which is 40 hours.

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9 EMPLOYEE Benefits

Sickness or Accidental Disability Benefits for an EMPLOYEE assigned to an Alternative Work Schedule shall be based on the standard weekly TOUR at AT&T Bell Laboratories New Jersey, which is 40 hours.

10 Personal Illness

Sickness Wait Period will be converted from days to hours based on the existing articles contained in the CWA agreement at New Jersey.

11 Incidental Absences

(a) Incidental Absences are as follows:

(1) Jury Duty and Witness Duty

(2) EMPLOYEES shall be paid at the STANDARD RATE for time spent within their scheduled weekly tour. EMPLOYEES on NIGHT TOUR schedule will be rescheduled to a DAY TOUR during the period of such jury or witness duty.

(3) Judge and Clerk of Election

(4) EMPLOYEES shall be paid for such absence by the amount by which his or her STANDARD RATE exceeds the compensation for the election board service for scheduled time lost.

(5) Death in Immediate Family

(i) The EMPLOYEE shall be granted time off with pay at the standard daily rate not to exceed three working days.

(b) Incident absences will not be converted to hours.

Work Normally Done By Bargaining Unit EMPLOYEES

May 5, 1998

James H. Dennis, Jr.
CWA REPRESENTATIVE
Communications Workers of America
St. Georges Avenue
Avenel, NJ 07701

Dear Mr. Dennis:

Subject: Work Normally Done By Bargaining Unit EMPLOYEES

It is agreed that the BARGAINING AGENT for the Bell Laboratories Agreement will, on an annual basis, address the EMPLOYEES via electronic mail or where necessary by written document on the subject of the corporate responsibilities requiring adherence to the provisions of such Agreement, particularly in connection with the provisions of Article 24, Paragraph 1.

Please signify your agreement to the foregoing by signing the original of this letter in the space indicated below and return it to me by Wednesday, May 6, 1998.

Very truly yours,
LUCENT TECHNOLOGIES INC.
Bell Labs innovations

By: /s/ D.W. Graepel
Workforce Relations District Manager

Agreed to on the 29th day of May, 1998

COMMUNICATIONS WORKERS OF AMERICA

/s/ James H. Dennis, Jr.
CWA REPRESENTATIVE

Article 29 -- Appendix C

Job Vacancies And Promotions Information Booklet

May 27, 1998

James H. Dennis, Jr.
CWA REPRESENTATIVE
Communications Workers of America
1030 St. Georges Avenue, Suite 304
Avenel, NJ 07001

Dear Mr. Dennis:

Subject: Article 14 -- Job Vacancies and Promotion Information Booklet

The COMPANY will publish and make available to EMPLOYEES the Job Vacancies and Promotion Information Booklet as referenced in Article 14 of the contract. This document shall be made available by July 1, 1999.

The guidelines set forth in this document are subject to change at the discretion of the COMPANY.

Please signify your agreement to the foregoing by signing the original of this letter in the space indicated below and returning it to me by Friday, May 29, 1998.

Very truly yours,
LUCENT TECHNOLOGIES INC.
Bell Labs Innovations

By: /s/ D.W. Graepel
Workforce Relations District Manager

Agreed to on the 27th day of May, 1998

COMMUNICATIONS WORKERS OF AMERICA

/s/ James H. Dennis, Jr.
CWA REPRESENTATIVE

Professional Image

May 27, 1998

James H. Dennis, Jr.
CWA REPRESENTATIVE
Communications Workers of America
1030 St. Georges Avenue, Suite 304
Avenel, NJ 07001

Dear Mr. Dennis:

Subject: Professional Image

Lucent Real Estate and the Communications Workers of America recognize the need for a work environment, which fosters exceptional service to our customers. Customer feedback has suggested that by continuing to improve its "Professional Image," Lucent Real Estate will further establish itself as a vital business partner.

As an initial step to enhance its "Professional Image," Lucent Real Estate has discussed during these negotiations having all EMPLOYEES assigned to various classifications wear COMPANY supplied, cleaned, repaired and/or replaced clothing. The UNION has stated it supports the voluntary wearing of furnished clothing by its members and agrees that, within thirty (30) days of the date of this agreement, to form a Joint UNION/Management Team (four members each to be selected by each party respectively) -- the purpose of which is to increase the level of voluntary participation of its members in the wearing of approved clothing. *It is understood that EMPLOYEES are not required to participate and that this effort is limited to the Lucent Real Estate organization. Any expansion of this program requires the agreement of the UNION.*

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The parties agree to utilize "Workplace of the Future" methodology to reach resolution of this issue.

Very truly yours,
LUCENT TECHNOLOGIES INC.
Bell Labs Innovations

By: /s/ D. W. Graepel
Workforce Relations District Manager

Agreed to on the 27th day of May, 1998

COMMUNICATIONS WORKERS OF AMERICA

/s/ James H. Dennis, Jr.
CWA REPRESENTATIVE

**ARTICLE 30
REPAIR, DISTRIBUTION AND SERVICE AND SUPPORT**

1 The provisions of this Article apply only to EMPLOYEES assigned to the titles listed below:

(a) Hourly Rated Jobs

Global Provisioning Centers/Customer Information Center/Lucent Calibration and Repair Center
Grade A
Maintenance Specialist
Senior Repair Technician
Senior Technical Specialist
Grade B
Maintenance Mechanic
Repair Technician
Technical Specialist
Grade C
Coordinator
General Operator
Maintenance Operator
Repair Operator

(b) Service and Support Jobs

R10	R20	R30	R40	R50
Various	Various	Various	Various	Various
Titles	Titles	Titles	Titles	Titles

2 Movement of Personnel

(a) General

All adjustments to the work force in accordance with the provisions of this Article shall be initiated and made by the COMPANY.

(b) "GROUP" as used in this Article shall mean one of the following two Groups:

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- (1) Hourly-Rated Jobs Group
 - (2) Service and Support Jobs Group
- (c) "CLASSIFICATION CATEGORY" as used in this Article shall mean one of the following three Categories of related Job Classifications:
- (1) Senior Repair Technician, Senior Technical Specialist, Repair Technician, Technical Specialist, Coordinator, General Operator, Repair Operator.
 - (2) Maintenance Specialist, Maintenance Mechanic, Maintenance Operator.
 - (3) All Service and Support Job Classifications.
- (d) TERM OF EMPLOYMENT shall be given the most weight in the selection of an EMPLOYEE to fill a job vacancy.
- (e) "QUALIFICATIONS" as used in this Article shall be those factors determined by the COMPANY to be necessary prerequisites for performance of the job. QUALIFICATIONS are:
- (1) Required experience in job related tasks
 - (2) Required knowledge
 - (3) Required job skills
 - (4) Demonstrated satisfactory job performance
- (f) A vacancy shall be declared whenever a job opportunity requires an upgrade
- (g) A vacancy need not be declared when a job is to be filled by:
- (1) A temporary upgrade
 - (2) Obligatory reinstatements from Leaves of Absence
 - (3) A lateral transfer

- (h) If the UNION objects to any move made in accordance with the provisions of this Article, the matter may, if presented within sixty (60) days after the effective day of such move, be processed in accordance with ARTICLE 8, GRIEVANCE PROCEDURE, and ARTICLE 9, ARBITRATION provided that in any such case, the authority of the Arbitrator shall be limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised.

3 General Procedures for Filling Vacancies in Job Classifications

- (a) When a vacancy is declared in an OCCUPATIONAL JOB CLASSIFICATION, it shall be advertised on COMPANY designated bulletin boards (s) in the LOCATION for a minimum of seven (7) calendar days. Each such advertisement shall include the following information:
 - (1) Job classification
 - (2) Grade
 - (3) Range of Wage or Salary
 - (4) Basic duties and QUALIFICATIONS
 - (5) Location
 - (6) Shift
 - (7) Closing date for receipt of nominations
 - (8) Person designated to receive nominations
- (b) EMPLOYEES may bid for advertised job vacancies by submitting the prescribed form to the individual identified in accordance with Paragraph 3 (a) 8 above. However, EMPLOYEES downgraded to a lower grade at their own request may be excluded from any consideration for upgrade to a higher grade for a period of up to twelve (12) months.

4 Selection Criteria for Filling Vacancies in Job Classifications

- (a) First consideration shall be given to EMPLOYEES with QUALIFICATIONS from the same grade and CLASSIFICATION CATEGORY who nominate themselves for advertised job vacancies.

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- (b) Second consideration shall be given to EMPLOYEES with QUALIFICATIONS from the next lower grade and then in the same manner in successively lower grades below the vacancy in the same CLASSIFICATION CATEGORY.
- (c) Third consideration shall be given to EMPLOYEES with QUALIFICATIONS from higher grades above the vacancy in the same CLASSIFICATION CATEGORY.
- (d) Fourth consideration shall be given to EMPLOYEES at the location with QUALIFICATIONS in another CLASSIFICATION CATEGORY, but in the same GROUP, in order of TERM OF EMPLOYMENT.
- (e) Fifth consideration shall be given to former EMPLOYEES with QUALIFICATIONS who were LAID OFF or terminated because no work was available at the expiration of a Personal Leave of Absence during the previous thirty-six (36) months from the GROUP where the vacancy occurs.
 - (1) 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 or her scheduled date of LAYOFF shall, for recall purposes be considered to have been LAID OFF as of his or her scheduled date of LAYOFF.
 - (2) Former EMPLOYEES who were LAID OFF or who were terminated because no work was available at the expiration of a Personal Leave of Absence shall be given consideration as provided above provided they have not previously refused an opportunity for reemployment and provided further that they respond to the COMPANY'S offer within fourteen (14) calendar days from the date of notice.
 - (3) It shall be the responsibility of such former EMPLOYEES to notify the COMPANY, at the designated employment office, of their desire for re-employment and to keep the COMPANY currently informed of their correct addresses.
 - (4) Notice for rehiring shall be mailed by certified or registered letter to the last known address of the LAID-OFF REGULAR EMPLOYEE.

- (5) A physical defect possessed by an EMPLOYEE and known by the COMPANY prior to LAYOFF shall not of itself debar the EMPLOYEE from reemployment.
- (f) Sixth consideration shall be given to other EMPLOYEES with QUALIFICATIONS within the respective LOCATION in order of TERM OF EMPLOYMENT.
- (g) Seventh consideration shall be given to former EMPLOYEES from another GROUP with QUALIFICATIONS who were LAID OFF or who were terminated because no work was available at the expiration of a Personal Leave of Absence during the previous thirty-six (36) months. Refer to Paragraphs 4(e)(1) through 4(e)(3) above for additional guidelines applicable to EMPLOYEES within this category.
- (h) Eighth consideration shall be given to Lucent Technologies EMPLOYEES with QUALIFICATIONS in other bargaining units who are eligible for consideration in accordance with RDS&S Functional Article - FACILITY CLOSING PROGRAM, as a single group in order of TERM OF EMPLOYMENT.
- (i) Ninth consideration shall be given to other EMPLOYEES with QUALIFICATIONS in accordance with the provisions of the Lucent Technologies Transfer System and Lucent Technologies Rehire System.
- (j) Tenth consideration shall be given to new hires.

5 Effect of Lack of Work

- (a) When lack of work necessitates decreasing the work force, the EMPLOYEES to be LAID OFF shall be selected in the inverse order of TERM OF EMPLOYMENT from the GROUP combined as one universe.
- (b) When lack of work requires decreasing the work force, the EMPLOYEES shall be selected as surplus in inverse order of TERM OF EMPLOYMENT from the CLASSIFICATION AFFECTED. An EMPLOYEE selected as surplus or an EMPLOYEE who becomes surplus by displacement shall be considered for placement in the following successive steps:
 - (1) Displacing by a lateral move to another classification in the same grade another EMPLOYEE who has the least TERM OF

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EMPLOYMENT provided that the surplus EMPLOYEE is considered to be QUALIFIED to perform efficiently in the job classification into which he or she is being moved.

- (2) Displacing another EMPLOYEE who has the least TERM OF EMPLOYMENT in the next lower grade and then in the same manner in successively lower grades on the same basis as provided in Paragraph 5(b)(1).
- (c) An EMPLOYEE scheduled to be LAID OFF shall be given thirty (30) calendar days notice of such LAYOFF. The UNION shall be notified prior to notification of individual EMPLOYEES. The COMPANY may, at its option, grant up to thirty (30) days pay in lieu of advance notice to the EMPLOYEE.
- (d) In the event one or more operations are to be transferred between locations and Local Management determines the needs of the business so require, Local Management may make exceptions to the procedures specified in Paragraphs 5 and retain EMPLOYEES of relatively short service. When such exceptions are made the COMPANY must notify the UNION in writing seven (7) days in advance.
- (e) It is understood that there may be special circumstances where a surplus condition exists and where one or more junior EMPLOYEES, who otherwise would be subject to lay-off, possess specific skills necessary to the maintenance of the business. In these cases, it is agreed that such EMPLOYEES may be retained by the COMPANY beyond a scheduled lay-off date under the following conditions:
 - (1) The UNION is notified of such special circumstances at the time of the surplus announcement.
 - (2) Any extension of the EMPLOYEES' lay-off date shall be for a specific time period mutually agreed upon between the COMPANY and the UNION.
 - (3) The extended lay-off date for such EMPLOYEES, under these special circumstances, shall be solely for the purposes of training more senior EMPLOYEES.
 - (4) If no agreement can be reached, the junior EMPLOYEE shall be retained up to a maximum of sixty (60) days to accomplish the training referred in subparagraph 3 above.

6 HOURS OF WORK

(a) Work Schedules

The COMPANY shall have the right to introduce new work schedules, to make changes in the starting and stopping times of SCHEDULED DAILY TOURS, including the starting and stopping time and length of lunch periods, and to vary from the SCHEDULED DAILY or WEEKLY TOURS.

- (b) The COMPANY shall notify the UNION in writing of new work schedules, or any change or variation in existing work schedules, at least seven (7) calendar days in advance of the effective date, except where emergency situations make it impractical to do so. Negotiations thereon shall take place when requested by the UNION and in the event of such negotiations, the new schedule, change or variation proposed by the COMPANY may be placed in effect pending agreement between the parties.
- (c) The COMPANY may change an individual EMPLOYEE'S work schedule by notifying the EMPLOYEE and the UNION at least 48 hours in advance of the first changed hour.
- (d) When an EMPLOYEE'S work schedule is changed without forty-eight (48) hours' notice in advance of the first changed hour, as provided for in Paragraph 1(c), all hours worked outside of the EMPLOYEE'S established schedule shall be paid at the overtime rate. (See ARTICLE 22).
- (e) The UNION or any LOCAL thereof will not schedule any Membership Meeting which may have the same effect as a strike or work stoppage.
- (f) Upon personal request, EMPLOYEES will be excused without pay to attend Membership Meetings held during their normal working hours to the extent that the needs of the business will permit.

7 Rest Periods

- (a) The COMPANY will provide one (1) rest period of fifteen (15) minutes during each four-hour work period for all EMPLOYEES in the bargaining unit.

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(b) The COMPANY will ordinarily schedule rest periods approximately in the middle of working periods but they may be staggered to permit maximum use of adjacent facilities. During the scheduled rest periods, EMPLOYEES will be permitted to leave their usual work places and utilize in the time provided such facilities as the COMPANY designates.

(c) Rest period time shall be treated as time worked.

Minimum Payment for Time Worked on Saturday and Sunday

When, at the direction of the COMPANY, an EMPLOYEE reports for work on Saturday or Sunday (or DAY IN LIEU OF SATURDAY OR SUNDAY), such EMPLOYEE shall be given at least two (2) hours' work or paid a minimum of two (2) hours at the applicable rate.

**APPENDIX 30 – A
TRANSFERS, TRAVEL ALLOWANCES AND MOVING EXPENSES**

- 1 The following provisions apply to those EMPLOYEES in titles covered under Article 30.
- 2 Travel Allowances - Temporary Transfers, Assignments or Reassignments Within Commuting Distance
 - (a) An EMPLOYEE temporarily transferred, assigned or reassigned to a reporting location within commuting distance of the EMPLOYEE'S regular reporting location (whether or not it is within the EMPLOYEE'S GCA) who is not otherwise reimbursed for expenses associated with the transfer, assignment or reassignment shall be paid one (1) or two (2) allowances each day, as appropriate, in accordance with the following schedule provided the COMPANY determines that:
 - (1) Travel to or from the EMPLOYEE'S temporary reporting location occurs wholly outside of the EMPLOYEE'S scheduled tour,
 - (2) The EMPLOYEE does not travel via COMPANY provided transportation, and
 - (3) The transfer, assignment or reassignment results in either a longer commuting distance for the EMPLOYEE or an increase in commuting expense to the EMPLOYEE:

Distance in Road Miles From The EMPLOYEE'S Regular Reporting Location to the Temporary Reporting Location	Allowance (One Way)
Over 1 mile, but not over 3 miles	\$ 5.00
Over 3 miles, but not over 5 miles	\$ 6.00
Over 5 miles, but not over 15 miles	\$ 8.00
Over 15 miles, but not over 25 miles	\$ 9.00
Over 25 miles, but not over 35 miles	\$12.00

Article 30 – Appendix A

3 Travel Allowances - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance

- (a) If an EMPLOYEE is temporarily transferred, assigned or reassigned to a reporting location more than thirty-five (35) road miles from the permanent reporting location, or to a location to which, in the judgment of the COMPANY, daily commuting is not practical, the COMPANY will, at the option of the EMPLOYEE:
 - (1) Provide the per diem expense reimbursement of either Paragraph 3(b) or 3(c) plus reimbursement for lodging at the location, or;
 - (2) Providing an EMPLOYEE meets the criteria of Paragraphs 2(a)(1), 2(a)(2) and 2(a)(3), afford the EMPLOYEE the option of reimbursement for actual commuting mileage at the thirty six (\$0.36) cents, per mile or sixty dollars (\$60.00) per day, whichever is less. Except as provided in 3(e) below, on temporary assignments of greater than one (1) day, commuting time for EMPLOYEES reimbursed pursuant to this Paragraph shall not be considered time worked.
- (b) The per diem expense payment for those temporary transfers, assignments or re-assignments in which lodging only is provided shall be forty dollars (\$40.00) a day for the first five (5) days and shall be fifty dollars (\$50.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging only is provided covers meals, laundry, local transportation, gratuities, and other expenses that the EMPLOYEE may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.
- (c) The per diem expense payment for those temporary transfers, assignments or re-assignments in which lodging and meals are provided shall be four dollars (\$4.00) a day for the first five (5) days and shall be six dollars (\$6.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging and meals are provided covers laundry, local transportation, gratuities, and other expenses that the EMPLOYEE may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.

- (d) Except in the case of an EMPLOYEE attending a COMPANY school at which the EMPLOYEE is required to live and remain, if the temporary work location is more than thirty-five (35) road miles from the EMPLOYEE'S regular reporting location, an EMPLOYEE may elect to receive an allowance of fifty dollars (\$50.00) per day in lieu of board and lodging for each day of the temporary assignment so long as the EMPLOYEE does not actually commute between his or her home and the temporary reporting location.
- (e) Time spent traveling at the start and end of an assignment under the provisions of Paragraphs 3(a) and 3(d) will be considered time worked. This will not include time spent traveling to and from the temporary living quarters to the temporary work location.

4 Interim Return Home

- (a) If the temporary work location is more than thirty-five (35) road miles from the EMPLOYEE'S regular reporting location, the COMPANY will provide for travel reimbursement to return the EMPLOYEE to his or her home for two consecutive non-scheduled days every third week of the temporary assignment.
- (b) In lieu of the provision of Subparagraph 4(a) above, when an EMPLOYEE is attending a COMPANY school at which he or she is required to live and remain, the EMPLOYEE shall be eligible to periodically return to his or her home according to the requirements of the school.
- (c) EMPLOYEES who are authorized to periodically return to their homes, shall be reimbursed, as determined by the COMPANY, as follows:
 - (1) Personal vehicle usage at the rate of the thirty six (\$0.36) cents per mile plus actual out-of-pocket, travel-related expenses; or
 - (2) authorized expense for travel by public transportation when such is convenient.
- (d) Time spent traveling under the provisions of this Paragraph shall not be considered as time worked.
- (e) When an EMPLOYEE leaves the temporary location under these provisions, the EMPLOYEE will release his or her room and make a reservation for the date of return. The COMPANY shall not be required to pay lodging not actually used.

5 Transportation to Temporary Assignment

- (a) The COMPANY will provide or determine the mode of transportation to the temporary assignment.
- (b) Should the EMPLOYEE request and be granted permission to use a means of transportation other than the preferred COMPANY mode of transportation, reimbursement will be made as follows:
 - (1) Time for travel will be based on a reasonable duration had the EMPLOYEE used the COMPANY preferred mode of transportation.
 - (2) Personal vehicle usage will be reimbursed at the thirty-six (\$0.36) cents per mile up to the cost of the lowest round trip fare to the temporary assigned destination, based on the COMPANY'S preferred mode of transportation.
 - (3) No per diem expense reimbursement or lodging reimbursement will be made over what would have been reimbursed had the preferred COMPANY mode of transportation been used.

6 Travel Expenses During Work Time

- (a) EMPLOYEES required to travel after the start of or before the end of their tours will be provided transportation by the COMPANY or reimbursed for travel-related out-of-pocket expenses and/or authorized use of their personal vehicle in connection with such travel. EMPLOYEES who travel by public transportation will be reimbursed for their actual out-of-pocket, travel-related expenses. EMPLOYEES who are authorized to use their personal vehicles for such travel will be reimbursed at the thirty six (\$0.36) cents per mile plus actual out-of-pocket, travel-related expenses.

7 Moving Expenses

- (a) An EMPLOYEE (1) who is permanently transferred, assigned or reassigned outside the GCA and (2) whose new reporting location is more than thirty-five (35) road miles distant from the EMPLOYEE'S old reporting location and (3) who has an increase in road miles from the EMPLOYEE'S current permanent residence to the new work location will be provided a lump sum payment of \$14,000.00 or the amount of termination allowance the EMPLOYEE would receive if the

EMPLOYEE were LAID OFF, whichever is less; provided however, that in no case shall such a relocating EMPLOYEE be paid a lump sum payment of less than \$5,750.00.

- (1) The lump sum payment will be subject to the withholding of appropriate taxes.
 - (2) Appropriate change-of-residence documentation will be provided to management within forty-five (45) days of the change of residence.
 - (3) Change of residence must be completed within one (1) year of the date of transfer.
 - (4) A maximum of three (3) business days as time off for house hunting; and
 - (5) Time off for relocation of one (1) business day for each 500 miles transferred and one (1) additional day at each end of the move.
- (b) An EMPLOYEE entitled to moving expenses under the provisions of Paragraph 7(a) may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of \$1,750.00 in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.
- (c) EMPLOYEES transferred via this Appendix D who meet the appropriate relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon LAYOFF; or (2) \$14,000 if the following conditions are met:
- (1) The EMPLOYEE is LAID OFF at the new site within three (3) years of placement; and
 - (2) The EMPLOYEE relocates back to the original geographical location; and
 - (3) The EMPLOYEE does not qualify for any other Lucent provided relocation compensation program.

**APPENDIX 30 – B
FACILITY CLOSING PROGRAM**

- 1 If during the term of this Agreement, the COMPANY notifies the UNION that it will close a facility at which EMPLOYEES represented by the UNION are employed, the COMPANY will offer certain financial assistance to eligible regular EMPLOYEES who are on the COMPANY'S roll at that facility as of the date of such notice. The financial assistance shall be offered in accordance with the following provisions:
 - (a) An EMPLOYEE having a TERM OF EMPLOYMENT of less than fifteen (15) years as of the scheduled date of termination due to a facility closing shall receive:
 - (1) A Termination Allowance computed in accordance with APPENDIX D, TERMINATION ALLOWANCES. Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.
 - (2) Reimbursement of up to \$2500 for certain educational, training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED program, provided such EMPLOYEE has at least one (1) year of TERM OF EMPLOYMENT as of his/her date of termination).
 - (b) An EMPLOYEE having a TERM OF EMPLOYMENT of fifteen (15) years or more as of the scheduled date of termination due to a facility closing will be subject to the following:
 - (1) Where a job of a comparable level is available at another Lucent Technologies Facility and the COMPANY deems it appropriate, it shall offer such job to a qualified EMPLOYEE at the facility being closed. If such an offer is made and the EMPLOYEE accepts the job within the period of time designated by the COMPANY, he/she will be eligible to reimbursement for payment for certain relocation expenses in accordance with Paragraph 1(b)(2) below provided:
 - (i) The job being offered is not located at a facility in the same metropolitan area as the facility being closed and,
 - (ii) The EMPLOYEE transfers to such job assignment by the date designated by the COMPANY.

- (2) An eligible EMPLOYEE who is transferred by the COMPANY to a job at another Lucent Technologies facility outside the metropolitan area of the closing facility, shall be entitled to receive:
 - (i) Relocation Expense Treatment as specified in Paragraph 8, Relocation Expenses, of the Lucent Transfer Program.
 - (ii) Time off for House Hunting as follows:
A maximum of three (3) business days; and,
 - (iii) Time off for Relocation as follows:
One (1) business day for each 500 miles transferred, and,
One (1) additional day off on each end of the move.
- (3) An EMPLOYEE who refuses such a job offer will, upon termination, receive a Termination Allowance computed in accordance with APPENDIX D, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.
- (4) Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.
- (5) Where a job offer as described in Paragraph 1(b)(1) is not made, or if the EMPLOYEE refuses a job offer of a job at a lower than comparable level at a facility outside the metropolitan area of the facility being closed, such an EMPLOYEE will, upon termination of his/her employment, be eligible to receive:
 - (i) A Termination Allowance computed in accordance with APPENDIX D, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above. Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.
 - (ii) Reimbursement of up to \$2500 for certain educational training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED) program.

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- (c) In the event an EMPLOYEE, regardless of TERM OF EMPLOYMENT, is offered a job of a comparable or higher level at another Lucent Technologies facility in the same metropolitan area as the facility being closed and refuses such offer, he/she will not be eligible to any Termination Allowance nor any benefits provided under this Program. Where such offer involves a job at a lower than comparable level and the EMPLOYEE refuses, such an EMPLOYEE will, upon termination of his/her employment, be eligible to receive a Termination Allowance computed in accordance with APPENDIX D, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.
- 2 Except as specifically provided in this paragraph, neither the Facility Closing Program nor its administration shall be subject to arbitration. Arbitration shall be limited to the following issues:
 - (a) Whether an EMPLOYEE is eligible, with regard to TERM OF EMPLOYMENT, for benefits under the Program, or
 - (b) Whether or not a job offered under Paragraphs 1(b) or 1(c) is of a comparable level, or
 - (c) Whether a particular education, training, outplacement or relocation expense is a reimbursable expense under the provisions of the Program.
- 3 Where the COMPANY deems it appropriate, it may apply any or all of the terms of the Program to EMPLOYEES who may be terminated as the result of major work consolidation or other actions that have a major impact on EMPLOYEES but does not constitute the complete closing of a facility.
- 4 The following conditions shall apply to all UNION represented EMPLOYEES transferring from a closing facility into the bargaining unit at any other Lucent Technologies facility whose collective bargaining agreement includes the Facility Closing Program provisions:
 - (a) An EMPLOYEE may be transferred with his or her job and assigned the appropriate Occupational Job Classification at the receiving location provided qualified bidders and qualified former EMPLOYEES on LAYOFF eligible to recall at the receiving location, who have greater TERM OF EMPLOYMENT, have been exhausted.

- (b) An EMPLOYEE may be transferred other than with his or her job provided the transfer is to an entry level job and further provided that the LAYOFF recall list, if any, at the receiving location has been exhausted.
 - (c) An EMPLOYEE transferred in accordance with Paragraph 4(a) or 4(b) above, shall maintain his or her TERM OF EMPLOYMENT for purposes of LAYOFF and all other purposes.
- 5 A ___*___ (See Note) REPRESENTATIVE who participate on the Joint Labor- Management Steering Committee and whose functions involve contract administration during the plant phase-down or facility closing will not be terminated under the Facility Closing Program until the workforce is stabilized or the facility is closed.
- 6 A Local UNION President at a facility which is closing and up to ___*___ (See Note) other UNION REPRESENTATIVE (S) who have the responsibility for representing EMPLOYEES at such facility while working in an EMPLOYEE Resource Center at the time of acceptance for transfer to another facility in accordance with Paragraph 4(a) or 4(b) shall have the opportunity to delay such transfer. Such EMPLOYEE is assured that a job in an Occupational Job Classification in the same Grade, Level, Tier or Wage Schedule, whichever is applicable, as the job for which he or she had been accepted will remain available at the receiving location, provided he or she transfers prior to the date production essentially ceases at his or her facility. For EMPLOYEES transferring in accordance with Paragraph 4(a) or 4(b) their service date for Movement of Personnel purposes at the receiving location shall be retroactive to the date the EMPLOYEE would have reported to the receiving location had he/she not been assigned to the EMPLOYEE Resource Center.
- 7 An EMPLOYEE whose transfer to another facility in accordance with the provisions of this Article results in a "Downgrade" as defined in Paragraph 2, Definitions, of the Lucent Transfer Program will be treated in accordance with the provisions of Paragraph 7, Wage Treatment/Protection, of the Lucent Transfer Program.

Note: The appropriate number for a closing location to be jointly determined by the Joint Labor-Management Steering Committee.

**APPENDIX 30 – C
WAGES**

1 The following provisions apply to those EMPLOYEES in titles covered under Article 30:

2 Promotions, Demotions and Lateral Reclassifications

- (a) When an EMPLOYEE is reclassified to another Occupational Job Classification which is in the same Job Grade it shall be considered a "lateral reclassification."
- (b) When an EMPLOYEE is reclassified from a lower job grade to a higher job grade it shall be considered a "promotion."
- (c) When an EMPLOYEE is reclassified from a higher job grade to a lower job grade it shall be considered a "demotion."
- (d) When an EMPLOYEE is reclassified to an Occupational Job Classification which is outside his or her occupational job classification plan, the provisions of Paragraph 2, Definitions, of the LUCENT TRANSFER PLAN shall be used to determine if the reclassification constitutes an "Upgrade," "Downgrade" or "Lateral." For purposes of this Article, an "Upgrade" shall be considered a "promotion" and a "Downgrade" shall be considered a "demotion."

For promotions other than Temporary Promotions, and for reclassifications to other Occupational Job Classifications, an EMPLOYEE'S STANDARD RATE shall be established as follows:

(e) Lateral Reclassifications:

- (1) The EMPLOYEE shall be moved to the nearest Progression Step on the Wage Schedule of the job to which reclassified which does not result in a reduction in STANDARD RATE.

(f) Promotions:

Except as provided in 2(f)(1), and 2(f)(2), the EMPLOYEE shall be moved to a whole Progression Step above the nearest Progression Step on the Wage Schedule of the job to which promoted.

- (1) The STANDARD RATE of an EMPLOYEE promoted to a job grade in which the EMPLOYEE previously performed shall not be

less than the STANDARD RATE formerly received in that job grade. However, when an EMPLOYEE had been demoted due to lack of work from a higher job grade to a lower job grade and the EMPLOYEE subsequently is returned to the job grade the EMPLOYEE shall be moved to the same Progression Step the EMPLOYEE held prior to demotion.

- (2) In no case, however, shall an EMPLOYEE'S STANDARD RATE be increased to an amount which exceeds the MAXIMUM RATE of the job to which promoted.

(g) Demotions due to lack of work:

- (1) The EMPLOYEE shall be moved to the nearest Progression Step on the Wage Schedule of the job to which demoted which is immediately below the EMPLOYEE'S STANDARD RATE prior to demotion.

(h) Other Demotions:

When an EMPLOYEE is demoted from a higher job grade to a lower job grade:

- (1) Because of incompetency; or
- (2) At the EMPLOYEE'S request;

The EMPLOYEE shall be moved to the nearest Progression Step on the Wage schedule of the job to which demoted which is immediately below the EMPLOYEE'S STANDARD RATE prior to demotion.

Temporary Promotion Allowance

- (a) An EMPLOYEE who is temporarily promoted to a higher job grade shall be eligible to receive a Temporary Promotion Allowance (TPA) in the amount of ten dollars (\$10.00) per day for each Job Grade for each day such EMPLOYEE is assigned to work in the higher Job Grade. While on such temporary assignment the EMPLOYEE shall continue to receive the STANDARD RATE he or she would have been paid in the lower Job Grade.
 - (1) However, in no event shall the combination of a TPA, when divided by the number of hours worked in a day and added to the EMPLOYEE'S STANDARD RATE, exceed the MAXIMUM RATE

of the job grade to which the EMPLOYEE is temporarily promoted.

3 Treatment for EMPLOYEES with the 1989 Supplementary Wage Protection Allowance (Warehouse Plug)

EMPLOYEES with the Supplementary Wage Protection Allowance, commonly known as a Warehouse Plug ("plug"), will retain their plug at its current value as long as the EMPLOYEE remains in the grade or occupation level to which assigned. (It shall not be reduced.).

4 Temporary Upgrading

- (a) Upgradings which are to be in effect for only a limited period of time, and which are due to conditions such as absences due to vacation, sickness, and special service demands shall be considered as TEMPORARY UPGRADINGS. EMPLOYEES selected for TEMPORARY UPGRADINGS shall ordinarily be those who would be upgraded were the upgrading to be on a permanent basis.
- (b) TEMPORARY UPGRADING assignments intended to cover for vacation and special service demands shall be for a minimum period of one (1) day. No TEMPORARY UPGRADING assignment intended to cover for vacation and special service demands will extend beyond twelve (12) CALENDAR WEEKS without agreement from the Local UNION.
- (c) TEMPORARY UPGRADING assignments intended to cover for sickness, sickness disability or accident disability shall be for a minimum period of one (1) day. A TEMPORARY UPGRADE assignment intended to cover for sickness, sickness disability or accident disability can be up to the length of the sickness, sickness disability or accident disability, but will not extend beyond sixteen (16) CALENDAR WEEKS without agreement from the Local UNION.
- (d) An EMPLOYEE on a TEMPORARY UPGRADE assignment shall receive a Temporary Promotion Allowance (TPA) in the amount of ten dollars (\$10.00) per day for each job grade for each day such EMPLOYEE is assigned to work in the higher job grade.
- (e) When EMPLOYEES are temporarily upgraded, they shall be notified of the temporary nature of the move, the approximate duration and the rate treatment. The LOCAL UNION shall be notified in writing, in

advance, of the duration, wage treatment, and any extensions of TEMPORARY UPGRADINGS.

- (f) When it becomes evident during a period of TEMPORARY UPGRADING that the assignment is to be permanent, the LOCAL shall be informed in writing of the change in the status of the upgrading from a temporary to a permanent basis. If the EMPLOYEE temporarily upgraded is not the one who is selected for permanent upgrade, the EMPLOYEE shall be returned to the EMPLOYEES' former grade.
- (g) Upon the completion of temporary assignments, EMPLOYEES shall be returned to their former grades of work.

5 Wage Treatment of Grade C EMPLOYEES transferring within and from outside of the RDS&S Bargaining Unit.

- (a) EMPLOYEES transferring within the RDS&S Bargaining Unit Grade C position will be placed from the present dollar rate to the nearest step on the applicable Grade C Wage Schedule ensuring no loss of pay.
- (b) EMPLOYEES transferring from outside the RDS&S Bargaining Unit to a Grade C position will be placed from the present dollar rate to training step 10 of the applicable Grade C Wage Schedule.

6 General

An EMPLOYEE returning from a LAYOFF or formal Leave of Absence shall be assigned a STANDARD RATE which is equitable in comparison with the STANDARD RATES of other EMPLOYEES of comparable service, experience and ability on the job to which the EMPLOYEE is assigned. However, if the EMPLOYEE is reassigned to the same job to which assigned at the time of taking formal Leave, he or she shall receive a STANDARD RATE not less than that received by him or her at the time such Leave began.

**APPENDIX 30 – D
TERMINATION ALLOWANCES**

- 1 The following provisions apply to those EMPLOYEES in titles covered under Article 30.
- 2 An EMPLOYEE LAID OFF shall be granted a Termination Allowance in accordance with the following, except as provided in Paragraph 4:

TERM OF EMPLOYMENT	TERMINATION ALLOWANCE	TERM OF EMPLOYMENT	TERMINATION ALLOWANCE
At Date of LAYOFF	Number of Weeks' Pay	At Date of LAYOFF	Number of Weeks' Pay
Less than 1 year	0	17 years	32
1 year	1	18 years	36
2 years	2	19 years	40
3 years	3	20 years	45
4 years	4	21 years	50
5 years	5	22 years	55
6 years	6	23 years	60
7 years	7	24 years	65
8 years	9	25 years	70
9 years	11	26 years	75
10 years	13	27 years	80
11 years	15	28 years	85
12 years	17	29 years	90
13 years	19	30 years	95
14 years	21	31 years	100
15 years	24	32 or more years	104
16 years	28		

3 Computation

- (a) Termination Allowance payments shall be computed at an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect as of the date of LAYOFF with a minimum, for other than a part-time EMPLOYEE, equal to four (4) of the EMPLOYEE'S SCHEDULED DAILY TOURS per week.
 - (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 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 of LAYOFF. 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.

4 Periodic Income Protection Payments

- (a) The EMPLOYEE shall have the option of receiving the Termination Allowance (1) in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.
 - (1) 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 Termination Allowance Factor applicable to the EMPLOYEE. (Any odd balance will be carried forward into another pay cycle). An EMPLOYEE'S Termination Allowance factor is the dollar figure used as a "week of pay" in calculating the total Termination Allowance to which that EMPLOYEE is entitled.
 - (2) Periodic installments shall continue until the earliest occurrence of any of the following events:
 - (i) The total amount of the installments to the EMPLOYEE equals the total amount of Termination Allowance which the EMPLOYEE is to receive.
 - (ii) The EMPLOYEE is recalled or re-employed as a regular EMPLOYEE by Lucent Technologies or any of its affiliates, subsidiaries or entities.
- (b) When an EMPLOYEE has received a Termination Allowance in lump sum and is subsequently recalled or rehired as a regular EMPLOYEE to a job in the bargaining unit and the number of weeks since date of LAYOFF is less than the number of weeks of Termination Allowance granted, the amount of Termination Allowance paid the EMPLOYEE for the excess number of weeks shall be considered as an advance in pay by the COMPANY and repayable through payroll deduction at the rate of ten percent (10%) of such EMPLOYEE'S wages.

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- (c) An EMPLOYEE who has been reemployed following a period of LAYOFF and who is again LAID OFF shall be granted a Termination Allowance in accordance with the following:

<u>Continuous Service Since Date of Latest Employment</u>	<u>Termination Allowance</u>
Less than 5 years	Termination Allowance in accordance with Paragraph 2 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 in accordance with Paragraph b paid to EMPLOYEE as Termination Allowance at time of prior LAYOFF or LAYOFFS.
5 years or more	Termination Allowance in accordance with Paragraph 2.

Note: When an EMPLOYEE'S TERM OF EMPLOYMENT prior to reemployment is not credited, Termination Allowance shall be based on TERM OF EMPLOYMENT since date of such reemployment.

**APPENDIX 30 – E
RDS&S OTHER AGREEMENTS**

The following provisions apply to those EMPLOYEES in titles covered under Article 30.

Other Agreements

Memorandum Of Understanding

Part-Time, Temporary EMPLOYEES or Agency Temporaries

Subject: Part-Time, Temporary EMPLOYEES or Agency Temporaries

This will confirm our understanding dated May 27, 1995 and subsequently amended October 11, 1995 concerning the use of Part-Time, Temporary EMPLOYEES or Agency Temporaries as defined in the General Agreement.

The hiring of Part-time or Temporary EMPLOYEES or the use of Agency Temporaries shall not be done without specific agreement by the UNION. Furthermore, it is understood that:

All provisions of our General Agreement and other agreements shall apply to Part-Time and Temporary EMPLOYEES in accordance with their terms;

Temporary EMPLOYEES shall be limited to employment of no more than twelve (12) months without a specific amendment to this Understanding;

If a Location has former EMPLOYEES who are eligible to rehire from LAYOFF in accordance with the terms of the General Agreement, such former EMPLOYEES shall be offered the opportunity for Temporary employment and refusals to accept such employment shall not disqualify them from future employment;

If a surplus condition occurs, the COMPANY shall, prior to the LAYOFF of regular EMPLOYEES, terminate Temporary EMPLOYEES and discontinue the services of Agency Temporaries.

That Temporary EMPLOYEES shall not be hired when the hiring of Regular EMPLOYEES appears justified.

That Part-Time EMPLOYEES shall not be hired when the hiring of Full-Time EMPLOYEES appears justified.

AGREED:

FOR THE UNION
/s/ R. V. Maly, Jr.
RALPH V. MALY, JR.
SIGNING REPRESENTATIVE

FOR THE COMPANY
/s/ R. A. Carbone
RICHARD A CARBONE
BARGAINING AGENT

Other Agreements

Memorandum Of Understanding

EMPLOYEE Disciplinary Files

Subject: EMPLOYEE Disciplinary Files

This will confirm our understanding with regard to the CWA bargaining proposal to destroy EMPLOYEE disciplinary files after those files become 3 years old.

The COMPANY is willing to create an "archive" which will serve as the final resting place for disciplinary files that are more than 3 years old. Therefore, all discipline letters will be transferred to the archive after the letters are 3 years old.

AGREED:

FOR THE UNION
/s/ R. V. Maly, Jr.
RALPH V. MALY, JR.
SIGNING REPRESENTATIVE

FOR THE COMPANY
/s/ R.A. Carbone
RICHARD A. CARBONE
BARGAINING AGENT

Other Agreements

Memorandum Of Understanding

Labor Grading Committee and Movement of Personnel

Subject: Labor Grading Committee and Movement of Personnel

This will confirm our understanding dated June 6, 1998, regarding the Labor Grading Committee and Movement of Personnel. The COMPANY and UNION have agreed that during the life of this General Agreement the parties will meet and discuss the current practices regarding the Labor Grading Committee and Movement of Personnel.

AGREED:

FOR THE UNION
/s/ M. J. Sherman
CWA REPRESENTATIVE

Communications Workers of
America

FOR THE COMPANY
/s/ P. Stovell-Mulholland
District Manager, Workforce
Relations

CONSOLIDATION OF BARGAINING UNITS

May 27, 1995

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

Dear Mr. Allen:

This letter is to confirm the consolidations of the "Guilford Center" clerical unit as described in the card check certification and agreement dated May 4, 1995, and the bargaining units covered by the following Agreements

- General Agreement Repair and Custom Assembly Center (RCAC No. 1)
- General Agreement Material Distribution Centers (MDC No. 1)
- General Agreement Charlotte No. 1 (Service and Support)
- General Agreement Martinsburg No. 2 (Service and Support)
- General Agreement CIC No. 3

into a single bargaining unit named "Repair, Distribution and Service and Support Bargaining Unit".

This agreement covering the consolidated unit will be titled "Repair, Distribution and Service and Support No. 1."

/s/ J. J. Breslin
Labor Relations Vice President

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

ARTICLE 31
MERRIMACK VALLEY WORKS -P&M and TIER
HOURS OF WORK

1 Work Schedules

- (a) The UNION and the COMPANY recognize the necessity for work schedules involving two (2) or three (3) shift operations where the nature of the work or the needs of the business require them.
- (b) The COMPANY shall have the right to introduce new work schedules, to make changes in the starting and stopping times of SCHEDULED DAILY TOURS, including the starting and stopping time and length of lunch periods, and to vary from the SCHEDULED DAILY or WEEKLY TOURS.
- (c) The COMPANY shall notify the UNION of new work schedules, or any change or variation in existing work schedules, at least one (1) week in advance of the effective date, except where emergency situations make it impractical to do so. Negotiations thereon shall take place when requested by the UNION and in the event of such negotiations, the new schedule, change or variation proposed by the COMPANY may be placed in effect pending agreement between the parties.

2 Rest Periods

- (a) The COMPANY will provide one (1) rest period of ten (10) minutes during each four-hour work period for all EMPLOYEES in the bargaining unit except for:
 - (1) EMPLOYEES who receive regular relief periods because of the nature of their work assignment;
 - (2) EMPLOYEES on jobs involving continuous or machine operations where it is not practicable to interrupt such processes at regular intervals in which case such rest periods will be arranged at intervals other than the regular rest periods.
- (b) The COMPANY will ordinarily schedule rest periods approximately in the middle of working periods but they may be staggered to permit maximum use of facilities. During the scheduled rest periods, EMPLOYEES will be permitted to leave their usual work places and

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utilize in the time provided such facilities as the COMPANY designates.

- (c) Rest period time shall be treated as time worked.

3 Minimum Pay Allowance

- (a) An EMPLOYEE who reports at a designated starting time for scheduled work not involving a call-in emergency and who has not been given at least ten (10) hours' advance notice not to report shall be given at least two (2) hours' work or paid a minimum of two (2) hours at ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES, except on a day on which a holiday recognized in accordance with ARTICLE 12, HOLIDAYS, is observed, or Saturday or Sunday (or DAY IN LIEU OF SATURDAY or SUNDAY) when such minimum hours shall be paid at the applicable overtime rate.
- (b) The minimum payment provisions of Paragraph 3(a) shall not apply in cases where the COMPANY'S inability to provide work is due to conditions beyond the control of the COMPANY or where the EMPLOYEE is sent home for disciplinary reasons.

4 Portal To Portal

- (a) Time spent by EMPLOYEES in walking, riding or traveling, or in preparatory or closing activities, on the COMPANY'S premises or otherwise, except to the specifically limited extent provided in this Agreement, shall not be compensable and shall not be considered as time worked under the Fair Labor Standards Act or for any other purpose.
- (b) No claim involving payment for such activities shall be processed under ARTICLE 8, GRIEVANCE PROCEDURE, or ARTICLE 9, ARBITRATION, herein and the UNION will neither make any claim nor aid nor support any existing or future claims or actions against the COMPANY respecting compensation for such activities.

5 Lunch Periods (For P&M Only)

Lunch periods will not be paid for except that a lunch period of no less than twenty (20) or more than thirty (30) minutes in accordance with local practice with pay at ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES will be provided on those job assignments

where three (3) shift operations are scheduled and it is impossible to provide eight (8) hours of work with a lunch period intervening.

6 Wash-up or Clothes-Changing Time (For P&M only)

When wash-up or clothes-changing time is authorized on certain operations by the COMPANY as a safeguard to EMPLOYEES' health or for protection of product quality, such time will be paid for as time worked.

JOURNEYMAN TRADES PLAN

JOURNEYMAN Trades Plan (Applies only to P&M Employees)

- 1 The JOURNEYMAN Trades Plan, hereinafter called the "Plan", shall be administered solely by the COMPANY.
 - (a) The parties recognize that certain traditional relationships exist between JOURNEYMAN TRADES OCCUPATIONS and agree that a consolidation of the JOURNEYMAN TRADES OCCUPATIONS into the Trades Groups set forth in ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES, gives proper recognition to such relationships for purposes of wage administration.
 - (b) At any time during the term of this contract, the COMPANY may propose amendments to ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES to add, modify or delete JOURNEYMAN TRADES OCCUPATIONS. If the COMPANY and the LOCAL UNION agree, such amendments shall become effective as agreed. If they fail to agree, the matter shall be referred to the Joint National Labor Management Trades Committee for resolution. Where the parties reach agreement at the local level or, in those situations where the matter has been referred to the Joint National Labor Management Trades Committee for resolution and the Committee concurs with the proposed amendment, that amendment can be implemented.
 - (1) The COMPANY shall notify the UNION in writing of its intent to amend ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES at least fourteen (14) days prior to the effective date of any such amendment.
 - (2) The UNION shall be furnished, at the time of the COMPANY'S written notice under Paragraph 1(a)(2)(i), two (2) copies of any new or changed JOURNEYMAN Trades Plan Occupational Descriptions.
- 2 Flexibility
 - (a) A JOURNEYMAN will be assigned work based on his or her base trade. However, if training is provided in skills of a related craft that are incidental to his or her base trade, the JOURNEYMAN may be required to perform such incidental duties. The incidental duties of a Trades Group 1 JOURNEYMAN shall not include the duties of a Trades Group 2 JOURNEYMAN. A Trades Group 2 JOURNEYMAN

may be required to perform, as an incidental duty, a portion of a Trades Group 1 JOURNEYMAN'S trade.

- (1) The COMPANY may provide training and/or assign JOURNEYMEN exclusively to a piece(s) of equipment. JOURNEYMAN, so assigned, will be required to utilize whatever skills they have acquired through COMPANY provided training and/or possess through previous experience consistent with safety standards.
- (2) A JOURNEYMAN qualified in another trade may be called upon to perform work in that trade on a "fill in" basis, such as, for absence, vacation relief, and when another JOURNEYMAN in the other trade is not available for assignment. Such assignment shall not be made if a surplus exists in the other trade, or if such assignment would create a surplus condition.
- (3) A JOURNEYMAN shall assist or perform work independently in other trades occupations commensurate with the JOURNEYMAN'S general trades knowledge and experience under the following conditions:
 - (i) When there is temporarily no work in the JOURNEYMAN'S own trade;
 - (ii) When in performing work assignments in JOURNEYMAN'S own trade, elements of work assignments of other trades are encountered which the JOURNEYMAN can readily accomplish;
 - (iii) When conditions require expeditious action to restore, maintain or provide service.

3 Routine Non-Technical Duties

- (a) Routine non-technical duties may be assigned to production operations. Examples of work that may be performed by PRODUCTION OCCUPATION EMPLOYEES include changing of light bulbs, lubrication, changing filters, and retightening screws and nuts. No special training will be provided, and only simple instruction of PRODUCTION OCCUPATION EMPLOYEES will be necessary. No troubleshooting by PRODUCTION OCCUPATION EMPLOYEES will be involved.

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- (1) The Local Joint Trades Committees shall agree on what trades duties are to be assigned to the production operations.

4 JOURNEYMAN Trades Plan Occupational Descriptions

- (a) All JOURNEYMAN Trades Plan Occupational Descriptions used in accordance with this Plan shall be originated and prepared by the COMPANY as provided in Paragraph 1(d)(1).
- (b) JOURNEYMAN Trades Plan Occupational Descriptions shall be prepared on Form Number MD822A, and shall include the following information:
 - (1) A description of the normal range of work encompassed by the JOURNEYMAN TRADES OCCUPATION, which each incumbent shall be expected to be able to perform within a reasonable period of time, normally not to exceed the length of the wage progression period for the Trades Group to which such JOURNEYMAN TRADES OCCUPATION is assigned, as provided in ARTICLE 24 - WAGES.
 - (2) Identification of the prerequisites for entry into such JOURNEYMAN TRADES OCCUPATION.
 - (3) Identification of the criteria for progressing beyond the CONTROL RATE for JOURNEYMAN TRADES OCCUPATIONS assigned to Trades Group 2.

5 Subcontracting

- (a) The COMPANY will not subcontract work traditionally performed by trades EMPLOYEES if a surplus exists in the TRADES OCCUPATION being considered for subcontracting, if a LAYOFF is pending in the affected occupation, or if a JOURNEYMAN in the affected occupation is on the recall list and is available for work within a reasonable time period.
- (b) The COMPANY will not subcontract work traditionally performed by bargaining unit trades EMPLOYEES unless one or more of the following conditions exist:
 - (1) The skills and/or equipment needed are not available in the plant, or,

- (2) The work is on a project of short duration or accelerated schedule that the use of COMPANY EMPLOYEES is not practical, or,
 - (3) The COMPANY has determined that it is unable to perform the work as economically in its plant. For machine and tool construction and maintenance work, this determination shall be based on a comparison of the JOURNEYMAN'S wages and indirect labor costs (costs, such as, pensions, COMPANY contribution to social security, unemployment taxes, death benefits, life insurance, health care plan, vision care plan, dental plan, and the COMPANY contribution to the savings and security plan) with the contractor's total cost. For plant construction work (moves and rearrangements), this determination shall be based on a comparison of the JOURNEYMEN's wages and indirect labor costs with the contractor's direct and indirect labor costs.
- (c) The COMPANY will review and evaluate with the Local Joint Trades Committee, in advance, the costs associated with any subcontracting of trades work.

6 Pay Treatment

- (a) The assignment of a JOURNEYMAN TRADES OCCUPATION to either Trades Group 1 or Trades Group 2 shall establish the wage treatment for EMPLOYEES in that JOURNEYMAN TRADES OCCUPATION, in accordance with ARTICLE 24 - WAGES.
 - (1) In the event a JOURNEYMAN TRADES OCCUPATION is reassigned from Trades Group 1 to Trades Group 2 for any reason, the COMPANY shall grant retroactive pay adjustments, if in its judgment such adjustments are appropriate; except that no such adjustments shall apply to any period beyond the fifty-two (52) week period immediately preceding the effective date of such reassignment.

7 Training

- (a) The COMPANY may require any JOURNEYMAN to undertake training in order to upgrade the JOURNEYMAN'S base trade skills, or in order to acquire skills to perform duties that are incidental to the JOURNEYMAN'S base trade.
 - (1) The COMPANY shall provide training to JOURNEYMEN in the JOURNEYMAN Trades Occupational Descriptions of Machine

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and Equipment Mechanic and Machine Operator Trades, in order to upgrade their skills to that of the Composite Master Machinist and Composite Master Toolmaker JOURNEYMAN Trades Occupations, respectively. Upon successful completion of such training, these JOURNEYMEN shall be reclassified as either a Trades Group 2 Composite Master Machinist or a Trades Group 2 Composite Master Toolmaker.

8 Special LAYOFF Consideration

(a) Notwithstanding other provisions of ARTICLE 31 - MOVEMENT OF PERSONNEL, a JOURNEYMAN who is declared surplus due to lack of work may elect to be LAID OFF in lieu of accepting an assignment in another JOURNEYMAN TRADES OCCUPATION or in a graded job, by notification to the JOURNEYMAN'S supervisor prior to the effective date of such assignment.

(1) A JOURNEYMAN who elects to be LAID OFF in accordance with Paragraph 1(h) shall be paid a Termination Allowance in accordance with ARTICLE 31C - TERMINATION ALLOWANCES.

9 Joint National Labor Management Trades Committee

(a) A Joint National Labor Management Trades Committee will be established with two (2) REPRESENTATIVES each from the Communications Workers of America and the International Brotherhood of Electrical Workers System Council EM-3, plus four (4) REPRESENTATIVES from Lucent Technologies. This Committee's specific responsibilities will be:

(1) Provide leadership to the local Skilled Trades Committees in identifying and addressing those issues that can improve the perception and utilization of the skilled trades at both the National and Local levels.

(2) Develop and implement a process to identify the present and future skills required for trade classifications at each location.

(3) Review and resolve local disputes over proposed amendments to ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES. Address trades grievances submitted from the National Grievance Committee.

(4) Provide guidelines, and qualifying processes for a "Trades Associate" occupation concept, designed to assist the efforts of a JOURNEYMAN and to work independently on trades work commensurate with demonstrated skills.

(5) Encourage the use of COMPANY resources, such as but not limited to, ETOP and Alliance, to work with the local Skilled Trades Committees to assist in providing the necessary training to afford EMPLOYEES an opportunity to qualify for and complete Apprenticeship programs where needed.

(6) The committee will meet quarterly or as agenda items require. At least fifty (50) percent of the members of each party will constitute a quorum.

(b) Decisions of the Committee regarding specific responsibilities set forth above shall be final and binding on the parties as to the particular issue submitted and such decisions shall not be subject to the provisions of ARTICLE 8 - GRIEVANCE PROCEDURE or ARTICLE 9 - ARBITRATION.

10 Grievances and Arbitration of JOURNEYMAN TRADES OCCUPATION Classifications

(a) A grievance arising under or related to the provisions of this Article, other than matters involving proposed amendments to ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES as provided in Paragraph 1(j), shall be subject to the grievance procedure prescribed in ARTICLE 8 - GRIEVANCE PROCEDURE. However, except as specifically provided in Paragraph 1(k)(1), neither such grievance nor the provisions of the JOURNEYMAN Trades Plan shall be subject to arbitration under the provisions of ARTICLE 9 - ARBITRATION.

(1) A grievance involving:

(i) the question whether an EMPLOYEE has been classified in the appropriate JOURNEYMAN TRADES OCCUPATION, or

(ii) the question whether a new or modified existing JOURNEYMAN TRADES OCCUPATION has been assigned to the appropriate JOURNEYMAN TRADES GROUP, either Trades Group 1 or Trades Group 2, or

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- (iii) the withholding of a wage progression increase as provided in Paragraph 4 of ARTICLE 31A - WAGES, or
- (iv) the determination that an EMPLOYEE in a JOURNEYMAN TRADES OCCUPATION assigned to Trades Group 2 does not meet the prescribed criteria to progress beyond the CONTROL RATE, or
- (v) the question whether the COMPANY has granted proper retroactive pay adjustments under the provisions of Paragraph 1(f)(1), or
- (vi) the question whether a JOURNEYMAN has been treated in accordance with Paragraph 1(h) Special LAYOFF Consideration,

may be processed by the UNION in accordance with the provisions of ARTICLE 8 - GRIEVANCE PROCEDURE, and ARTICLE 9 - ARBITRATION, provided that the authority of the arbitrator in any such case shall be limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised, and provided further, that in grievances involving Paragraph 1(k)(1)(ii), the authority of the arbitrator shall be further limited to a determination as to whether the COMPANY acted without any reasonable basis in assigning the JOURNEYMAN TRADES OCCUPATION involved in such grievance.

11 JOURNEYMAN Card

The COMPANY will issue a JOURNEYMAN Card, a specimen of which is below, to each JOURNEYMAN who is currently classified a JOURNEYMAN and assigned in a JOURNEYMAN TRADES OCCUPATION (listed in ARTICLE 23A - OCCUPATIONAL JOB CLASSIFICATIONS TITLES) and has satisfactorily completed an accredited apprenticeship training program in said occupation or has progressed to the MAXIMUM RATE in said occupation.

JOURNEYMAN CARD	
This certifies that _____ (name) _____	
Is a qualified JOURNEYMAN _____ (trade) _____	
At the _____ (location) _____ of	
Lucent ____ (Business Unit) ____ Date: ____ / ____ / ____	
UNION	Lucent

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MOVEMENT OF PERSONNEL
PRODUCTION OCCUPATIONS (Applies to P&M Employees)

1 General

- (a) It is understood and agreed that the application of this Appendix shall be limited to movement of personnel within PRODUCTION OCCUPATIONS. Normally such movement of personnel shall be within the following Corridors:
 - (1) MECHANICAL
 - (2) EQUIPMENT
 - (3) TEST
- (b) The above corridors do not apply at Level I
 - (1) The COMPANY may, in accordance with its judgment add, modify or delete Corridors when it determines such action to be appropriate. Such changes shall be reviewed with the UNION 60 days prior to implementation.
 - (2) All adjustments to the work force in accordance with the provisions of this Appendix shall be initiated and made by the COMPANY.
- (c) TERM OF EMPLOYMENT shall be given the most weight in the selection of an EMPLOYEE to fill a vacancy when two (2) or more EMPLOYEES under consideration possess substantially the same qualifications needed for such vacancy.
- (d) "Qualifications" as used in this Appendix, shall be determined by the COMPANY based on the EMPLOYEE'S experience, demonstrated productive efficiency, skill, ability, conduct and certification for PRODUCTION OCCUPATION Level's II, III and TSS.
- (e) If the UNION objects to any move made in accordance with the provisions of this Article, the matter may, if presented within ten (10) working days after the effective date of such move, or within ten (10) working days after notification to the LOCAL UNION of such move, whichever is later, be processed in accordance with ARTICLE 8 - GRIEVANCE PROCEDURE, and ARTICLE 9 - ARBITRATION, provided that in any such case the authority of the arbitrator shall be

limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised.

- 2 Filling Job Vacancies (Tester Movement Of Personnel Is Provided In Separate M.O.P. Language)
 - (a) When a vacancy occurs EMPLOYEES who have qualifications for the production/test occupation that is vacant will be considered consistent with the Works practices, in successive steps in the following order until the vacancy is filled:
 - (1) Obligatory reinstatements from Leaves of Absence.
 - (2) EMPLOYEES who are "surplus" in accordance with Paragraph 3.b.
 - (3) EMPLOYEES will be considered for return to the same production/test occupation and Level on which they were surplus due to lack of work and which they performed satisfactorily within two (2) years of the date when the vacancy occurs. Consideration shall be limited to EMPLOYEES in the same or a lower Level for all openings at Levels II, III and TSS.
 - (4) Experienced production/test occupation EMPLOYEES in the same Level as the vacancy subject to the needs of the business and at the discretion of the COMPANY who (1) volunteer for the establishment of a new shift, process or the manning of a new production/test occupation or (2) who are necessary to the establishment of a new shift or the manning of a new production/test occupation
 - (5) Any vacancy not filled in accordance with (1) through (4) above shall be posted on COMPANY bulletin boards for a minimum of four (4) working days incorporating a weekend.
 - (b) Each such posting shall include the following information:
 - (1) Production/Test/Plant trades helper/junior tradesworker title, shift\description of duties, location, department title, level, corridor, supervisor, physical demands, preferred experience, job hazards, and closing date.
 - (2) EMPLOYEES in the following categories may bid by submitting the prescribed form in accordance with established routines:

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- (i) EMPLOYEES in the next lower level;
 - (ii) EMPLOYEES requesting a downgrade; and
 - (iii) eligible EMPLOYEES requesting lateral consideration.
- (3) Bidding EMPLOYEES in 1, 2, and 3 above shall be interleaved in order of TERM OF EMPLOYMENT together with the following:
- (i) qualified EMPLOYEES receiving any form of cushioning, special cushioning, special rate reduction, or wage protection allowances under ARTICLE 31C - WAGES or ARTICLE 21 - FORCE REDUCTION ALLOWANCE.
 - (ii) qualified EMPLOYEES applying for reinstatement from Leaves of Absence.
- (4) The five longest service qualified EMPLOYEES from these categories shall be given first consideration for the vacancy. If no selection is made therefrom, other qualified EMPLOYEES from categories 1, 2, 3, 4, and 5 shall be considered in successive groups of five (5) in accordance with their TERM OF EMPLOYMENT.
- (5) If the vacancy is not filled in this manner, the COMPANY may then prepare a list of EMPLOYEES from these same categories for its consideration.
- (6) Selection to be posted on COMPANY bulletin boards for seven (7) days.
- (7) Cancellation of a vacancy and reason(s) for such cancellation will be posted on COMPANY bulletin boards.
- (c) Both the UNION and the LOCAL UNION recognize the right of the COMPANY to hire additional people of its own choice and according to the needs of the business, subject to the provisions of this Article. However, former EMPLOYEES if qualified for available work who have been LAID OFF within the bargaining unit in the preceding thirty-six (36) calendar months shall be given first consideration for re-employment before new EMPLOYEES are hired, provided they have not previously refused an opportunity for re-employment at the Works from which LAID OFF.

- (d) A laid-off EMPLOYEE may defer, one time only, an opportunity for re-employment as defined in Paragraph 2.d above for a time period to be specified by the EMPLOYEE. At the conclusion of the specified time, the EMPLOYEE would again become eligible for a subsequent opportunity for re-employment. It is understood that this one time deferral is irrevocable and will not extend the thirty-six (36) months of eligibility identified in Paragraph 2.d.

3 Effect of Lack of Work

- (a) When lack of work necessitates decreasing the Works' force, the EMPLOYEES to be LAID OFF shall be selected in the inverse order of TERM OF EMPLOYMENT from LEVEL I OCCUPATION.
 - (1) The COMPANY may, in accordance with a former Work's General Agreement, exempt from selection for LAYOFF when such exemptions are necessary to avoid unreasonable Departmental depletions.
- (b) When lack of work necessitates the selection of EMPLOYEES as surplus, such surplus shall be selected in the inverse order of their TERM OF EMPLOYMENT from the CORRIDOR AND PRODUCTION OCCUPATION, LEVEL, and Function Manager's Organization affected. An EMPLOYEE selected as surplus or an EMPLOYEE who becomes surplus by displacement shall be considered for placement in the following successive steps:
 - (1) On vacancies in the EMPLOYEE'S same Level, Corridor, and PRODUCTION OCCUPATION and for which the EMPLOYEE is qualified and on which the EMPLOYEE can perform efficiently within a reasonable training period.
 - (2) ON vacancies in the EMPLOYEE'S same level, other Corridors, PRODUCTION OCCUPATION and for which the EMPLOYEE is qualified an on which the EMPLOYEE can perform efficiently within a reasonable training period.
 - (3) If the surplus EMPLOYEE is not placed under (1) or (2), then by displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in the EMPLOYEE'S same Level, Corridor, and PRODUCTION OCCUPATION, provided the surplus EMPLOYEE is qualified, and is considered by reason of previous experience to be able to perform the job of such other EMPLOYEE efficiently

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within a limited training period of two (2) weeks, and further provided that the surplus EMPLOYEE has at least one (1) day more TERM OF EMPLOYMENT than the EMPLOYEE to be displaced.

- (4) If the surplus EMPLOYEE is not placed under (3), then by displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in the EMPLOYEE'S same Level, other Corridors, and PRODUCTION OCCUPATION, provided the surplus EMPLOYEE is qualified and is considered by reason of previous experience to be able to perform the job of such other EMPLOYEE efficiently within a limited training period of two (2) weeks, and further provided that the EMPLOYEE has within the last five (5) years, experience in the corridor of the EMPLOYEE to be displaced, and further provided that the surplus EMPLOYEE has at least one (1) day more TERM OF EMPLOYMENT than the EMPLOYEE to be displaced.
- (5) If the surplus EMPLOYEE is not placed under (3) or (4), then by filling a job vacancy in the next lower Level on the same basis as provided in (1) and (2) above, or by displacing another EMPLOYEE in the next lower Level on the same basis as provided in (3) and (4) above, and in the same manner in successively lower Levels.
- (6) If a surplus EMPLOYEE cannot be placed under (1), (2), or (3) above, he or she shall be offered placement in a vacancy (which would otherwise be filled by hiring) for which qualified within the Works location.
- (7) Applicable for Level 1 Only

In such case of a surplus employee whose term of employment is less than that of employees "laid off" within the prior three (3) months, these employees will be placed at entry level for not more than two (2) weeks, at which time paragraph c below then becomes effective and the employee shall be laid off.

- (c) If the EMPLOYEE is not thus placed in accordance with the provisions of this Paragraph 3, then the EMPLOYEE shall be LAID OFF.

MOVEMENT OF PERSONNEL
JOURNEYMAN TRADES OCCUPATION
(Applies to P&M Employees)

1 General

- (a) It is understood and agreed that application of this Article shall be construed as being limited to movement of Personnel within the Merrimack Valley Works.
- (b) All adjustments to the work force in accordance with the provisions of this Appendix shall be initiated and made by the COMPANY.
- (c) TERM OF EMPLOYMENT shall be given most weight in the selection of an EMPLOYEE to fill a job vacancy when two (2) or more EMPLOYEES under consideration possess substantially the same qualifications needed for such vacancy.
- (d) "Qualifications" as used in this Appendix shall be determined by the COMPANY based on the EMPLOYEE'S experience, demonstrated productive efficiency, transferable skill,
- (e) It is mutually agreed between the parties that the work of the COMPANY is such that normally EMPLOYEES are given opportunities to qualify for the next higher levels of work or for JOURNEYMAN TRADES OCCUPATIONS by the experience gained on their present assignments. It is further agreed that action normally taken under the provisions of this Appendix shall conform with this paragraph.
- (f) Normally, personnel movement under the provisions of this Article shall be within the JOURNEYMAN TRADES OCCUPATIONS for EMPLOYEES in such occupations and within PRODUCTION OCCUPATION Level jobs for EMPLOYEES in such jobs. It is recognized and agreed, however, that qualified EMPLOYEES may, in the judgment of the COMPANY, be moved between JOURNEYMAN TRADES OCCUPATIONS and PRODUCTION OCCUPATION Level jobs for the purpose of filling vacancies; or displacement when there is lack of work.
- (g) If the UNION objects to any move made in accordance with the provisions of this Appendix, the matter may, if presented within ten (10) working days after the effective date of such move, or within ten (10) working days after notification to the LOCAL UNION of such move, whichever is later, be processed in accordance with ARTICLE 8,

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GRIEVANCE PROCEDURE, and ARTICLE 9, ARBITRATION, provided that in any such case the authority of the arbitrator shall be limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised.

- (h) Both the UNION and the LOCAL UNION recognize the right of the COMPANY to hire additional people of its own choice and according to the needs of the business, subject to the provisions of this Appendix. However, former EMPLOYEES if qualified for available work who have been LAID OFF within the bargaining unit in the preceding thirty-six (36) calendar months shall be given first consideration for re-employment before new EMPLOYEES are hired, provided they have not previously refused an opportunity for re-employment at the Works from which LAID OFF.
- (i) A laid-off EMPLOYEE may defer, one time only, an opportunity for re-employment as defined in Paragraph 1h for a time period to be specified by the EMPLOYEE.

At the conclusion of the specified time, the EMPLOYEE would again become eligible for a subsequent opportunity for re-employment.

It is understood that this one time deferral is irrevocable and will not extend the thirty-six (36) months of eligibility identified in Paragraph 1(h).

2 Filling Vacancies in JOURNEYMAN TRADES OCCUPATIONS

- (a) When a vacancy in a JOURNEYMAN TRADES OCCUPATION occurs, JOURNEYMEN who have qualifications for the job will be considered, consistent with the Work's practices, in successive steps in the following order until the vacancy is filled:
 - (1) Obligatory reinstatements from Leaves of Absence.
 - (2) JOURNEYMEN who are surplus in accordance with Paragraph 3(a).
 - (3) JOURNEYMEN for return to the same JOURNEYMAN TRADES OCCUPATIONS on which they have performed satisfactorily within two (2) years of the date when the vacancy occurs.

- (4) JOURNEYMEN, subject to the needs of the business and as determined by the COMPANY, who are necessary to the establishment of a new shift or the manning of a new job.
- (5) Journeymen, subject to the needs of the business, who have requested
- (6) JOURNEYMEN in any Trades Occupational Code who, at the COMPANY'S discretion, may be released from their present assignment.
- (7) Any vacancy not filled in accordance with (1) through (6) above shall be posted on COMPANY bulletin boards for seven (7) days.

Each such posting shall include the following information:

Occupation, shift, description of duties, location, department title, supervisor, number of vacancies, trade group, physical demands, preferred experience, job hazards, and closing date.

EMPLOYEES who bid for a posted JOURNEYMEN TRADES vacancy shall be considered by submitting the prescribed form in accordance with established routines.

For Group II vacancies,

- (i) EMPLOYEES in Group I; and
- (ii) EMPLOYEES in Production Occupation Level jobs.

Bidding Group I EMPLOYEES shall be interleaved in order of TERM OF EMPLOYMENT together with the following:

- (iii) current Group I JOURNEYMEN receiving any form of cushioning, special cushioning, special rate reduction, or rate protection allowances under ARTICLE 21 FORCE WAGE PROTECTION ALLOWANCE.
- (iv) qualified JOURNEYMEN applying for reinstatement from LEAVES OF ABSENCE.

The five (5) longest service qualified EMPLOYEES from categories (i), (iii), and (iv) above shall be given first consideration for the vacancy. If no selection is made therefrom, other qualified EMPLOYEES from categories (i), (iii), and (iv) shall be considered in successive groups of five (5) in accordance with their TERM OF EMPLOYMENT.

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If the Group II vacancy remains unfilled after consideration of all bidding Group I EMPLOYEES and the EMPLOYEES from categories iii and iv above, then this same procedure shall be applied to the bidding graded EMPLOYEES, interleaved with:

- (v) former JOURNEYMEN receiving any form of cushioning, special cushioning, special rate reduction, or rate protection allowances under ARTICLE 21 FORCE WAGE PROTECTION ALLOWANCE.

The five (5) longest service qualified EMPLOYEES from categories ii and v above shall be given first consideration for the vacancy. If no selection is made therefrom, other qualified EMPLOYEES from categories ii and v shall be considered in successive groups of five (5) in accordance with TERM OF EMPLOYMENT.

For Group I vacancies, only graded EMPLOYEES may bid under this provision. EMPLOYEES so bidding shall submit the prescribed form in accordance with established routines. Bidding graded EMPLOYEES shall be interleaved in order of TERM OF EMPLOYMENT together with the following.

- (vi) former JOURNEYMEN receiving any form of cushioning, special cushioning, special rate reduction, or rate protection allowances under ARTICLE 17, FORCE ADJUSTMENT PROTECTION.

- (vii) qualified JOURNEYMEN applying for reinstatement from LEAVE OF ABSENCE.

The five (5) longest service qualified EMPLOYEES bidding, along with EMPLOYEES from categories vi and vii above, shall be given first consideration for the vacancy. If no selection is made therefrom, other graded bidding EMPLOYEES who are qualified, along with EMPLOYEES from categories vi and vii, shall be considered in successive groups of five (5) for the vacancy in accordance with TERM OF EMPLOYMENT.

However, the provisions of (1) through (6) above shall continue in effect prior to the filling of a vacancy under (7) for Group I and II vacancies.

If the vacancy is not filled in this manner, the COMPANY may then prepare a list of EMPLOYEES for its consideration.

3 Effect of Lack of Work - JOURNEYMEN

- (a) When lack of work necessitates the selection of EMPLOYEES as surplus, such surplus shall be selected in the inverse order of their TERM OF EMPLOYMENT from the occupation affected. An EMPLOYEE selected as surplus or an EMPLOYEE who becomes surplus by displacement shall be considered for placement in the following successive steps:
- (1) On vacancies in the JOURNEYMAN TRADES OCCUPATIONS for which the EMPLOYEE is qualified through previous experience to perform efficiently within a reasonable training period.
 - (2) If the surplus EMPLOYEE is not placed under 3(a)(1) then by displacing another EMPLOYEE in a JOURNEYMAN TRADES OCCUPATION who has the shortest TERM OF EMPLOYMENT, provided the surplus EMPLOYEE is considered by reason of previous experience to be able to perform the assignment efficiently within a limited training period of two (2) weeks, and further provided that the surplus EMPLOYEE has at least one (1) day more TERM OF EMPLOYMENT than the EMPLOYEE to be displaced.
 - (3) If the surplus EMPLOYEE is not placed under 3(a)(2) then by filling a vacancy in a graded job for which the EMPLOYEE is qualified through previous experience to perform efficiently within a reasonable training period.
 - (4) If a surplus EMPLOYEE is not placed under 3(a)(3) then by displacing another EMPLOYEE in a graded job who has the shortest TERM OF EMPLOYMENT, provided that the surplus EMPLOYEE is considered by reason of previous experience to be able to perform the job of such other EMPLOYEE efficiently within a limited training period of two (2) weeks, and further provided that the surplus EMPLOYEE has at least one (1) day more TERM OF EMPLOYMENT than EMPLOYEE to be displaced.
- (b) If the EMPLOYEE is not thus placed in accordance with the provisions of this Paragraph 3 – Effect of Lack of Work, then the EMPLOYEE shall be LAID OFF.

MOVEMENT OF PERSONNEL
TEST CORRIDOR (Applies to P&M Employees)

1 Test Corridor

- (a) When a vacancy occurs, EMPLOYEES who have the requisite qualifications for the test occupation that is vacant will be considered consistent with the Works Practices, in successive steps in the following order until the vacancy is filled:
- (1) Obligatory reinstatements from Leaves of Absence
 - (2) Return to Former (EMPLOYEES that are in production levels)
 - (3) TSS's requesting voluntary reassignment
 - (4) Any vacancy not filled in accordance with (1), (2), and (3) above shall be posted on COMPANY bulletin boards for a minimum of four (4) days incorporating a weekend.

Each such posting shall include the following information:

Certification, shift, description of duties, location, department title, level, corridor, supervisor, physical demands, preferred experience, job hazards, and closing date.

- (A) EMPLOYEES in the production universe (PLI, PLII, PLIII) may bid by submitting the prescribed form in accordance with established routines.

Bidding EMPLOYEES shall be interleaved in order of TERM OF EMPLOYMENT together with the following:

- (1) Qualified EMPLOYEES receiving any form of cushioning, special cushioning, special rate reduction, or wage protection allowances under ARTICLE 24 – WAGES, or ARTICLE 21 – FORCED WAGE PROTECTION ALLOWANCE.
- (2) Qualified EMPLOYEES applying for reinstatement from Leaves of Absence.

The five longest service qualified EMPLOYEES from these categories shall be given first consideration for the vacancy. If no selection is made therefrom, other qualified EMPLOYEES from categories (A), (1) and (2) above shall be

considered in successive groups of five (5) in accordance with their TERM OF EMPLOYMENT.

If a vacancy is not filled in this manner, the COMPANY may then prepare a list of EMPLOYEES from these same categories for its consideration.

- (b) Selection to be posted on COMPANY bulletin boards for seven (7) days.
- (c) Cancellation of a posted vacancy and reason(s) for such cancellation will be posted on COMPANY bulletin boards.
- (d) Both the UNION and the Local UNION recognize the right of the COMPANY to hire additional people of its own choice and according to the needs of the business, subject to the provisions of this Article. However, former EMPLOYEES if qualified for available work who have been LAID OFF within the bargaining unit in the preceding thirty-six (36) calendar months shall be given first consideration for re-employment before new EMPLOYEES are hired, provided they have not previously refused an opportunity for re-employment at the Works from which LAID OFF.
- (e) A laid-off EMPLOYEE may defer, one time only, an opportunity for re-employment as defined in paragraph 2 (c) of above for a time period to be specified by the EMPLOYEE.

At the conclusion of the specified time, the EMPLOYEE would again become eligible for a subsequent opportunity for re-employment.

It is understood that this one time deferral is irrevocable and will not extend the thirty-six months of eligibility identified in paragraph 2 (c).

2 Effect Of Lack Of Work

- (a) When lack of work necessitates decreasing the Works' force, the EMPLOYEES to be LAID OFF shall be selected in inverse order of TERM OF EMPLOYMENT from the LEVEL 1 OCCUPATION (see special LAYOFF consideration).
 - (1) The COMPANY may, in accordance with a former Work's General Agreement, exempt from selection for LAYOFF when such exemptions are necessary to avoid unreasonable Department depletions.

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- (b) When lack of work necessitates the selection of EMPLOYEES as surplus, such surplus shall be selected in the inverse order of their TERM OF EMPLOYMENT from the TEST CORRIDOR. An EMPLOYEE selected as surplus shall be considered for placement in the following manner;

Surplus EMPLOYEE shall be considered for vacancies in Production Occupations in Level/Corridor for which certified.

If not placed on a vacancy, may displace according to Production Corridor displacement identified in ARTICLE 31, Production Movement of Personnel, Paragraph 3 (b) 3 and successive steps.

NOTE: A SURPLUS TESTER CANNOT DISPLACE AT LEVEL IN ANY CORRIDOR NOT PREVIOUSLY HELD BY SURPLUS TESTER.

NOTHING IN THIS MOVEMENT OF PERSONNEL SHALL RESTRICT THE COMPANY FROM REASSIGNMENT OF TESTERS WITHIN THE CORRIDOR BASED ON BUSINESS NEEDS.

VOLUNTARY REASSIGNMENT CONSIDERATION IS BASED ON BUSINESS NEEDS.

MOVEMENT OF PERSONNEL -- TIERS

1 General

- (a) All adjustments to the work force in accordance with the provisions of this Article shall be initiated and made by the COMPANY.
- (b) "Qualifications" as used in this Article shall be those factors determined by the COMPANY to be necessary prerequisites for performance of the job. QUALIFICATIONS include:
 - (1) Required experience in job related tasks
 - (2) Required job knowledge
 - (3) Required job skills
 - (4) Required education
 - (5) Successful completion of a certification exam, if required
 - (6) Conduct and job performance
- (c) TERM OF EMPLOYMENT shall be given the most weight in the selection of an EMPLOYEE to fill a job vacancy when two (2) or more EMPLOYEES under consideration possess
- (d) If the UNION objects to any move made in accordance with the provisions of this Article, the matter may, if presented within fourteen (14) calendar days after the effective date of such move, be processed in accordance with ARTICLE 8 - GRIEVANCE PROCEDURE, and ARTICLE 9 - ARBITRATION, provided that in any such case the authority of the arbitrator shall be limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised.

2 Filling Job Vacancies

- (a) A vacancy will not be declared when a job is to be filled by a temporary reclassification of an EMPLOYEE to an Occupational Job Classification in the same Tier but different Corridor for reasons such as vacation relief, replacement of absent EMPLOYEE or business emergencies. Such reclassification will ordinarily be limited to a maximum of three (3) months. This will not apply to a temporary reclassification when filling in for a long-term disability or illness or

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when a freeze on movement is necessary due to business conditions or when a job is not to be

- (b) When a job vacancy is declared by the COMPANY, EMPLOYEES of the COMPANY who have the QUALIFICATIONS for the job that is vacant will be considered in successive steps, in the following order, and in TERM OF EMPLOYMENT within each step:
 - (1) Former EMPLOYEES eligible to mandatory reinstatement from *Leaves of Absence*.
 - (2) EMPLOYEES who are surplus in an Occupational Job Classification in the same Corridor as the vacancy but at a higher Tier.
 - (3) EMPLOYEES who are surplus in an Occupational Job Classification in a higher Tier as the vacancy but in a different Corridor.
 - (4) EMPLOYEES who are surplus in an Occupational Job Classification in the same Tier as the vacancy but in a different Corridor.
- (c) Job vacancies not filled in accordance with Paragraph 2(b) shall be advertised on the COMPANY bulletin board(s) for a minimum of seven (7) days. Each such advertisement shall include the following information:
 - (1) Job Vacancy Number
 - (2) Occupational Job Classification, Tier and Corridor
 - (3) Basic duties and QUALIFICATIONS
 - (4) Work Schedule
 - (5) Closing date for receipt of nominations
 - (i) EMPLOYEES of the COMPANY may nominate themselves for advertised job vacancies by submitting the form prescribed by the COMPANY.
 - (ii) Job vacancies not filled in accordance with Paragraph 2(b) shall be filled by QUALIFIED EMPLOYEES who have

nominated themselves for the vacancy as provided in Paragraph 2(c)(5)(i)

- (d) If none of the EMPLOYEES considered in accordance with Paragraph 2(c) possess the QUALIFICATIONS needed to fill a job vacancy, hiring may be utilized. In such event, however, former EMPLOYEES of the COMPANY who are QUALIFIED and who have been LAID OFF within the preceding thirty-six (36) calendar months shall be given first consideration, providing they have not previously refused an opportunity for employment.
- (e) A laid-off EMPLOYEE may defer, one time only, an opportunity for re-employment as defined in Paragraph 2.d for a time period to be specified by the EMPLOYEE. At the conclusion of the specified time, the EMPLOYEE would again become eligible for a subsequent opportunity for re-employment. It is understood that this one time deferral is irrevocable and will not extend the thirty-six (36) months of eligibility identified in Paragraph 2.d
- (f) Following selection of the person to fill a vacancy, a notice shall be posted on the COMPANY designated bulletin board(s) for a minimum of five (5) full working days, which shall include the following information:
 - (1) Job Vacancy Number
 - (2) Tier and Corridor
 - (3) Name of person selected
 - (4) Effective date of assignment

3 Reductions in Force

- (a) When lack of work necessitates decreasing the work force, EMPLOYEES shall be selected as surplus in the inverse order of TERM OF EMPLOYMENT, from the Occupational Job Classification, Tier level and Corridor affected.
- (b) An EMPLOYEE who is selected as surplus or who becomes surplus by displacement shall be considered for placement in the following successive steps:

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- (1) By filling a vacancy in another Occupational Job Classification in the same Tier for which the EMPLOYEE is QUALIFIED.
- (2) By displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in a different Occupational Job Classification in the same Corridor and the same Tier for which the EMPLOYEE is QUALIFIED.
- (3) By displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in the same Tier in a different Corridor for which the EMPLOYEE is QUALIFIED provided, in the case of a Tier 5, the EMPLOYEE has previously worked in that Tier/Corridor, in the case of a Tier 4, the EMPLOYEE has passed the applicable certification exam and, in the case of Tier 3, the EMPLOYEE can perform the job within a reasonable training period; in all cases the surplus EMPLOYEE must have at least one (1) day more TERM OF EMPLOYMENT than the EMPLOYEE to be displaced.
- (4) By filling a job vacancy in an Occupational Job Classification in the same Corridor in the next lower Tier or by displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in such Tier and Corridor provided the surplus EMPLOYEE has at least one
- (5) By filling a job vacancy in an Occupational Job Classification in a different Corridor in the next lower Tier for which the EMPLOYEE is QUALIFIED or by displacing another EMPLOYEE who has the shortest TERM OF EMPLOYMENT in a different Corridor in such Tier for which the EMPLOYEE is QUALIFIED provided that, in the case of Tier 4, the EMPLOYEE has passed the applicable certification exam; and, in the case of Tier 3 can perform the job within a reasonable training period; in all cases the surplus EMPLOYEE must have at least one (1) day more TERM OF EMPLOYMENT than the EMPLOYEE to be displaced.
- (6) If the surplus EMPLOYEE is not placed under 3(b)(5) then by filling a job vacancy or by displacing another EMPLOYEE in the next lower Tier on the same basis as provided in 3(b)(4) and then 3(b)(5) and in the same manner in successively lower Tiers.
- (7) Applicable For Entry Level Only (7)

- (j) In such case of an EMPLOYEE whose TERM OF EMPLOYMENT is less than that of EMPLOYEES "LAID OFF" within the prior three (3) months, these EMPLOYEES will be placed at entry level for not more than two (2) weeks, at which time paragraph 3(d) then becomes effective and the EMPLOYEE shall be LAID OFF.
- (8) Except as provided in Paragraph 3(d) a surplus EMPLOYEE who cannot be placed in accordance with this Paragraph 3 shall be LAID OFF.
- (9) When lack of work necessitates decreasing the work force, the EMPLOYEES to be LAID OFF shall be selected in the inverse order of TERM OF EMPLOYMENT from the entry level grade. The COMPANY may exempt from selection for LAYOFF when such exemptions are necessary to avoid unreasonable departmental depletions.

4 Movement of Personnel (Article 31)

The COMPANY agrees to give salaried graded EMPLOYEES with fifteen (15) or more years term of employment, who are declared surplus under the provisions of Article 31, Paragraph 3.a, MOVEMENT OF PERSONNEL, or who are moved as a result of departmental reorganization, shift retention rights.

The COMPANY agrees to have the Placement Supervisor meet with an EMPLOYEE designated by the Local UNION President as the UNION'S Movement of Personnel REPRESENTATIVE to review general matters regarding job posting and to provide EMPLOYEE job profiles where necessary to resolve questions. The same designated EMPLOYEE will be allowed to contact the Medical Organization regarding the matter of a job injury, if the injured EMPLOYEE signs the appropriate release form. Conferring time spent by the UNION'S Movement of Personnel REPRESENTATIVE on investigation of personnel matters will be approved by Workforce Relations or the Personnel Placement Supervisor.

(a) Lateral Transfer

- (1) All lateral transfers shall be subject to the needs of the business WITHIN THE SAME TIER AND CORRIDOR
- (2) EMPLOYEES in present tier, corridor, occupation job classification and department as a result of lack of work or

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involuntary reassignment from another department are eligible for lateral transfer anytime.

- (3) All others six (6) months in tier, corridor, occupation job classification and department.

OUT OF CORRIDOR

- (4) No time limit in present tier and corridor.
- (5) An EMPLOYEE who bids and is upgraded to a job and, for some reason wishes to return to his or her former lower graded job, may do so if the lower graded TOUR has not yet been filled.
- (6) When the COMPANY determines that it is inappropriate to fill an Lucent-BL labor loan vacancy under Article 9, Movement of Personnel, the Support Staff Administrator shall so advise the Workforce Relations Organization in writing. The COMPANY may then, upon notification, normally seven (7) days, to the Local UNION, fill the vacancy on a temporary basis with contract help (normally not to exceed 45 days). The notification shall specify:
- (i) Occupation to be filled
 - (ii) Contract source
 - (iii) Starting date
 - (iv) Anticipated expiration date
- (7) The COMPANY agrees that it shall make every effort to fill the vacancy with a permanent EMPLOYEE within 45 days. The COMPANY further agrees that should it become necessary to retain such contract personnel in excess of 45 days, the UNION will be so notified.
- (8) In applying the provisions of Article 31, Paragraph 3a, MOVEMENT OF PERSONNEL, the COMPANY agrees that:
- (i) EMPLOYEES classified as Tier 1 EMPLOYEES who are on tours that require no typing or data entry skills may be displaced by eligible EMPLOYEES who have had no previous experience on those assignments.

(ii) Eligible EMPLOYEES who have passed the COMPANY'S data entry test may displace incumbent EMPLOYEES on Tier 1 tours requiring such tests.

(9) When the COMPANY determines that it is inappropriate to fill any vacancy assigned to the salaried bargaining unit, the UNION will be notified.

(10) When a downsizing is to occur at the Merrimack Valley Works, it is expected that any higher graded surplus and/or bumping will occur before the layoff.

(11) Under no circumstances is this to prohibit the COMPANY from surplus and/or downgrade at times other than in LAYOFF conditions.

5 Five Tier Plan (Article 31)

(a) The COMPANY agrees that normally, REPRESENTATIVES of the Wage Practices Organization will have discussions with the EMPLOYEE assigned to the job classification being investigated.

(b) The COMPANY agrees to provide the Local UNION with a copy of Form 822-E, "Request for Job Grading Service", upon receipt in the Wage Practices Organization at all times. This applies to the salaried graded universe only.

(c) The Wage Practices Organization will provide, as soon as practicable, an in-hours job grading training course for REPRESENTATIVES of the Local UNION'S Job Grading Committee.

6 Sickness Absence

(a) Subject to the conditions set forth in sub-paragraphs 6(a)(1), 6(a)(2) and 6(a)(3) of this paragraph, an EMPLOYEE absent because of personal sickness for seven (7) consecutive calendar days shall be paid for all such time lost within such EMPLOYEE'S SCHEDULED WEEKLY TOUR.

(1) The EMPLOYEE shall have a TERM OF EMPLOYMENT of two (2) or more years as of the seventh (7th) calendar day following the first (1st) day of such sickness absence, considering the first (1st) of such seven (7) days as the first (1st) day within the

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EMPLOYEE'S SCHEDULED WEEKLY TOUR in effect at the time the personal sickness began on which the EMPLOYEE was absent for all or part of the day for such absence;

- (2) The EMPLOYEE shall have furnished a physician's certificate acceptable to the COMPANY, showing inability to work during the entire period of sickness absence; and,
- (b) The EMPLOYEE would have been eligible to and qualified for sickness benefits under and pursuant to the Sickness and Accident Disability Benefit Plan had such personal sickness absence continued beyond the seventh (7th) day in Paragraph 6(a)(1).
 - (1) An EMPLOYEE absent for personal sickness not covered under Paragraph 6(a) may at the discretion of the COMPANY, be paid for all or part of such time lost within such EMPLOYEE'S SCHEDULED WEEKLY TOUR.
 - (2) No sickness absence payment shall be made for any such time for which benefits are paid under the Sickness and Accident Disability Benefit Plan, nor for which holiday allowance, in accordance with ARTICLE 12 - HOLIDAYS, is paid.

**APPENDIX 31 – A
WAGES**

Hourly and Tier EMPLOYEES

1 Wage Progression

- (a) The STANDARD RATE of each EMPLOYEE in a PRODUCTION OCCUPATION, TRADES GROUP 1 or TIER OCCUPATION whose STANDARD RATE is below the MAXIMUM RATE of the applicable Production/Tier Level shall be increased during the term of this Agreement in accordance with the applicable schedule set forth in the Wage Addendum, provided that such EMPLOYEE has sixty (60) days NET CREDITED SERVICE prior to the progression date and subject to the further provisions of Paragraph 1.
- (b) The STANDARD RATE of each EMPLOYEE in a Trades Group 2 TRADES OCCUPATION or PRODUCTION OCCUPATION TESTER (TSS) Level whose STANDARD RATE is below the MAXIMUM RATE of Trades Group 2 or TESTER (TSS) shall be increased during the term of this Agreement according to the following schedule, subject to the further provisions of this Paragraph 1.
 - (1) An increase shall be given semi-annually to each EMPLOYEE in Trades Group 2 or TSS Level whose STANDARD RATE is below the CONTROL RATE, provided that such EMPLOYEE has 60 days NET CREDIT SERVICE prior to the progression date and provided that the EMPLOYEE'S resulting STANDARD RATE shall not exceed such CONTROL RATE.
 - (2) An increase shall be given to each EMPLOYEE in Trades Group 2 or TSS Level whose STANDARD RATE is at or above the CONTROL RATE, provided that such EMPLOYEE has 60 days NET CREDIT SERVICE prior to the progression date and provided that the EMPLOYEE meets the prescribed criteria to progress beyond the CONTROL RATE.
 - (i) The LOCAL UNION will be notified in writing at least ten (10) days in advance of the date the increase was to have become effective, when an EMPLOYEE does not meet the prescribed criteria to progress beyond the CONTROL RATE, but the provisions of Paragraph 1(d) of this Article will not be applicable in such event

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- (c) Progression increases provided in Paragraph 1(a), 1(b)(1) and 1(b)(2) will be given semi-annually effective on the first of the fiscal months of March and September.
- (d) An EMPLOYEE who has qualified to receive a scheduled increase under Paragraphs 1(a) or 1(b) but who does not receive such increase because he or she is on personal or disability Leave of Absence on the effective date of the increase, shall receive the increase effective on the date of reinstatement from such Leave of Absence provided reinstatement occurs before the next succeeding scheduled increase date.
- (e) If, in the judgment of the COMPANY, an EMPLOYEE is not entitled to an increase under the provisions of Paragraphs 1(a) or 1(b) due to the EMPLOYEE'S performance on the job or conduct, including excessive unexcused absenteeism or tardiness, the COMPANY may withhold such increase provided it has notified the UNION in writing at least ten (10) days in advance of the date the increase was to have become effective. The UNION will notify the COMPANY in writing within ten (10) days following receipt of the COMPANY'S notice, if it questions such withholding.

2 Temporary Promotion Allowance:

- (a) An EMPLOYEE who is temporarily promoted to a higher Production or Tier Level shall be eligible to receive a Temporary Promotion Allowance (TPA) in the amount of ten dollars (\$10.00) per day for each Level for each day such EMPLOYEE is assigned to work in the higher Level. While on such temporary assignment the EMPLOYEE shall continue to receive the STANDARD RATE he or she would have been paid in the lower Production or Tier Level.
 - (1) However, in no event shall the combination of a TPA, when divided by the number of hours worked in a day and added to the EMPLOYEE'S STANDARD RATE, exceed the MAXIMUM RATE of the Production or Tier Level to which the EMPLOYEE is temporarily promoted.

3 Promotions, Demotions and Lateral Reclassifications

- (a) When an EMPLOYEE is reclassified to another Occupational Job Classification that is in the same Production Level, Trades Group or Tier it shall be considered a "lateral reclassification."

- (b) When an EMPLOYEE is reclassified from an Occupational Job Classification in a lower Production Level, Trades Group or Tier to an Occupational Job Classification in a higher Production Level, Trades Group or Tier it shall be considered a "promotion."
- (c) When an EMPLOYEE is reclassified from an Occupational Job Classification in a higher Production Level, Trades Group or Tier to an Occupational Job Classification in a lower Production Level, Trades Group or Tier it shall be considered a "demotion."
- (d) When an EMPLOYEE is reclassified to an Occupational Job Classification which is outside his or her occupational job classification plan, the provisions of Paragraph 2, Definitions, of the Lucent Technologies Transfer Program shall be used to determine if the reclassification constitutes an "Upgrade," "Downgrade" or "Lateral." For purposes of this Appendix, an "Upgrade" shall be considered a "promotion" and a "Downgrade" shall be considered a "demotion."
- (e) For promotions other than Temporary Promotions, and for reclassifications to other Occupational Job Classifications, an EMPLOYEE'S STANDARD RATE shall be established as follows:

(1) Lateral Reclassifications:

The EMPLOYEE shall be moved to the nearest Progression Step on the Wage Schedule of the job to which reclassified which does not result in a reduction in STANDARD RATE.

(2) Promotions:

Except as provided in Paragraph (i) and (ii) below the EMPLOYEE shall be moved to a whole progression step above the nearest progression step on the wage schedule to which promoted.

- (i) The STANDARD RATE of an EMPLOYEE promoted to a Production Level, Tier, Tester or Trades Group in which the EMPLOYEE previously performed shall not be less than the STANDARD RATE formerly received in that Production Level, Tier or Trades Group. However, when an EMPLOYEE had been demoted due to lack of work from a higher Production Level to a lower Production Level, Tier Level to a lower Tier Level, Tester to a Production Level or from Trades

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Group to a Production Level and the EMPLOYEE subsequently is returned to the higher Production Level, Tier Level, Tester Level or to Trades Group, the EMPLOYEE shall be moved to the same Progression Step the EMPLOYEE held prior to demotion.

- (i) In no case, however, shall an EMPLOYEE'S STANDARD RATE be increased to an amount that exceeds the MAXIMUM RATE of the job to which promoted.

(3) Demotions due to lack of work:

The EMPLOYEE shall be moved to the nearest Progression Step on the Wage Schedule of the job to which demoted which is immediately below the EMPLOYEE'S STANDARD RATE prior to the demotion.

(4) Other Demotions:

- (i) *When an EMPLOYEE is demoted from a higher Production Level to a lower Production Level, Tier Level to a lower Tier Level, Tester to a Production Level or from Trades Group to a Production Level because of incompetence or at the EMPLOYEE'S request:*

The EMPLOYEE shall be moved to the nearest Progression Step on the Wage Schedule of the job to which demoted which is immediately below the EMPLOYEE'S STANDARD RATE prior to the demotion.

- (ii) *When an EMPLOYEE is demoted due to infraction of COMPANY rules or improper conduct, the COMPANY shall determine the EMPLOYEE'S STANDARD RATE. In the event the EMPLOYEE previously worked in the same Production Level, Tier Level, Tester or Trades Group to which demoted, the EMPLOYEE shall be moved to a Progression Step which is not less than the STANDARD RATE last received in that former assignment. However, in no case shall such EMPLOYEE'S STANDARD RATE exceed the MAXIMUM RATE of the Occupational Level to which demoted.*

- (a) When an EMPLOYEE'S STANDARD RATE is subject to two (2) or more changes effective on the same date, the changes shall be made in the following order:
 - (1) Progression increase in accordance with Paragraph 1
 - (2) Promotion increase in accordance with Paragraph 3(e)(2)
 - (3) General increase in accordance with ARTICLE 24 – WAGES.
 - (4) Demotion adjustment
- (b) An EMPLOYEE who is absent because of sickness, accident or quarantine at the end of the EMPLOYEE'S 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 return to active duty.
- (c) An EMPLOYEE reinstated from a Leave of Absence shall be assigned a STANDARD RATE (unless the provisions of Paragraph 1(d) apply) which is equitable in comparison with the STANDARD RATES of other EMPLOYEES of comparable TERM OF EMPLOYMENT, experience, and ability in the same Grade, Tier or Level. However, if reinstated in the same Occupational Job Classification, the EMPLOYEE shall be assigned a STANDARD RATE not less than that received at the time such Leave of Absence began, but which may be adjusted for wage increases granted during the period of the Leave of Absence.
- (d) Notwithstanding the other provisions of this Article, the COMPANY may, at its initiative and in accordance with its judgment, start an EMPLOYEE above the MINIMUM RATE and pay an EMPLOYEE above the MAXIMUM RATE or CONTROL RATE (and may increase an EMPLOYEE'S STANDARD RATE above the MAXIMUM RATE) specified for the EMPLOYEE'S Production Level, Tier Level, Tester or Trades Group. However, the provisions of this Paragraph shall not be used for the purpose of granting a general merit rate review.
- (e) If an EMPLOYEE is recalled from LAYOFF the EMPLOYEE shall be assigned a STANDARD RATE in accordance with the following:
 - (1) if an EMPLOYEE is recalled within twelve (12) months from the date of LAYOFF to an OCCUPATION in his or her former Level, the EMPLOYEE shall be assigned a STANDARD RATE no less

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than that received at the time such EMPLOYEE was LAID OFF from that Level, but which will be adjusted for wage increases granted during the period such EMPLOYEE was on LAYOFF status.

- (2) If the EMPLOYEE is recalled more than twelve months from the date of LAYOFF, the RATE established above shall be further adjusted in accordance with the following, but in no event shall the new STANDARD RATE be less than the MINIMUM RATE of the applicable Production Level:

Number of Months ----LAID OFF----;	The EMPLOYEE will be assigned a ----STANDARD RATE that is----:
12 through 18	One (1) Progression Step less than EMPLOYEE held at the time of LAYOFF
18 through 24	Two (2) Progression Steps less than EMPLOYEE held at the time of LAYOFF
24 through 30	Three (3) progression steps less than EMPLOYEE held at the time of layoff
30 through 36	Four (4) progression steps less than EMPLOYEE held at the time of LAYOFF

5 Trades Trainees:

- (a) The schedule of training periods, hours and hourly rates of pay found in the Wage Addendum and Article 31 shall apply to EMPLOYEES enrolled in the formal training course(s) under the supervision of the Location's Training Organization, or its successor, leading to the TRADES OCCUPATION(s) as specified in ARTICLE 23 - OCCUPATIONAL JOB CLASSIFICATIONS; or Course(s) leading to TRADES OCCUPATION(s) as specified in ARTICLE 23 - OCCUPATIONAL JOB CLASSIFICATIONS.

- (1) The General Wage Increases (GWI's) shall be applied as provided in ARTICLE 24 - WAGES.
- (2) There shall be credited against the periods listed in ARTICLE 24 - WAGES appendix only the time worked within the current weekly work schedule of the Location's Training Organization in

any week, exclusive of an individual EMPLOYEE'S overtime, but the COMPANY shall take such overtime into consideration as an offset to time lost due to absence.

- (3) The COMPANY may in its judgment start an EMPLOYEE as a trainee in any one of the training periods listed in the local wage appendices. In addition, the progress of individual EMPLOYEES through the various training periods may be varied according to the COMPANY'S judgment of the ability of the individual EMPLOYEE and the needs of the business. Therefore, the number of hours listed for each training period is an expected average and not a minimum or a maximum time for the determination of advancement. In any case where an EMPLOYEE is to be held for more than ten percent (10%) longer in any of the training periods listed in paragraph 5(a) the UNION will be so notified.
- (4) Effective on the dates of the General Wage Increase(s) and Progression Increases respectively, EMPLOYEES then covered by ARTICLE 24 – WAGES and the Local Wage Appendices shall receive an increase necessary to adjust their STANDARD RATES to the new schedules effective on the dates set forth therein.
- (b) Upon graduation from a training course (or "the training course") outlined in Paragraph 5, an EMPLOYEE shall be assigned to the appropriate TRADES OCCUPATION, and the EMPLOYEE'S wage treatment and progress thereafter shall be in accordance with the applicable provisions of this Appendix, the same as for other EMPLOYEES in TRADES OCCUPATIONS.
- (c) If, in the COMPANY'S judgment, it becomes necessary to transfer any or all EMPLOYEES from a training course to other work before completion of the formal training course as outlined in Paragraph 5, the COMPANY will notify the UNION in advance.
- (d) It is understood that the training course(s) herein provided may be changed or discontinued at any time at the discretion of the COMPANY. The COMPANY will notify the UNION at least one (1) week in advance of such action.
- (e) Upon their satisfactory completion of a training course, the COMPANY will issue a certificate to the trainees indicating that the requirements of the course have been met.

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- (f) Except as provided in this Paragraph 5, none of the provisions of this Appendix, or ARTICLE 23 - OCCUPATIONAL JOB CLASSIFICATIONS and NEW JOB TITLES, shall apply to EMPLOYEES enrolled in the formal training course(s) leading to the TRADES OCCUPATIONS as specified in ARTICLE 23 - OCCUPATIONAL JOB CLASSIFICATIONS.
- (g) The provisions of ARTICLE 9 - ARBITRATION, shall not apply to the training course(s) outlined in Paragraph 5 or the administration thereof.

**APPENDIX 31 – B
FACILITY CLOSING PROGRAM**

- 1 If during the term of this Agreement, the COMPANY notifies the UNION that it will close a facility at which EMPLOYEES represented by the UNION are employed, the COMPANY will offer certain financial assistance to eligible regular EMPLOYEES who are on the COMPANY'S roll at that facility as of the date of such notice. The financial assistance shall be offered in accordance with the following provisions:
 - (a) An EMPLOYEE having a TERM OF EMPLOYMENT of less than fifteen (15) years as of the scheduled date of termination due to a facility closing shall receive:
 - (1) A Termination Allowance computed in accordance with ARTICLE 31 – APPENDIX C, TERMINATION ALLOWANCES. Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.
 - (2) Reimbursement of up to \$2500 for certain educational, training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED) program, provided such EMPLOYEE has at least one (1) year of TERM OF EMPLOYMENT as of his/her date of termination.
 - (b) An EMPLOYEE having a TERM OF EMPLOYMENT of fifteen (15) years or more as of the scheduled date of termination due to a facility closing will be subject to the following:
 - (1) Where a job of a comparable level is available at another Lucent Technologies Facility and the COMPANY deems it appropriate, it shall offer such job to a qualified EMPLOYEE at the facility being closed. If such an offer is made and the EMPLOYEE accepts the job within the period of time designated by the COMPANY, he/she will be eligible to reimbursement for payment for certain relocation expenses in accordance with Paragraph 1(b)(2) below provided:
 - (i) The job being offered is not located at a facility in the same metropolitan area as the facility being closed and,
 - (ii) The EMPLOYEE transfers to such job assignment by the date designated by the COMPANY.

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- (2) An eligible EMPLOYEE who is transferred by the COMPANY to a job at another Lucent Technologies facility outside the metropolitan area of the closing facility, shall be entitled to receive:
 - (i) Relocation Expense Treatment as specified in Paragraph 8, Relocation Expenses, of the Lucent Transfer Program;
 - (ii) Time off for House Hunting as follows:
A maximum of three (3) business days; and,
 - (iii) Time off for Relocation as follows:
One (1) business day for each 500 miles transferred, and,
One (1) additional day off on each end of the move.
- (3) An EMPLOYEE who refuses such a job offer will, upon termination, receive a Termination Allowance computed in accordance with ARTICLE 31 – APPENDIX C, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.
- (4) Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.
- (5) Where a job offer as described in Paragraph 1(b)(1) is not made, or if the EMPLOYEE refuses a job offer of a job at a lower than comparable level at a facility outside the metropolitan area of the facility being closed, such an EMPLOYEE will, upon termination of his/her employment, be eligible to receive:
 - (i) A Termination Allowance computed in accordance with ARTICLE 31 – APPENDIX C, TERMINATION ALLOWANCES that shall be paid and administered in accordance with Paragraph 1(a)(1) above.

Subject to the needs of the business, consideration may be given to allowing such an EMPLOYEE to select a termination date earlier than the COMPANY scheduled date.

- (ii) Reimbursement of up to \$2500 for certain educational training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED) program.

- (c) In the event an EMPLOYEE, regardless of TERM OF EMPLOYMENT, is offered a job of a comparable or higher level at another Lucent Technologies facility in the same metropolitan area as the facility being closed and refuses such offer, he/she will not be eligible to any Termination Allowance nor any benefits provided under this Program.

Where such offer involves a job at a lower than comparable level and the EMPLOYEE refuses, such an EMPLOYEE will, upon termination of his/her employment, be eligible to receive a Termination Allowance computed in accordance with ARTICLE 31 – APPENDIX C, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.

- 2 Except as specifically provided in this paragraph, neither the Facility Closing Program nor its administration shall be subject to arbitration. Arbitration shall be limited to the following issues:
 - (a) Whether an EMPLOYEE is eligible, with regard to TERM OF EMPLOYMENT, for benefits under the Program, or
 - (b) whether or not a job offered under Paragraphs 1(b) or 1(c) is of a comparable level, or
 - (c) Whether a particular education, training, outplacement or relocation expense is a reimbursable expense under the provisions of the Program.
- 3 Where the COMPANY deems it appropriate, it may apply any or all of the terms of the Program to EMPLOYEES who may be terminated as the result of major work consolidation or other actions that have a major impact on EMPLOYEES but does not constitute the complete closing of a facility.
- 4 The following conditions shall apply to all UNION represented EMPLOYEES transferring from a closing facility into the bargaining unit at any other Lucent Technologies facility whose collective bargaining agreement includes the Facility Closing Program provisions:
 - (a) An EMPLOYEE may be transferred with his or her job and assigned the appropriate Occupational Job Classification at the receiving location provided qualified bidders and qualified former EMPLOYEES on LAYOFF eligible to recall at the receiving location, who have greater TERM OF EMPLOYMENT, have been exhausted.

Article 31 – Appendix B

- (b) An EMPLOYEE may be transferred other than with his or her job provided the transfer is to an entry level job and further provided that the LAYOFF recall list, if any, at the receiving location has been exhausted.
 - (c) An EMPLOYEE transferred in accordance with Paragraph 4(a) or 4(b) above, shall maintain his or her TERM OF EMPLOYMENT for purposes of LAYOFF and all other purposes except Movement of Personnel.
 - (i) For Movement of Personnel purposes such an employee shall be treated as a new hire and his or her seniority at the receiving location shall be used for a period of two (2) years after which TERM OF EMPLOYMENT shall apply.
- 5 A ___*___ (See Note) REPRESENTATIVE who participate on the Joint Labor- Management Steering Committee and whose functions involve contract administration during the plant phase-down or facility closing will not be terminated under the Facility Closing Program until the workforce is stabilized or the facility is closed.
- 6 A Local UNION President at a facility which is closing and up to ___*___ (See Note) other UNION REPRESENTATIVE (S) who have the responsibility for representing EMPLOYEES at such facility while working in an EMPLOYEE Resource Center at the time of acceptance for transfer to another facility in accordance with Paragraph 4(a) or 4(b) shall have the opportunity to delay such transfer. Such EMPLOYEE is assured that a job in an Occupational Job Classification in the same Grade, Level, Tier or Wage Schedule, whichever is applicable, as the job for which he or she had been accepted will remain available at the receiving location, provided he or she transfers prior to the date production essentially ceases at his or her facility. For EMPLOYEES transferring in accordance with Paragraph 4(a) or 4(b) their service date for Movement of Personnel purposes at the receiving location shall be retroactive to the date the EMPLOYEE would have reported to the receiving location had he/she not been assigned to the EMPLOYEE Resource Center.
- 7 An EMPLOYEE whose transfer to another facility in accordance with the provisions of this Article results in a "Downgrade" as defined in Paragraph 2, Definitions, of the Lucent Transfer Program will be treated in accordance with the provisions of Paragraph 7, Wage Treatment/Protection, of the Lucent Transfer Program.

Note: The appropriate number for a closing location to be jointly determined by the Joint Labor-Management Steering Committee.

**APPENDIX 31 – C
TERMINATION ALLOWANCES**

The following provisions apply to those EMPLOYEES covered under Article 31.

- 1 An EMPLOYEE LAID OFF shall be granted a Termination Allowance in accordance with the following, except as provided in Paragraph 4:

TERM OF EMPLOYMENT At Date of LAYOFF	TERMINATION ALLOWANCE Number of Weeks' Pay	TERM OF EMPLOYMENT At Date of LAYOFF	TERMINATION ALLOWANCE Number of Weeks' Pay
Less than 1 year	0	17 years	32
1 year	1	18 years	36
2 years	2	19 years	40
3 years	3	20 years	45
4 years	4	21 years	50
5 years	5	22 years	55
6 years	6	23 years	60
7 years	7	24 years	65
8 years	9	25 years	70
9 years	11	26 years	75
10 years	13	27 years	80
11 years	15	28 years	85
12 years	17	29 years	90
13 years	19	30 years	95
14 years	21	31 years	100
15 years	24	32 or more years	104
16 years	28		

2 Computation

- (a) Termination Allowance payments shall be computed at an EMPLOYEE'S ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect as of the date of LAYOFF with a minimum, for other than a part-time EMPLOYEE, equal to four (4) of the EMPLOYEE'S SCHEDULED DAILY TOURS per week.
- (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 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 of LAYOFF. 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.

3 Periodic Income Protection Payments

(a) The EMPLOYEE shall have the option of receiving the Termination Allowance (1) in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.

(1) 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 Termination Allowance Factor applicable to the EMPLOYEE. (Any odd balance will be carried forward into another pay cycle). An EMPLOYEE'S Termination Allowance factor is the dollar figure used as a "week of pay" in calculating the total Termination Allowance to which that EMPLOYEE is entitled.

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

(i) The total amount of the installments to the EMPLOYEE equals the total amount of Termination Allowance which the EMPLOYEE is to receive.

(ii) The EMPLOYEE is recalled or re-employed as a regular EMPLOYEE by Lucent Technologies or any of its affiliates, subsidiaries or entities.

4 When an EMPLOYEE has received a Termination Allowance in lump sum and is subsequently recalled or rehired as a regular EMPLOYEE to a job in the bargaining unit and the number of weeks since date of LAYOFF is less than the number of weeks of Termination Allowance granted, the amount of Termination Allowance paid the EMPLOYEE for the excess number of weeks shall be considered as an advance in pay by the COMPANY and repayable through payroll deduction at the rate of ten percent (10%) of such EMPLOYEE'S wages.

Article 31 – Appendix C

- 5 An EMPLOYEE who has been reemployed following a period of LAYOFF and who is again LAID OFF shall be granted a Termination Allowance in accordance with the following:

Continuous Service Since Date of Latest Employment	Termination Allowance
Less than 5 years	Termination Allowance in accordance with Paragraph 2 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 in accordance with Paragraph b paid to EMPLOYEE as Termination Allowance at time of prior LAYOFF or LAYOFFS).
5 years or more	Termination Allowance in accordance with Paragraph 2.

Note: When an EMPLOYEE'S TERM OF EMPLOYMENT prior to reemployment is not credited, Termination Allowance shall be based on TERM OF EMPLOYMENT since date of such reemployment.

**APPENDIX 31 – D
MERRIMACK VALLEY WORK P&M and TIER LOCAL AGREEMENTS**

The following provisions apply to those EMPLOYEES covered under Article 31.

Continuation of Letters and Agreements

January 9, 2003

Mary Jo Sherman.
CWA REPRESENTATIVE
Communications Workers of America
501 Third St. NW
Washington, DC

Dear Ms. Sherman:

Subject: Continuation of Letters and Agreements

All letters and agreements not deleted or modified by the parties shall remain in full force and effect for the term of this Agreement.

Very truly yours,

/s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th day of January 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/ Mary Jo Sherman
CWA REPRESENTATIVE

**LOCAL AGREEMENT
LOCAL 1365 AND LOCAL 1366 CWA**

Ms. Mary Jo Sherman
International REPRESENTATIVE
Communications Workers of America
501 Third Street NW
Washington, DC

Dear Ms. Sherman:

This will confirm our understanding of January 9, 2003 that notwithstanding the specified provisions of CWA General Agreement - Consolidated Workers' Agreement, the following agreements shall apply at the Merrimack Valley Works:

ABSENCE CONTROL PLAN

Any absence that results in hospitalization will not trigger a level in the Absence Control Plan.

Any absence resulting in scheduled surgical day care or hospitalization and requires testing immediately prior to such scheduled surgical day care will not trigger a level in the Absence Control Plan. Immediately prior is normally defined as the day before. Exceptions may be honored with documentation acceptable to the Medical Department and/or Workforce Relations

The Fifth Level of the ACP shall be considered to be Remedial Review.

In the event the COMPANY plans to initiate changes in the ACP or ARP or to implement a new ACP or ARP they will meet with the UNION Presidents thirty (30) days prior to the notice to EMPLOYEES to consider any inputs/suggestions and will notify the UNION at least ten (10) days prior to notification to EMPLOYEES of the COMPANY'S response to the UNIONS input/suggestions.

ANNUAL SHIFT BIDDING - P&M

EMPLOYEES will be given the opportunity to identify shift of choice in order of preference. EMPLOYEES must identify the order of preference of all three shifts. In departments where 7-day coverage exists, EMPLOYEES must identify an order of preference including 7-day coverage for three shifts and 7-day rotating coverage. The net result will be seven (7) selections of preference.

Article 31 – Appendix D

The EMPLOYEES will have the month of October in which shift-bid preference is to be completed and submitted to the EMPLOYEE'S immediate supervisor. Shift bid sheets in and verified on or before December 15 of each year.

The Universe defined for the shift-bid process is Plant Wide - (Exception - By occupation in JOURNEYMAN Trades and TESTERS).

Implementation of the shift-bids is to be not later than January 2 or the Monday immediately following.

EMPLOYEES will be placed on shifts based on term of employment. Shift Bid sheets will be a part of the EMPLOYEE'S departmental record.

The EMPLOYEE'S immediate Supervisor will review the Shift Bid form with the EMPLOYEE for accuracy.

Departmental reorganizations at times other than the annual shift bid will be done through the shift-bid sheets in each department where feasible.

Departments will "net out" internal moves before issuing an open requisition.

It is understood that restrictions and hardships will not supersede this shift-bid process.

In surplus situations the surplus EMPLOYEE who is placed in another department may immediately exercise his/her shift-bid in the new department.

An EMPLOYEE placed in a department under obligatory reinstatement from a leave of absence may immediately exercise shift-bid of record.

CODE CLASS and LICENSE

The COMPANY agrees to have the electrician's code update training on COMPANY premises at COMPANY expense when required. Training will be on COMPANY time. The COMPANY agrees to pay for all licenses required as a condition of employment

COVERALLS

COMPANY agrees to continue to provide coveralls to any interested tradesman. Both industrial and lightweight coveralls will be available.

DISCIPLINARY DOCUMENTATION

The COMPANY agrees to place a twelve (12) month expiration date on all Verbal Warnings and COMPANY Notices provided there has been

no subsequent disciplinary action in the twelve (12) month period. The COMPANY further agrees not to reference the actions that have reached the expiration date.

DOCTOR'S CERTIFICATE

Certificate will not be required if EMPLOYEE will not be paid for sickness absence. EMPLOYEE must be notified in advance of the need for a doctor's certificate for payment of future sickness absence. EMPLOYEE must be notified in advance if future sickness absences will not be paid.

DOWNSIZING

When a downsizing is to occur at the Merrimack Valley Works, it is expected that any higher graded surplus and/or bumping will occur before the LAYOFF. Under no circumstances is this to prohibit the COMPANY from surplus and/or downgrade at times other than in LAYOFF conditions.

GRIEVANCE PROCEDURE

There will be a three (3) step grievance procedure. The third level will be the FUNCTION DIRECTOR when there is no MANAGER in the Line Organization. A written response from the COMPANY to the President of the Local UNION will be required if the grievance is denied at the third step.

DISCIPLINARY MATTERS

- (1) Any grievance involving the suspension or DISMISSAL of an individual EMPLOYEE shall be submitted in writing to the FUNCTION DIRECTOR/ MANAGER of the EMPLOYEE'S line organization within fifteen (15) standard working days after the UNION receives notice of the suspension or DISMISSAL. A copy of the meeting, date and time shall be forwarded to Workforce Relations along with the EMPLOYEE'S authorization and the UNION'S request for all information and documentation used to determine the suspension/termination. The COMPANY will make available for reproduction by the UNION the above information at least 2 working days prior to the Function/Director/Manager and UNION meeting - providing the UNION has forwarded a copy of the meeting date to Workforce Relations within 4 working days prior to the date of the Function/Director/Manager and UNION meetings. If such grievance is not submitted within the fifteen (15) day period, the matter shall be considered closed.

Article 31 – Appendix D

- (2) The COMPANY shall submit a written answer to the grievance within five (5) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or, if such an answer is not submitted within the five (5) day period, the grievance shall be considered rejected.
- (3) The grievance may then be presented to the COMPANY'S BARGAINING AGENT. The COMPANY shall submit a written answer to the grievance within five (5) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or if such an answer is not submitted within the five (5) day period, the grievance shall be considered rejected and the grievance procedure shall be exhausted.

IN-PLANT UNION AREA

The COMPANY will maintain in plant locations for a Local 1365 and a Local 1366 conferring office equipped with a telephone, audix and a personal computer.

INTERPRETER

The COMPANY will agree, when requested by the UNION or an EMPLOYEE, to allow an interpreter to be brought into a meeting with said EMPLOYEE at COMPANY'S expense when such interpreter is readily available in the workplace and can be made available for such meeting.

JOINT LABOR/MANAGEMENT OSHA COMMITTEE and SAFETY ISSUES

The O.S.H.A. Committee to be trained by the COMPANY on chemicals, air sampling and V.D.T. as discussed during negotiations. Training will be provided to members of the UNION'S Safety Committee on the interpretation of the results of environmental tests.

The COMPANY will agree to meet on a monthly basis with the UNION'S O.S.H.A. Safety Committee to discuss safety and health matters of mutual concern. Appropriate COMPANY personnel will be in attendance. The Locals may designate up to six (6) REPRESENTATIVES to attend such meetings.

LIAISONS and COMMITTEES

The Tester Liaison Committee will be continued.

The Production Liaison Committee will be continued.

The Skilled Trades Liaison Committee will be continued.

The Salary Graded Liaison Committee will be continued.

The COMPANY and the UNIONS agree to have Workers' Compensation Liaisons.

The COMPANY agrees to have the Placement Supervisor meet with an EMPLOYEE designated by the Local UNION'S President as the UNION'S Movement of Personnel REPRESENTATIVE to review general matters regarding the certification of EMPLOYEES and to provide job profiles where necessary to resolve questions. The same designated EMPLOYEE will be allowed to contact the Medical Organization regarding EMPLOYEES if the EMPLOYEE signs the appropriate release form. Workforce Relations or the Personnel Placement Supervisor will approve conferring time spent by the UNION'S Movement of Personnel REPRESENTATIVE on investigation of personnel matters.

The COMPANY will supply, upon request, to a Local UNION President or the EMPLOYEE designated by the Local UNION Presidents as the UNIONS' Movement of Personnel REPRESENTATIVES, a copy of the original placement sheet as issued.

The COMPANY will meet periodically with the UNION to discuss matters of mutual interest or concern. There will be adequate COMPANY representation. The UNION may designate four (4) REPRESENTATIVES to attend each such meeting as related to the following: the TRADES liaison, TESTER liaison, PRODUCTION liaison and Salary Graded liaison. Procedural issues such as training or training scheduling will be proper subjects of the production, tester, trades liaison or salary graded committees giving due consideration to the TERM OF EMPLOYMENT and job assignment.

MEDICAL ORGANIZATION

The COMPANY and the UNION agree to form a joint committee comprised of an equal number of COMPANY and UNION REPRESENTATIVES, for the purpose of discussing items of mutual interest regarding the Medical Organization. This committee will meet on an as-needed basis. The Committee will be formed within 30 days after ratification of the contract. The first meeting to be held within 30 days after the Committee is formed.

MILEAGE

Occupational EMPLOYEES required to use their personal vehicles for COMPANY business, will be reimbursed for mileage at \$.36 per mile.

MOVEMENT OF PERSONNEL - GENERAL

"Universe" as used in this Article shall mean one of the following: (1) Clerical; (2) Production; (3) Tester; or (4) Trades.

"Corridor" as used in this Article shall mean - for the clerical universe either (1) Administrative, Computer, Drafting, Financial, Material Management and Technical Support (2) Production - Mechanical and Equipment, or (3) TESTERS or (4) Trades—trade specific with appropriate skills

EMPLOYEES at Levels II and III may qualify themselves for movement to a different production corridor by obtaining training and certification on an out-of-hours basis.

NO PUNCH FOR LUNCH

P&M EMPLOYEES will not be required to register the clock for lunch periods

OVERTIME – P&M

The COMPANY and Local 1365 have agreed on an Administration of Overtime Policy.

The opportunity to work overtime will be the basis of the Agreement.

Overtime must be distributed and equalized across the department by occupation code and will be distributed as equally as possible among all shifts within the department.

Overtime lists must be posted and also given to a UNION Steward.

EMPLOYEES will be charged for all scheduled overtime. Hours worked and refused in accordance with the Agreement.

COMPANY agrees where an excessive overtime situation has developed, supervision will be encouraged to seek qualified EMPLOYEES not currently engaged in the work involved to substitute for the affected EMPLOYEES.

PAGERS

The COMPANY agrees to provide "paggers" from fifteen (15) to twenty (20) stewards.

PLACEMENT SHEETS

The job placement sheet will normally become void if it exceeds fifteen (15) workdays from the date of issuance. The COMPANY agrees to

repost void job requisitions. The selectee for an opening must be posted within fifteen (15) days from the date of the original posting otherwise the opening is to be reposted.

PRODUCTION OCCUPATION Committee

The COMPANY agrees to meet with the UNION'S PRODUCTION OCCUPATION Committee (job grades) on an as-needed basis to discuss mutual concerns that have an impact on the PRODUCTION OCCUPATION EMPLOYEES.

SPECIAL LAYOFF CONSIDERATION

A TESTER who becomes surplus due to lack of work or displacement may elect to be LAID OFF in lieu of accepting an assignment in a non-test corridor. This will require notification to the EMPLOYEE'S immediate supervisor prior to the effective date of such assignment.

TIER PLAN

The COMPANY agrees that normally, REPRESENTATIVES of the Wage Practices Organization will have discussions with the Local UNION and the EMPLOYEE assigned to the job classification being investigated.

The Wage Practices Organization will provide, as soon as practicable, an in-hours job grading training course for REPRESENTATIVES of the Local UNION'S Job Grading Committee

The COMPANY will discontinue its practice of temporarily promoting salary EMPLOYEES to non-represented tours.

TEMPORARY REASSIGNMENT (P&M ONLY)

COMPANY identifies business need.

Receiving organization identifies skills required.

Human Resources identify people and contact the Function Managers of the potential releasing organization for availability of identified EMPLOYEES.

Human Resources/Receiving Organization/Sending Organization develops the plans for the release of EMPLOYEES.

Notification to the Personnel Liaison of the reassignments.

Implementation of the reassignments.

Article 31 – Appendix D

Temporary Reassignment will not exceed three (3) months in a rolling twelve (12) month period.

This process will be mandatory for any temporary reassignment of thirty days or more. This includes tracking of time and notification.

Any temporary reassignment of less than thirty days is considered incidental.

Incidental temporary reassignments will be tracked and the steward will be notified.

When there are more candidates, including volunteers, for the positions than are needed, the overriding factor is business need.

Volunteers will be considered when possible.

In the case of more qualified volunteers than are needed, the selection process will be in accordance with ARTICLE 4 – SENIORITY.

This complete process is a mandatory topic of discussion for the Production Liaison Committee.

TECHNOLOGICAL CHANGES

The COMPANY will notify the UNION of any process and/or new technological change that will impact the Salaried Graded or P&M Universes.

Prior to the COMPANY notifying the local UNION of implementation of new technology, changes or new jobs to be introduced into the workplace, the COMPANY'S Wage Practice

Specialist and the UNION'S PRODUCTION OCCUPATION and/or Salary Graded Committee Chairman will meet to discuss the job classification and level.

TEMPORARY ASSIGNMENTS

Notification to the UNION of temporary reassigned EMPLOYEES is as follows:

Less than thirty (30) days = verbal

Thirty (30) days or more = written

Subsequent thirty (30) day intervals = written

All lateral selectees will be posted on the COMPANY'S post and bid boards.

TEMPORARY PROMOTIONS

In the filling of temporary promotions, first consideration will normally be given to the senior qualified EMPLOYEE in the section.

If a job is on a temporary promotion basis for more than forty-five (45) days, the vacant job shall be considered a permanent vacancy. A job requisition shall be submitted to the Personnel Organization and normal placement routines will follow. This will not apply to a temporary promotion when filling in for long-term disability or illness or when a freeze on movement is necessary due to business conditions or when a job is not to be continued on an ongoing basis.

The COMPANY agrees to provide verbal notification of temporary upgrades to the interested Local UNION REPRESENTATIVE and written report to the local president.

The COMPANY agrees to provide written notification of temporary reclassifications.

TEMPORARY PROMOTIONS - TIER

The COMPANY will discontinue its practice of temporarily promoting salary EMPLOYEES to PAE tours.

RETURN TO FORMER GRADE

An EMPLOYEE who is promoted to a higher level and, for some reason wishes to return to his/her former lower level in the same corridor, if applicable, may do so if the lower level TOUR has not been filled.

RIGHT TO REFUSE

Promotion from Level II to Level III will be awarded to the senior-most qualified bidder with the option to refuse without it being held against them.

UNION MEMBERSHIP AND DUES AUTHORIZATION CARDS

When EMPLOYEES are reinstated from Leaves of Absence of more than 30 days, recalled from LAYOFF, or rehired, the COMPANY'S Personnel REPRESENTATIVE will inform them verbally that the signing of an authorization card for payroll deduction of dues does not constitute

Article 31 – Appendix D

UNION membership. The Personnel REPRESENTATIVE will inform such EMPLOYEE that they will receive a letter mailed by the UNION with a membership card enclosed.

Very truly yours,

/s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th day of January 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/ Mary Jo Sherman
CWA REPRESENTATIVE

1995 Local Agreement Item – Medical Routines

August 18, 1992

Mr. William J. McKelligan
International REPRESENTATIVE, CWA
100 Tower Office Park Suite C
Woburn, MA 01801-2127

Dear Mr. McKelligan,

This is to confirm our understanding of how certain medical routines will be handled at Merrimack Valley.

The COMPANY'S normal practice is to refer EMPLOYEES to a third party physician when there is a dispute between the EMPLOYEE'S physician and our Medical Department concerning the EMPLOYEE'S ability to return to work. We will continue to choose the consultant and final decisions will remain with our Medical Department.

My office will continue to accept input from the Local UNIONS on individual cases and will discuss any specific concerns with our medical staff. In addition, we will agree to track pertinent information regarding their medical referrals. This information will include items such as the quantity of referrals, identification of consulting physicians, results of their examinations, as well as ultimate COMPANY decisions on cases.

We remain available to discuss any modifications or improvements to this process you may suggest at any time.

Very truly yours,

/s/ R.A. DeVincentis
Labor Relations Manager

Laid Off Employees

September 19, 1995

Mr. William J. McKelligan
International REPRESENTATIVE, CWA
100 Tower Office Park, Suite C
Woburn, MA 01801-2127

Dear Mr. McKelligan:

This is to confirm our agreement regarding "Laid-off" EMPLOYEES.

A laid-off EMPLOYEE may defer, one time only, an opportunity for re-employment as defined in Paragraph 2.d of Article 9, Movement of Personnel for a time period to be specified by the EMPLOYEE.

At the conclusion of the specified time, the EMPLOYEE would again become eligible for a subsequent opportunity for re-employment.

It is understood that this one time deferral is irrevocable and will not extend the thirty-six (36) months of eligibility identified in Paragraph 2.d and Article 9B Paragraph 1h.

Please signify your agreement to the above by signing below.

Very truly yours,

/s/ R.A. DeVincentis
Labors Relations Director

/s/ W.J. McKelligan
CWA REPRESENTATIVE

1998 Local Agreement Item

Three Day Work Week

The UNION and the COMPANY recognize that in certain administrative work units or work groups it may be beneficial to the EMPLOYEES and in the best interest of the business to establish a three day schedule as a normal work week. Accordingly, where the parties involved agree, on a local basis, the number of hours which presently constitute a normal five day work week schedule will be scheduled in equal amounts over three consecutive days. No daily overtime payment shall be made for any of the hours worked which constitute the NORMAL WORK WEEK even though scheduled over three days. No differential payments for evening and night work shall be made unless some or all of the hours which would otherwise constitute a normal workday if scheduled over five days fall within the period of time for which such differential is paid, in which event differential payments shall be made in accordance with the agreement.

Subject to the above, and before local implementation of a three day schedule in any work group, the COMPANY and the UNION, at the National Level will establish the parameters and implementation procedures for such three day work week.

January 9, 2003

Ms. Mary Jo Sherman
CWA – Staff Representative

Re: Work Currently Performed at Merrimack Valley

During the course of 2003 Bargaining, the CWA expressed concerns regarding Lucent's intentions to move work traditionally performed by the bargaining unit at the Merrimack Valley Works to a new location(s).

The parties hereby agree that for the term of this agreement, in the event the Company relocates its Merrimack Valley Works operations to a new location(s), it will continue to recognize the Union as the representative of employees performing the relocated operation(s) at such new location(s) and it will apply the existing collective bargaining agreement to such employees.

This understanding is intended to apply to all bargaining unit work at the Merrimack Valley Works where the work location/facility is changed, but the employer continues to engage in essentially the same business operations. Any changes in employee job titles or work functions should not alter the obligations contained in this agreement.

/s/ William L. Schecter
Workforce Relations Vice President

CONSOLIDATED WORKERS MEMORANDUM OF AGREEMENTS

The following provisions apply to all EMPLOYEES covered under this General Agreement.

Consolidated Workers Supplemental Award

January 9, 2003

Mary Jo Sherman.
CWA REPRESENTATIVE
Communications Workers of America
501 Third St. NW
Washington, DC

Dear Ms. Sherman:

Subject: Consolidated Workers Supplemental Award

The parties agree that during the term of the Consolidated Workers Agreement, employees covered under the agreement (e.g., the Bell Labs, Manufacturing Five Tier, Manufacturing P&M, Operational, and RDS&S Employees) will be paid a Supplemental Award in the amount of \$200.00, subject to the terms of this letter agreement.

In order to be eligible for the Supplemental Award for Fiscal Year 2003 (October 1, 2002 – September 30, 2003), an employee must be actively employed as of January 1, 2003. In order to be eligible for the Supplemental Award for Fiscal Year 2004 (October 1, 2003 – September 30, 2004), an employee must be actively employed as of January 1, 2004. Supplemental Award payments will not be prorated based upon the number of days the employee is on the active payroll. Employees who go off payroll during the fiscal year for which the Supplemental Award is payable shall be entitled to a full Supplemental Award (i.e. not pro rated). The Supplemental Award will be paid at the time the Lucent Performance Plan Award is paid.

The Supplemental Award will be paid in addition to any award(s) that each such employee may already be entitled to, less any applicable withholdings and deductions. The Supplemental Award will not be benefit bearing.

Very truly yours,

/s/ J. Risoli
Workforce Relations Manager

Agreed to on the 9th
day of January 2003

COMMUNICATIONS WORKERS OF AMERICA

/s/ Mary Jo Sherman
CWA REPRESENTATIVE

CONSOLIDATION OF BARGAINING UNITS

January 9, 2003

Ms. Mary Jo Sherman
Communications Workers of America
501 3rd Street, NW
Washington, DC 20001-2797

Dear Ms. Sherman:

This letter is to confirm the consolidations of the bargaining units covered by the following Agreements

- *General Agreement for Bell Laboratories*
- *General Agreement Manufacturing Five Tier - 3*
- *General Agreement Manufacturing - 7*
- *General Agreement for Operations*
- *General Agreement Repair, Distribution and Service and Support No. 2*

into a single bargaining unit named the "Consolidated Workers"

This agreement covering the consolidated unit will be titled "Consolidated Workers Agreement."

/s/ J. A. Risoli
Workforce Relations Manager

Concurred:

/s/ M. J. Sherman
CWA Representative

Duration of Agreement

The collective bargaining agreements between the parties shall terminate, unless extended by mutual agreement, at 11:59 PM on October 31, 2004. In witness whereof the parties have caused this Settlement Memorandum to be signed in their respective names by their authorized REPRESENTATIVES duly empowered in their behalf.

UNION

Agreed

/s/ M. J. Sherman
Chair,
Bargaining Committee

/s/ R. Marriott
Bargaining Committee

/s/ D. Haskett
Bargaining Committee

/s/ A. Johnson
Bargaining Committee

/s/ J. Kanan
Bargaining Committee

/s/ B. Reilly
Bargaining Committee

/s/ M. Vincent
Bargaining Committee

Approved

/s/ R. Maly
Vice President-CWA
Communications and
Technologies

/s/ Morton Bahr
President-CWA

COMPANY

Agreed

/s/ J. Risoli
Co-chair,
Bargaining Committee

/s/ D. Saxton
Co-chair,
Bargaining Committee

Operational Employees Wage Schedules

SPECIAL CITY ALLOWANCE

An employee whose assigned reporting location on a particular day is within the central area of one of the cities listed below will be paid a Special City Allowance for each day the employee works after reporting at such assigned reporting locations. The amount of the allowance at each city is shown below.

The Special City Allowance will enter into computations of overtime pay as part of the overtime adjustment formula as required by law but will not be part of the Standard Rate or Adjusted Rate nor enter into the computation of any payments under the Employee Benefit Plans or any other fringe benefits or differentials.

Not more than one full daily allowance will be paid to an employee on any one day regardless of the number of times the employee reports to a qualified location during that day.

Locality	Daily Allowances	Locality	Daily Allowances
Atlanta, GA	\$ 1.00	Matteson, IL	\$ 1.40
Baltimore, MD	\$ 1.40	Miami, FL	\$ 1.00
Bayonne, NJ	\$ 1.40	Milwaukee, WI	\$ 1.00
Birmingham, AL	\$ 1.00	Minneapolis, MN	\$ 1.00
Boston, MA	\$ 1.40	New Orleans, LA	\$ 1.00
Chicago, IL	\$ 1.40	New York, NY	\$ 1.80
Cleveland, OH	\$ 1.40	Newark, NJ	\$ 1.40
Dallas, TX	\$ 1.00	Oakland, CA	\$ 1.40
Denver, CO	\$ 1.00	Philadelphia, PA	\$ 1.40
Detroit, MI	\$ 1.40	Phoenix, AZ	\$ 1.00
E. St. Louis, IL	\$ 1.00	Pittsburgh, PA	\$ 1.40
Ft. Worth, TX	\$ 1.00	Portland, OR	\$ 1.40
Houston, TX	\$ 1.00	San Francisco, CA	\$ 1.40
Indianapolis, IN	\$ 1.00	Seattle, WA	\$ 1.40
Jersey City, NJ	\$ 1.40	St. Louis, MO	\$ 1.00
Kansas City, KS	\$ 1.00	St. Paul, MN	\$ 1.00
Kansas City, MO	\$ 1.00	Tacoma, WA	\$ 1.40
Los Angeles, CA	\$ 1.40	Washington, DC	\$ 1.40

Operational Employees Wage Schedules

Account Assistant	Senior Data Processing Clerk
Account Service Representative	Senior File Clerk
Account Support Representative	Senior Office Associate
Administrative Clerk	Senior Records Clerk
Analytical Clerk	Senior Secretarial Associate
Building Technician	Senior Technician
Clerical Stenographer	Service Coordinator
Combination Typist	Software Associate
Contract Clerk	Special Clerk
Correspondence Clerk	Special Reports Clerk
CSSO Technician	Staff Assistant II
Customer Care Representative	Systems Applications Specialist
Customer Contact Agent	Systems Support Specialist
Customer Engineer III	Word Processing Specialist
Customer Representative	
Customer Software Administrator	
Customer Systems Engineer	
Data Processing Associate I	
Data Processing Associate II	
Data Processing Associate III	
Data Processing Associate IV	
Data Processing Clerk	
Desktop Publishing Coordinator	
Desktop Publishing Specialist	
Distribution Technician	
Field Operations Clerk	
Field Operations Material Handler - I	
Field Operations Material Handler - II	
General Service Clerk	
General Services Senior Clerk	
Lead Catalog Associate	
Office Clerical Assistant	
Operations Mechanic	
Order Writer	
Project Coordinator	
Records Clerk	
Reports Clerk	
Sales Associate - N	
Sales Representative	
Senior Account Service Representative	
Senior Catalog Associate	
Senior Catalog Support Clerk	
Senior Clerk	

Operational Employees Wage Schedules

In the following states and the District of Columbia, all titles in Section A

Alabama	Missouri
Alaska	Nebraska
Arizona	Nevada
Arkansas	New Mexico
California	North Carolina
Colorado	North Dakota
Delaware	Ohio
District of Columbia	Oklahoma
Florida	Oregon
Georgia	South Carolina
Hawaii	South Dakota
Idaho	Tennessee
Iowa	Texas
Kansas	Utah
Kentucky	Virginia
Louisiana	Washington
Maryland	West Virginia
Michigan	Wisconsin
Minnesota	Wyoming
Mississippi	

Operational Employees Wage Schedules

CONNECTICUT

In the State of Connecticut all titles in Section A, with the following exceptions:

Customer Representative	Project Coordinator
Customer Systems Engineer	Senior Clerk
Distribution Technician	Software Associate

The following titles are common to different bargaining units represented by different unions in the same state.

Records Clerk
Reports Clerk
Senior Technician

The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

ILLINOIS

In the State of Illinois all titles in Section A, with the following exceptions:

Account Support Representative	Project Coordinator
Customer Representative	Senior Clerk
Distribution Technician	Software Associate

The following titles are common to different bargaining units represented by different unions in the same state.

Administrative Clerk	Reports Clerk
Customer Systems Engineer	Senior Technician
Office Clerical Assistant	Service Coordinator
Records Clerk	

The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

INDIANA

In the State of Indiana all titles in Section A, except that the following titles are common to different bargaining units represented by different unions in the same state.

Customer Systems Engineer
Reports Clerk

Senior Technician
Service Coordinator

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

MAINE

In the State of Maine all titles in Section A, with the following exceptions:

Customer Systems Engineer	Senior Technician
Project Coordinator	Software Associate

The following titles are common to different bargaining units represented by different unions in the same state.

Reports Clerk

The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

MASSACHUSETTS

In the **State of Massachusetts** all titles in **Section A**, with the following exceptions:

Customer Representative	Senior Clerk
Customer Systems Engineer	Senior Technician
Distribution Technician	Software Associate
Project Coordinator	

The following titles are **common** to different bargaining units represented by different unions in the same state.

Records Clerk
Reports Clerk

The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

MONTANA

In the **State of Montana** all titles in **Section A**, with the following exceptions:

Customer Systems Engineer
Distribution Technician
Senior Technician

The following titles are **common** to different bargaining units represented by different unions in the same state.

Records Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

NEW HAMPSHIRE

In the State of New Hampshire all titles in Section A, with the following exceptions:

Customer Systems Engineer	Senior Technician
Distribution Technician	Software Associate
Project Coordinator	

The following titles are common to different bargaining units represented by different unions in the same state.

Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

NEW JERSEY

In the State of New Jersey all titles in Section A, with the following exceptions:

Customer Systems Engineer	Senior Technician
Distribution Technician	Software Associate

NEW YORK

In the State of New York all titles in Section A, except that the following titles are common to different bargaining units represented by different unions in the same state.

Account Support Representative	Records Clerk
Administrative Clerk	Reports Clerk
Office Clerical Assistant	Word Processing Specialist

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Operational Employees Wage Schedules

RHODE ISLAND

In the State of Rhode Island all titles in Section A, with the following exceptions:

Customer Systems Engineer
Project Coordinator

Senior Technician
Software Associate

Operational Employees Wage Schedules

VERMONT

In the State of Vermont all titles in Section A, with the following exceptions:

Customer Systems Engineer
Project Coordinator

Senior Technician
Software Associate

Operational Employees Wage Schedules

TITLE	LEGACY TITLE CODE	GPS JOB CODE	LEGACY LEVEL **	WAGE SCHED TABLE
Account Assistant	6001	106001	S-1	15
Account Service Representative	6091	106091	SS-2	14
Account Support Representative	6002	106002	AR	17
Administrative Clerk - C	6057	106057	TG-7	5
Administrative Clerk - I	2917	102917	SS-2	14
Administrative Clerk - 2	6066	106066	SS-1	13
Administrative Clerk - 3	6083	106083	S-2	16
Administrative Clerk - 4	7030	107030	S-1	15
Analytical Clerk	6008	106008	S-2	16
Analytical Clerk - 4	6041	110111	ANCL4	22
Building Technician	5018	105018	TECH	8
CSSO Technician	9837	109837	TECH	8
Clerical Stenographer	0628	100628	TG-5	3
Combination Typist	0699	100699	TG-4	2
Contract Clerk	0751	100751	TG-6	4
Correspondence Clerk	0772	100772	TG-4	2
Customer Care Representative	0081	100081	SR-C	6
Customer Contact Agent - I	5213	105213	CCA-I	20
Customer Engineer III	9868	109868	TECH	8
Customer Representative	0797	100797	SS-2	14

- * (C) and (I) Used for wage clarification purposes only
- **Conversion to PeopleSoft (GPS) values and Corporate Equivalent (LEG) information on page 16
- Certain wage schedules are not printed however are still archived and recognized in titles chart

Operational Employees Wage Schedules

TITLE	LEGACY TITLE CODE	GPS JOB CODE	LEGACY LEVEL **	WAGE SCHED TABLE
Customer Software Administrator - C	6042	110098	TG-6	4
Customer Systems Engineer	9906	109906	TECH	8
Data Processing Associate I	0320	100320	TG-4	2
Data Processing Associate II	0340	100340	TG-6	4
Data Processing Associate III	0360	100360	TECH	8
Data Processing Associate IV	0380	100380	DPA4	10
Data Processing Clerk	0901	100901	TG-4	2
Desktop Publishing Coordinator	9930	109930	TG-6	4
Desktop Publishing Specialist	9929	109929	TG-5	3
Distribution Technician	0028	100028	DTXX	24
Distribution Technician	0028	100028	DTSR	25
Field Operations Clerk (see Material Logistics Section 6)	9938	109938	MSLFA	26
Field Operations Material Handler - I (see Material Logistics Section 6)	9939	109939	MSLFA	26
Field Operations Material Handler - II (see Material Logistics Section 6)	9940	109940	MSLFB	27
General Service Clerk	1532	101532	TG-4	2
General Services Senior Clerk	0211	100211	TG-5	3
Lead Catalog Associate	9900	109900	TG-5+	21
Office Clerical Assistant - 3	7031	107031	SS-2	14
Office Clerical Assistant - C	4525	104525	TG-3	1

Operational Employees Wage Schedules

TITLE	LEGACY TITLE CODE	GPS JOB CODE	LEGACY LEVEL **	WAGE SCHED TABLE
Office Clerical Assistant - I	6056	106056	E-1	11
Operations Mechanic	0206	100206	SVCTG3	7
Order Writer	2469	102469	SS-2	14
Project Coordinator	9919	109919	SS-2	14
Records Clerk - C	4524	104524	TG-4	2
Records Clerk - I	2918	102918	E-3	12
Records Clerk - 2	6077	106077	SS-2	14
Records Clerk - 3	7027	107027	SS-1	13
Records Clerk - 4	7026	107026	S-1	15
Reports Clerk	2983	102983	TG-5	3
Sales Associate - N	6026	106026	E-3	12
Sales Associate - N	6026	106026	E-3L	19
Sales Representative - C	6058	106058	SR-C	6
Sales Representative - I	7009	107009	AR	17
Senior Account Service Representative	9904	109904	S-2	16
Senior Catalog Associate	5202	105202	SS-2	14
Senior Catalog Support Clerk	9979	109979	SS-2	14
Senior Clerk	6028	106028	SS-2	14
Senior Data Processing Clerk	4505	104505	TG-5	3
Senior File Clerk	3190	103190	TG-5	3
Senior Office Associate	9924	109924	TG-5	3
Senior Records Clerk	3243	110096	TG-5	3
Senior Secretarial Associate	9926	109926	TG-5	3
Senior Technician	5203	105203	SRTECH	18
Service Coordinator	6068	106068	SS-2	14
Service Coordinator - 3	6088	106088	S-2	16
Service Coordinator - 4	6114	106114	SVCD4	23
Software Associate	9920	109920	TECH	8
Special Clerk	6031	106031	SS-1	13
Special Reports Clerk	3377	110097	TG-6	4
Staff Assistant II	0283	100283	ST-2	9
Systems Applications	9922	109922	TECH	8

Operational Employees Wage Schedules

TITLE	LEGACY TITLE CODE	GPS JOB CODE	LEGACY LEVEL **	WAGE SCHED TABLE
Specialist				
Systems Support Specialist	9903	109903	TG-7	5
Word Processing Specialist	6036	106036	E-3	12
Word Processing Specialist - 1	6078	106078	SS-2	14
Word Processing Specialist - 2	6089	106089	S-2	16

- * (C) and (I) Used for wage clarification purposes only
- **Conversion to PeopleSoft (GPS) values and Corporate Equivalent (LEG) information on page 16
- Certain wage schedules are not printed however are still archived and recognized in titles chart

Operational Employees Wage Schedules

PEOPLESFT CONVERSION VALUES

<u>LEGACY LEVEL</u>	<u>GPS GRADE</u>	<u>CORPORATE EQUIVALENT LEG</u>
ANCL4	AC4	04
AR	AR	05
CCA-1	CCA	02
DPA4	DP4	06
DTSR	DTS	01
DTXX	DTX	01
E-1	E-1	01
E-3	E-3	02
E-3L	E3L	02
MSLFA	MLA	02
MSLFB	MLB	01
S-1	S-1	03
S-2	S-2	04
SR-C	SRC	05
SRTECH	SRT	06
SS-1	SS1	02
SS-2	SS2	03
ST-2	ST2	06
SVCD4	SC4	03
SVCTG3	SV3	04
TECH	TEC	06
TG-3	TG3	01
TG-4	TG4	02
TG-5	TG5	03
TG-5+	T5+	03
TG-6	TG6	04
TG-7	TG7	05

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
<u>ALABAMA</u>		Inglewood	N1
Brewton	R2	Irvine	N1
Decatur	R1	Larkspur	N1
Florence	R2	Los Angeles	N1
Homewood	R1	Milpitas	N1
Hoover	R1	Modesto	N2
Huntsville	R1	Monterey Park	N1
Mobile	R2	Napa	N2
Montgomery	R1	Norwalk	N1
Tuscaloosa	R3	Novato	N1
		Orange	N1
		Pasadena	N1
		Pleasanton	N1
		Rancho	N1
		Dominguez	
		Redwood City	N1
		Riverside	N1
		Sacramento	N2
		San Diego	N1
		San Francisco	N1
		San Jose	N1
		San Leandro	N1
		San Luis Obispo	N2
		Santa Clara	N1
		Santa Monica	N1
		Santa Rosa	N2
		Stockton	N2
		Torrance	N1
		Ukiah	N2
		Vallejo	N2
		Ventura	N1
		Walnut Creek	N1
		Watsonville	N2
		Yuba City	N2
		<u>COLORADO</u>	
		Aurora	L1
		Avon	L1
		Boulder	L1
		Colorado Springs	L1
		Denver	L1
<u>ARIZONA</u>			
Cottonwood	L2		
Flagstaff	L2		
Mesa	L1		
Phoenix	L1		
Tempe	L1		
Tucson	L1		
Yuma	L2		
<u>ARKANSAS</u>			
Fayetteville	X4		
Ft. Smith	X4		
Little Rock	X1		
North Little Rock	X1		
Rogers	X4		
<u>CALIFORNIA</u>			
Bakersfield	N2		
Concord	N1		
Costa Mesa	N1		
El Centro	N1		
Fairfield	N2		
Foster City	N1		
Fremont	N1		
Fresno	N2		
Hayward	N1		

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
Englewood	L1	Pensacola	P2
Greenwood Village	L1	Pompano Beach	P1
Westminster	L1	Saint Petersburg	P2
<u>CONNECTICUT</u>		Sarasota	P2
Darien	B1	Tallahassee	P3
Farmington	B1	Tampa	P2
<u>DELAWARE</u>		Vero Beach	P2
Dover	Z1	W. Palm Beach	P1
New Castle	Z1	<u>GEORGIA</u>	
Wilmington	Z1	Albany	P3
<u>DISTRICT OF COLUMBIA</u>		Alpharetta	P1
Washington	T1	Americus	P3
<u>FLORIDA</u>		Athens	P3
Boca Raton	P1	Atlanta	P1
Boynton Beach	P1	Brunswick	P3
Coral Gables	P1	Clarkston	P1
Daytona Beach	P2	College Park	P1
Delray Beach	P1	Columbus	P3
Ft. Lauderdale	P1	Dublin	P3
Ft. Myers	P2	Duluth	P2
Ft. Walton Beach	P3	Hampton	P2
Jacksonville	P2	Macon	P2
Key West	P1	Marietta	P1
Lake Mary	P2	Martinez	P2
Largo	P2	Morrow	P2
Maitland	P2	Norcross	P1
Melbourne	P2	Rome	P3
Miami	P1	Savannah	P2
Miramar	P1	Thomasville	P3
Orlando	P2	Valdosta	P3
Palm Beach	P1	<u>HAWAII</u>	
Panama City	P2	Honolulu	U1
		<u>IDAHO</u>	
		Boise	L2
		Idaho Falls	L2
		Pocatello	L2

Operational Employees Wage Schedules

LOCALITY	AREA	LOCALITY	AREA
Twin Falls	L2	Lenexa	X1
<u>ILLINOIS</u>		Overland Park	X1
Bloomington	J2	Shawnee Mission	X1
Chicago	J1	Topeka	X1
Lisle	J1	Wichita	X3
Naperville	J1	<u>KENTUCKY</u>	
Peoria	J1	Franklin	R3
Rolling Meadows	J1	Jeffersontown	R1
St. Charles	J1	Lexington	R2
W. Chicago	J1	Louisville	R1
<u>INDIANA</u>		Owensboro	R2
Anderson	H4	Richmond	R2
Bloomington	H4	<u>LOUISIANA</u>	
Carmel	H2	Alexandria	R3
Evansville	H4	Baton Rouge	R2
Ft. Wayne	H3	Gretna	R1
Indianapolis	H2	Hammond	R2
Muncie	H4	Houma	R2
So. Bend	H3	Lafayette	R2
Terre Haute	H4	Lake Charles	R2
<u>IOWA</u>		Metairie	R1
Ames	W3	Monroe	R2
Cedar Rapids	W2	Shreveport	R2
Davenport	W2	<u>MAINE</u>	
Dubuque	W2	Portland	A2
Muscatine	W2	<u>MARYLAND</u>	
Oskaloosa	W2	Baltimore	T2
Sioux City	W2	Beltsville	T1
Urbandale	W2	Cheverly	T1
Waterloo	W2	Frederick	T3
W. Burlington	W2	Gaithersburg	T1
<u>KANSAS</u>		Lanham	T1
Coffeyville	X4	Linthicum	T2
Hays	X4	Mechanicsville	T3
		Rockville	T1

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
Salisbury	T4	Rochester	W2
Silver Spring	T1	Waite Park	W2
Upper Marlboro	T1	Willmar	W3
		Winona	W3
<u>MASSACHUSETT</u>		<u>MISSISSIPPI</u>	
<u>S</u>			
Andover	A2	Clarksdale	R3
Boston	A1	Coffeeville	R3
Braintree	A1	Columbus	R3
Brockton	A1	Greenville	R3
Concord	A1	Hattiesburg	R3
Framingham	A1	Jackson	R2
Newton	A1	Long Beach	R2
		Meridian	R3
		Ridgeland	R2
		Tupelo	R3
<u>MICHIGAN</u>		<u>MISSOURI</u>	
Allen Park	G2		
Ann Arbor	G2		
Dearborn	G2		
Detroit	G1	Carthage	X4
Flint	G2	Creve Coeur	X1
Grand Rapids	G2	Flat River	X4
Ironwood	G4	Fulton	X4
Kalamazoo	G3	Olivette	X1
Madison Heights	G2	Sikeston	X4
Marquette	G4	Springfield	X3
Northville	G2	Town and Country	X1
Okemos	G2		
Plymouth	G2		
Saginaw	G2		
Southfield	G2		
Traverse City	G4		
Warren	G2		
<u>MINNESOTA</u>		<u>MONTANA</u>	
Bloomington	W1		
Duluth	W2	Billings	L2
Marshall	W3		
Minneapolis	W1		
Owatonna	W3		
		<u>NEBRASKA</u>	
		Grand Island	W2
		Omaha	W2

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
<u>NEVADA</u>		Brooklyn	C1
Las Vegas	N2	Cheektowaga	C2
Reno	N2	Dewitt	C2
Sparks	N2	Elmsford	C2
<u>NEW HAMPSHIRE</u>		Fairport	C2
Bedford	A2	Glendale	C1
<u>NEW JERSEY</u>		Harriman	C2
Basking Ridge	D1	Hauppauge	C2
Berkeley Heights	D1	Horseheads	C2
Bound Brook	D1	Hudson	C2
Holmdel	D1	Ithaca	C2
Middletown	D1	Levittown	C2
Morristown	D1	Manhattan	C1
Mount Laurel	D1	Massena	C2
Murray Hill	D1	Melville	C2
Neptune	D1	New York	C1
Parsippany	D1	Plainview	C2
Piscataway	D1	Plattsburgh	C2
Somerset	D1	Queens	C1
Teterboro	D1	Rochester	C2
Union	D1	Saratoga Springs	C2
Warren	D1	Suffern	C2
Whippany	D1	Utica	C2
<u>NEW MEXICO</u>		Valhalla	C2
Albuquerque	L1	Vestal	C2
Las Cruces	L2	Woodside	C1
Roswell	L2	<u>NORTH CAROLINA</u>	
Sante Fe	L2	Arden	P3
<u>NEW YORK</u>		Charlotte	P2
Albany	C2	Gastonia	P3
Amherst	C2	Goldsboro	P3
Bronx	C1	Greensboro	P2
		Lumberton	P3
		Raleigh	P2
		Rockingham	P3
		Statesville	P3
		Wilmington	P3
		Winston Salem	P2

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
<u>NORTH DAKOTA</u>		<u>PENNSYLVANIA</u>	
Bismarck	W3	Allentown	S1
Fargo	W2	Bala Cynwyd	S1
Grand Forks	W3	Bethel Park	S1
Minot	W3	Broomall	S1
<u>OHIO</u>		Camp Hill	S1
Akron	E2	Canonsburg	S1
Brooklyn Heights	E1	Conshohocken	S1
Canfield	E2	Ft. Washington	S1
Cincinnati	E4	Green Lane	S1
Cleveland	E1	Harrisburg	S1
Columbus	E2	Hazleton	S2
Dayton	E2	Horsham	S1
Dublin	E2	King Of Prussia	S1
Gahanna	E2	Levittown	S1
Gallipolis	E3	Malvern	S1
Kettering	E2	Mc Veytown	S2
Maumee	E2	Media	S1
Warrensville	E1	Newton Square	S1
Heights		Philadelphia	S1
Winterville	E3	Pittsburgh	S1
Worthington	E2	Plains	S1
Zanesville	E3	Wayne	S1
<u>OKLAHOMA</u>		W. Lawn	S1
Edmond	X1	Wilkes Barre	S2
McAlester	X4	<u>RHODE ISLAND</u>	
Oklahoma City	X1	Providence	A2
Tinker AFB	X1		
Tulsa	X1		
<u>OREGON</u>			
Albany	M2		
Eugene	M2		
Medford	M2		
Portland	M2		
Salem	M2		

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
<u>SOUTH CAROLINA</u>		Carrollton	X1
		Corpus Christi	X3
		Dallas	X1
Aiken	P3	El Paso	X2
Charleston	P2	Ft. Worth	X1
Columbia	P2	Harlingen	X4
Easley	P2	Houston	X1
Florence	P3	La Marque	X1
Goose Creek	P2	Laredo	X4
Myrtle Beach	P3	Lubbock	X3
West Columbia	P2	Mc Allen	X4
		Mesquite	X1
<u>SOUTH DAKOTA</u>		Midland	X3
		San Antonio	X1
Mitchell	W3	Tyler	X4
Rapid City	W3	Vernon	X4
Sioux Falls	W2	Victoria	X3
Sturgis	W3		
Watertown	W3	<u>UTAH</u>	
<u>TENNESSEE</u>		Murray	L1
		Ogden	L2
Brentwood	R1	Payson	L2
Chattanooga	R2	Salt Lake City	L1
Clarksville	R3		
Columbia	R3	<u>VIRGINIA</u>	
Jackson	R3	Alexandria	T1
Knoxville	R2	Arlington	T1
Memphis	R1	Chantilly	T1
Murfreesboro	R3	Charlottesville	T3
Nashville	R1	Chesapeake	T3
Sweetwater	R2	Chester	T3
Trenton	R3	Danville	T3
<u>TEXAS</u>		Fairfax	T1
		Fredericksburg	T3
Abilene	X4	Glen Allen	T3
Addison	X1	Herndon	T1
Amarillo	X3	Leesburg	T2
Austin	X1	Lynchburg	T3
Beaumont	X1	Newport News	T3
Bellaire	X1	Norfolk	T3

Operational Employees Wage Schedules

<u>LOCALITY</u>	<u>AREA</u>	<u>LOCALITY</u>	<u>AREA</u>
Oakton	T1	Waukesha	K1
Reston	T1		
Richmond	T3	<u>WYOMING</u>	
Roanoke	T3		
Springfield	T1	Cheyenne	L2
<u>WASHINGTON</u>			
Bremerton	M2		
Fife	M2		
Kent	M2		
Lacey	M2		
Olympia	M2		
Seattle	M1		
Spokane	M2		
Yakima	M2		
<u>WEST VIRGINIA</u>			
Clarksburg	T3		
Daniels	T3		
Dunbar	T2		
Huntington	T3		
Martinsburg	T3		
Morgantown	T3		
Parkersburg	T3		
Weirton	T3		
Wheeling	T3		
Williamson	T3		
<u>WISCONSIN</u>			
Appleton	K3		
Brookfield	K1		
Eau Claire	K2		
Fond Du Lac	K3		
Green Bay	K3		
Madison	K1		
Milwaukee	K1		
Neenah	K2		
Racine	K1		
Stevens Point	K3		

Operational Employees Wage Schedules

**Table 1
Level TG-3**

Wage Area – P1			
	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$6.20	\$6.32
	2	\$6.96	\$7.10
	3	\$7.82	\$7.97
	4	\$8.78	\$8.95
	5	\$9.86	\$10.05
	6	\$11.07	\$11.29
	7	\$12.43	\$12.68
	8	\$13.96	\$14.24
	Maximum	9	\$15.69
Pension Band		102	102

Operational Employees Wage Schedules

**Table 2
Level TG-4**

Wage Area – D1				Wage Area – J1			
	Step	Effective 06/01/2003	Effective 05/30/2004		Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$6.93	\$7.07	Minimum	1	\$7.36	\$7.51
	2	\$7.85	\$8.01		2	\$8.31	\$8.48
	3	\$8.89	\$9.07		3	\$9.38	\$9.57
	4	\$10.07	\$10.28		4	\$10.59	\$10.80
	5	\$11.41	\$11.65		5	\$11.95	\$12.19
	6	\$12.93	\$13.20		6	\$13.49	\$13.76
	7	\$14.65	\$14.95		7	\$15.23	\$15.53
	8	\$16.60	\$16.94		8	\$17.19	\$17.53
	Maximum	9	\$18.80		\$19.18	Maximum	9
Pension Band		107	107	Pension Band		108	108

Operational Employees Wage Schedules

		Wage Area – L1	
		Effective	Effective
	Step	06\01\2003	05\30\2004
Minimum	1	\$6.65	\$6.78
	2	\$7.56	\$7.71
	3	\$8.59	\$8.76
	4	\$9.76	\$9.96
	5	\$11.09	\$11.32
	6	\$12.60	\$12.87
	7	\$14.32	\$14.63
	8	\$16.27	\$16.63
	9	\$18.51	\$18.88
Maximum			
Pension Band		106	106

		Wage Area – P1	
		Effective	Effective
	Step	06\01\2003	05\30\2004
Minimum	1	\$6.57	\$6.70
	2	\$7.47	\$7.62
	3	\$8.50	\$8.67
	4	\$9.67	\$9.86
	5	\$11.00	\$11.21
	6	\$12.51	\$12.75
	7	\$14.23	\$14.50
	8	\$16.18	\$16.49
	9	\$18.39	\$18.76
Maximum			
Pension Band		106	106

Operational Employees Wage Schedules

**Table 3
Level TG-5**

Wage Area – D1				Wage Area – J1			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$7.11	\$7.25	Minimum	1	\$7.48	\$7.63
	2	\$8.10	\$8.26		2	\$8.49	\$8.66
	3	\$9.23	\$9.41		3	\$9.64	\$9.83
	4	\$10.52	\$10.72		4	\$10.95	\$11.16
	5	\$11.99	\$12.22		5	\$12.43	\$12.67
	6	\$13.66	\$13.93		6	\$14.11	\$14.39
	7	\$15.57	\$15.88		7	\$16.02	\$16.34
	8	\$17.74	\$18.10		8	\$18.19	\$18.55
Maximum	9	\$20.23	\$20.63	Maximum	9	\$20.68	\$21.09
Pension Band		109	109	Pension Band		110	110

Operational Employees Wage Schedules

Wage Area – L1				Wage Area – P1			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$6.82	\$6.96	Minimum	1	\$6.75	\$6.89
	2	\$7.79	\$7.95		2	\$7.71	\$7.87
	3	\$8.89	\$9.08		3	\$8.81	\$8.99
	4	\$10.15	\$10.37		4	\$10.07	\$10.27
	5	\$11.59	\$11.84		5	\$11.51	\$11.73
	6	\$13.23	\$13.52		6	\$13.15	\$13.40
	7	\$15.10	\$15.43		7	\$15.03	\$15.31
	8	\$17.24	\$17.61		8	\$17.17	\$17.49
Maximum	9	\$19.68	\$20.07	Maximum	9	\$19.62	\$20.01
Pension Band		108	108	Pension Band		108	108

Operational Employees Wage Schedules

		Wage Area - P2	
		Effective	Effective
	Step	06\01\2003	05\30\2004
Minimum	1	\$6.46	\$6.59
	2	\$7.41	\$7.56
	3	\$8.50	\$8.67
	4	\$9.75	\$9.95
	5	\$11.19	\$11.41
	6	\$12.84	\$13.09
	7	\$14.73	\$15.02
	8	\$16.90	\$17.23
	9	\$19.38	\$19.77
Maximum			
Pension Band		108	108

Operational Employees Wage Schedules

**Table 4
Level TG-6**

Wage Area – D1				Wage Area – J1			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$7.45	\$7.60	Minimum	1	\$7.80	\$7.96
	2	\$8.52	\$8.69		2	\$8.89	\$9.07
	3	\$9.75	\$9.94		3	\$10.13	\$10.33
	4	\$11.15	\$11.37		4	\$11.54	\$11.77
	5	\$12.76	\$13.01		5	\$13.15	\$13.41
	6	\$14.60	\$14.88		6	\$14.98	\$15.28
	7	\$16.70	\$17.02		7	\$17.07	\$17.41
	8	\$19.11	\$19.47		8	\$19.45	\$19.84
Maximum	9	\$21.86	\$22.30	Maximum	9	\$22.16	\$22.60
Pension Band		112	112	Pension Band		112	112

Operational Employees Wage Schedules

Wage Area – P1			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$7.06	\$7.20
	2	\$8.10	\$8.26
	3	\$9.29	\$9.47
	4	\$10.65	\$10.86
	5	\$12.21	\$12.45
	6	\$14.00	\$14.28
	7	\$16.06	\$16.38
	8	\$18.42	\$18.78
	Maximum	9	\$21.12
Pension Band		110	110

Operational Employees Wage Schedules

**Table 7
Level SV3**

		Wage Area - P1	
		Effective	Effective
	Step	06/01/2003	05/30/2004
Minimum	1	\$7.38	\$7.53
	2	\$8.47	\$8.65
	3	\$9.73	\$9.93
	4	\$11.17	\$11.40
	5	\$12.83	\$13.09
	6	\$14.73	\$15.03
	7	\$16.91	\$17.26
	8	\$19.42	\$19.82
Maximum	9	\$22.29	\$22.74
Pension Band		112	112

Operational Employees Wage Schedules

**Table 8
Level TEC**

Wage Area – J1				Wage Area – L1			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$8.36	\$8.53	Minimum	1	\$8.20	\$8.36
	2	\$9.44	\$9.63		2	\$9.20	\$9.38
	3	\$10.66	\$10.87		3	\$10.32	\$10.52
	4	\$12.04	\$12.27		4	\$11.58	\$11.80
	5	\$13.60	\$13.85		5	\$12.99	\$13.24
	6	\$15.36	\$15.64		6	\$14.57	\$14.85
	7	\$17.34	\$17.66		7	\$16.34	\$16.66
	8	\$19.58	\$19.94		8	\$18.33	\$18.69
	9	\$22.11	\$22.52		9	\$20.56	\$20.97
	10	\$24.97	\$25.43		10	\$23.06	\$23.53
Maximum	11	\$28.18	\$28.74	Maximum	11	\$25.88	\$26.40
Pension Band		122	122	Pension Band		118	118

Operational Employees Wage Schedules

Wage Area – P2			
	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$7.38	\$7.53
	2	\$8.36	\$8.53
	3	\$9.47	\$9.66
	4	\$10.73	\$10.94
	5	\$12.16	\$12.39
	6	\$13.78	\$14.04
	7	\$15.61	\$15.91
	8	\$17.69	\$18.03
	9	\$20.04	\$20.43
	10	\$22.71	\$23.15
Maximum	11	\$25.73	\$26.24
Pension Band		118	118

Bell Labs Employees Wage Schedules

Grade 401 – Building Attendant (Part-Time)

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$8.77	\$8.95
	2	\$9.56	\$9.75
	3	\$10.42	\$10.62
	4	\$11.35	\$11.57
	5	\$12.37	\$12.61
	6	\$13.48	\$13.74
	7	\$14.69	\$14.97
	8	\$16.01	\$16.31
Maximum	9	\$17.44	\$17.79
Pension Band		104	104

Grade 405 – Building Attendant (Full-Time)

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$8.75	\$8.93
	2	\$9.54	\$9.74
	3	\$10.40	\$10.62
	4	\$11.34	\$11.58
	5	\$12.36	\$12.62
	6	\$13.48	\$13.76
	7	\$14.70	\$15.00
	8	\$16.03	\$16.35
Maximum	9	\$17.47	\$17.82
Pension Band		104	104

Bell Labs Employees Wage Schedules

Grade 408 – Telephone Operator
Refer to 37.5 hour schedule

Grade 409 – General Utility Worker

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$9.67	\$9.86
	2	\$10.51	\$10.71
	3	\$11.42	\$11.64
	4	\$12.41	\$12.65
	5	\$13.48	\$13.74
	6	\$14.65	\$14.93
	7	\$15.92	\$16.22
	8	\$17.30	\$17.62
Maximum	9	\$18.77	\$19.15
Pension Band		107	107

Bell Labs Employees Wage Schedules

**Grade 410 – Bench Machine Operator
and Assembler**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$9.72	\$9.91
	2	\$10.56	\$10.76
	3	\$11.47	\$11.69
	4	\$12.46	\$12.70
	5	\$13.53	\$13.79
	6	\$14.69	\$14.98
	7	\$15.95	\$16.27
	8	\$17.32	\$17.67
Maximum	9	\$18.82	\$19.20
Pension Band		107	107

Grade 411 – Building and Grounds Maintainer

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$10.43	\$10.64
	2	\$11.35	\$11.58
	3	\$12.35	\$12.60
	4	\$13.44	\$13.71
	5	\$14.63	\$14.92
	6	\$15.92	\$16.24
	7	\$17.33	\$17.67
	8	\$18.86	\$19.23
Maximum	9	\$20.53	\$20.94
Pension Band		109	109

Bell Labs Employees Wage Schedules

Grade 413 – Receiver-Shipper/Storekeeper

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.71	\$10.92
	2	\$11.65	\$11.88
	3	\$12.68	\$12.93
	4	\$13.80	\$14.07
	5	\$15.02	\$15.31
	6	\$16.34	\$16.66
	7	\$17.78	\$18.13
	8	\$19.35	\$19.73
Maximum	9	\$21.05	\$21.47
Pension Band		110	110

**Grade 416 – General Plant Mechanic
(Painter-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.33	\$10.54
	2	\$11.36	\$11.59
	3	\$12.49	\$12.74
	4	\$13.73	\$14.01
	5	\$15.10	\$15.40
	6	\$16.60	\$16.93
	7	\$18.25	\$18.62
	8	\$20.07	\$20.47
Maximum	9	\$22.08	\$22.52
Pension Band		112	112

Bell Labs Employees Wage Schedules

Grade 417 – Grounds Service Operator

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.55	\$10.76
	2	\$11.61	\$11.84
	3	\$12.77	\$13.02
	4	\$14.05	\$14.32
	5	\$15.46	\$15.75
	6	\$17.01	\$17.33
	7	\$18.71	\$19.06
	8	\$20.58	\$20.97
Maximum	9	\$22.62	\$23.07
Pension Band		113	113

Grade 418 – Plant Equipment Maintainer

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$11.21	\$11.43
	2	\$12.24	\$12.48
	3	\$13.36	\$13.63
	4	\$14.59	\$14.88
	5	\$15.93	\$16.25
	6	\$17.39	\$17.74
	7	\$18.98	\$19.37
	8	\$20.72	\$21.15
Maximum	9	\$22.62	\$23.07
Pension Band		113	113

Bell Labs Employees Wage Schedules

Grade 419 -- Chauffeur

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$11.11	\$11.33
	2	\$12.13	\$12.37
	3	\$13.24	\$13.51
	4	\$14.46	\$14.75
	5	\$15.79	\$16.10
	6	\$17.24	\$17.58
	7	\$18.82	\$19.19
	8	\$20.55	\$20.95
Maximum	9	\$22.43	\$22.88
Pension Band		112	112

**Grade 420 -- General Plant Mechanic
(Tinsmith-Trainee)**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$10.33	\$10.54
	2	\$11.40	\$11.63
	3	\$12.58	\$12.83
	4	\$13.88	\$14.16
	5	\$15.32	\$15.62
	6	\$16.90	\$17.23
	7	\$18.65	\$19.01
	8	\$20.58	\$20.97
Maximum	9	\$22.70	\$23.15
Pension Band		113	113

Bell Labs Employees Wage Schedules

**Grade 421 – General Plant Mechanic
(Mason-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.33	\$10.54
	2	\$11.40	\$11.63
	3	\$12.58	\$12.83
	4	\$13.88	\$14.16
	5	\$15.32	\$15.62
	6	\$16.90	\$17.23
	7	\$18.65	\$19.01
	8	\$20.58	\$20.97
	9	\$22.70	\$23.15
Maximum			
Pension Band		113	113

**Grade 422 – General Plant Mechanic
(Carpenter-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.33	\$10.54
	2	\$11.40	\$11.63
	3	\$12.58	\$12.83
	4	\$13.88	\$14.16
	5	\$15.32	\$15.62
	6	\$16.90	\$17.23
	7	\$18.65	\$19.01
	8	\$20.58	\$20.97
	9	\$22.70	\$23.15
Maximum			
Pension Band		113	113

Bell Labs Employees Wage Schedules

**Grade 423 – General Plant Mechanic
(Millwright-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.33	\$10.54
	2	\$11.40	\$11.63
	3	\$12.58	\$12.83
	4	\$13.88	\$14.16
	5	\$15.32	\$15.62
	6	\$16.90	\$17.23
	7	\$18.65	\$19.01
	8	\$20.58	\$20.97
Maximum	9	\$22.70	\$23.15
Pension Band		113	113

**Grade 424 – General Plant Mechanic
(Pipefitter-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.33	\$10.54
	2	\$11.40	\$11.63
	3	\$12.58	\$12.83
	4	\$13.88	\$14.16
	5	\$15.32	\$15.62
	6	\$16.90	\$17.23
	7	\$18.65	\$19.01
	8	\$20.58	\$20.97
Maximum	9	\$22.70	\$23.15
Pension Band		113	113

Bell Labs Employees Wage Schedules

**Grade 429 – General Plant Mechanic
(Electrician-Trainee)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$11.15	\$11.37
	2	\$12.23	\$12.47
	3	\$13.42	\$13.68
	4	\$14.72	\$15.01
	5	\$16.15	\$16.47
	6	\$17.72	\$18.07
	7	\$19.44	\$19.83
	8	\$21.33	\$21.76
Maximum	9	\$23.40	\$23.87
Pension Band		114	114

Grade 431 – Wiring Mechanic

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$11.69	\$11.92
	2	\$12.66	\$12.91
	3	\$13.71	\$13.98
	4	\$14.85	\$15.14
	5	\$16.09	\$16.40
	6	\$17.43	\$17.77
	7	\$18.88	\$19.25
	8	\$20.45	\$20.85
Maximum	9	\$22.15	\$22.59
	10	\$24.00	\$24.48
Pension Band		115	115

Bell Labs Employees Wage Schedules

Grade 435 – Plant Watch Operator

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.08	\$12.32
	2	\$13.01	\$13.27
	3	\$14.01	\$14.29
	4	\$15.09	\$15.39
	5	\$16.25	\$16.58
	6	\$17.50	\$17.86
	7	\$18.85	\$19.24
	8	\$20.31	\$20.73
	9	\$21.88	\$22.33
	10	\$23.57	\$24.05
Maximum	11	\$25.41	\$25.92
Pension Band		117	117

Grade 436 – Senior Wiring Mechanic

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.16	\$12.40
	2	\$13.09	\$13.35
	3	\$14.09	\$14.37
	4	\$15.17	\$15.47
	5	\$16.33	\$16.65
	6	\$17.58	\$17.92
	7	\$18.92	\$19.29
	8	\$20.37	\$20.77
	9	\$21.93	\$22.36
	10	\$23.61	\$24.07
Maximum	11	\$25.41	\$25.92
Pension Band		117	117

Bell Labs Employees Wage Schedules

Grade 438 – General Plant Mechanic (Painter)

	Step	Effective	Effective
		06\01\2003	05\30\2004
Minimum	1	\$12.23	\$12.47
	2	\$13.19	\$13.45
	3	\$14.22	\$14.50
	4	\$15.33	\$15.64
	5	\$16.53	\$16.86
	6	\$17.82	\$18.18
	7	\$19.21	\$19.60
	8	\$20.71	\$21.13
	9	\$22.33	\$22.78
	10	\$24.08	\$24.56
Maximum	11	\$25.98	\$26.50
Pension Band		118	118

Grade 439 – Plant Operations Mechanic

	Step	Effective	Effective
		06\01\2003	05\30\2004
Minimum	1	\$12.63	\$12.88
	2	\$13.59	\$13.86
	3	\$14.63	\$14.92
	4	\$15.75	\$16.06
	5	\$16.95	\$17.29
	6	\$18.24	\$18.61
	7	\$19.63	\$20.03
	8	\$21.13	\$21.56
	9	\$22.74	\$23.21
	10	\$24.48	\$24.98
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

Bell Labs Employees Wage Schedules

**Grade 440 – General Plant Mechanic
(Tinsmith)**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.52	\$12.77
	2	\$13.49	\$13.76
	3	\$14.53	\$14.82
	4	\$15.65	\$15.97
	5	\$16.86	\$17.20
	6	\$18.16	\$18.53
	7	\$19.56	\$19.96
	8	\$21.07	\$21.50
	9	\$22.70	\$23.16
	10	\$24.45	\$24.95
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

**Grade 441 – General Plant Mechanic
(Mason)**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.52	\$12.77
	2	\$13.49	\$13.76
	3	\$14.53	\$14.82
	4	\$15.65	\$15.97
	5	\$16.86	\$17.20
	6	\$18.16	\$18.53
	7	\$19.56	\$19.96
	8	\$21.07	\$21.50
	9	\$22.70	\$23.16
	10	\$24.45	\$24.95
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

Bell Labs Employees Wage Schedules

**Grade 442 – General Plant Mechanic
(Carpenter)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.52	\$12.77
	2	\$13.49	\$13.76
	3	\$14.53	\$14.82
	4	\$15.65	\$15.97
	5	\$16.86	\$17.20
	6	\$18.16	\$18.53
	7	\$19.56	\$19.96
	8	\$21.07	\$21.50
	9	\$22.70	\$23.16
	10	\$24.45	\$24.95
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

**Grade 443 – General Plant Mechanic
(Millwright)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.52	\$12.77
	2	\$13.49	\$13.76
	3	\$14.53	\$14.82
	4	\$15.65	\$15.97
	5	\$16.86	\$17.20
	6	\$18.16	\$18.53
	7	\$19.56	\$19.96
	8	\$21.07	\$21.50
	9	\$22.70	\$23.16
	10	\$24.45	\$24.95
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

Bell Labs Employees Wage Schedules

**Grade 444 – General Plant Mechanic
(Pipefitter)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.52	\$12.77
	2	\$13.49	\$13.76
	3	\$14.53	\$14.82
	4	\$15.65	\$15.97
	5	\$16.86	\$17.20
	6	\$18.16	\$18.53
	7	\$19.56	\$19.96
	8	\$21.07	\$21.50
	9	\$22.70	\$23.16
	10	\$24.45	\$24.95
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

Grade 445 – Metal Fabricating Mechanic

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.45	\$12.70
	2	\$13.48	\$13.75
	3	\$14.60	\$14.89
	4	\$15.81	\$16.12
	5	\$17.12	\$17.46
	6	\$18.54	\$18.91
	7	\$20.08	\$20.48
	8	\$21.74	\$22.18
	9	\$23.54	\$24.02
	10	\$25.49	\$26.01
Maximum	11	\$27.61	\$28.16
Pension Band		121	121

Bell Labs Employees Wage Schedules

**Grade 447 – General Plant Mechanic
(Electrician)**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.65	\$12.90
	2	\$13.65	\$13.92
	3	\$14.73	\$15.02
	4	\$15.89	\$16.20
	5	\$17.14	\$17.48
	6	\$18.49	\$18.86
	7	\$19.95	\$20.35
	8	\$21.52	\$21.95
	9	\$23.22	\$23.68
	10	\$25.05	\$25.55
Maximum	11	\$27.01	\$27.55
Pension Band		120	120

Grade 448 – Instrument and Control Mechanic

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.95	\$13.21
	2	\$13.96	\$14.25
	3	\$15.05	\$15.37
	4	\$16.23	\$16.57
	5	\$17.50	\$17.87
	6	\$18.87	\$19.27
	7	\$20.35	\$20.78
	8	\$21.94	\$22.41
	9	\$23.66	\$24.17
	10	\$25.51	\$26.06
Maximum	11	\$27.54	\$28.09
Pension Band		121	121

Bell Labs Employees Wage Schedules

**Grade 450 – Senior Chemical Technology
Mechanic**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.95	\$13.21
	2	\$13.95	\$14.23
	3	\$15.03	\$15.33
	4	\$16.19	\$16.52
	5	\$17.44	\$17.80
	6	\$18.79	\$19.18
	7	\$20.24	\$20.66
	8	\$21.80	\$22.26
	9	\$23.49	\$23.98
	10	\$25.31	\$25.83
Maximum	11	\$27.27	\$27.82
Pension Band		120	120

Grade 453 – Watch Engineer

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$13.15	\$13.41
	2	\$14.17	\$14.45
	3	\$15.27	\$15.57
	4	\$16.45	\$16.78
	5	\$17.72	\$18.08
	6	\$19.09	\$19.48
	7	\$20.57	\$20.99
	8	\$22.16	\$22.62
	9	\$23.88	\$24.37
	10	\$25.73	\$26.26
Maximum	11	\$27.74	\$28.29
Pension Band		121	121

Bell Labs Employees Wage Schedules

**Grade 455 – Instrument and Tool Maker,
Precision**

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$13.92	\$14.20
	2	\$15.00	\$15.30
	3	\$16.16	\$16.49
	4	\$17.41	\$17.77
	5	\$18.76	\$19.15
	6	\$20.21	\$20.63
	7	\$21.78	\$22.23
	8	\$23.47	\$23.95
	9	\$25.29	\$25.81
	10	\$27.25	\$27.81
Maximum	11	\$29.37	\$29.96
Pension Band		124	124

Grade 460 – Motor Vehicle Mechanic - A

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.63	\$12.88
	2	\$13.59	\$13.86
	3	\$14.63	\$14.92
	4	\$15.75	\$16.06
	5	\$16.95	\$17.29
	6	\$18.24	\$18.61
	7	\$19.63	\$20.03
	8	\$21.13	\$21.56
	9	\$22.74	\$23.21
	10	\$24.48	\$24.98
Maximum	11	\$26.35	\$26.88
Pension Band		119	119

Bell Labs Employees Wage Schedules

Grade 461 – Motor Vehicle Mechanic - B

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$11.35	\$11.58
	2	\$12.38	\$12.63
	3	\$13.51	\$13.78
	4	\$14.74	\$15.04
	5	\$16.08	\$16.41
	6	\$17.55	\$17.90
	7	\$19.15	\$19.53
	8	\$20.89	\$21.31
Maximum	9	\$22.80	\$23.26
Pension Band		113	113

Grade 462 – Toolmaker A

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.95	\$13.21
	2	\$14.01	\$14.30
	3	\$15.16	\$15.48
	4	\$16.41	\$16.75
	5	\$17.76	\$18.13
	6	\$19.22	\$19.62
	7	\$20.80	\$21.23
	8	\$22.51	\$22.98
	9	\$24.36	\$24.87
	10	\$26.36	\$26.91
	Maximum	11	\$28.54
Pension Band		122	122

Bell Labs Employees Wage Schedules

Grade 463 – Toolmaker B

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$11.05	\$11.27
	2	\$11.93	\$12.17
	3	\$12.88	\$13.14
	4	\$13.91	\$14.19
	5	\$15.02	\$15.32
	6	\$16.22	\$16.54
	7	\$17.52	\$17.86
	8	\$18.92	\$19.29
	9	\$20.43	\$20.83
	10	\$22.06	\$22.50
Maximum	11	\$23.84	\$24.32
Pension Band		115	115

Grade 464 – Hazardous Materials Technician

	Step	Effective 06/01/2003	Effective 05/30/2004
Maximum		\$22.80	\$23.26
Pension Band		113	113

Bell Labs Employees Wage Schedules

Grade 465 – Plant Systems Specialist

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$14.62	\$14.91
	2	\$15.72	\$16.04
	3	\$16.91	\$17.25
	4	\$18.19	\$18.55
	5	\$19.56	\$19.95
	6	\$21.04	\$21.46
	7	\$22.63	\$23.08
	8	\$24.34	\$24.82
	9	\$26.18	\$26.69
	10	\$28.16	\$28.71
	Maximum	11	\$30.27
Pension Band		125	125

Grade 474 – Reprographics Specialist

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.71	\$10.92
	2	\$11.65	\$11.88
	3	\$12.68	\$12.93
	4	\$13.80	\$14.07
	5	\$15.02	\$15.31
	6	\$16.34	\$16.66
	7	\$17.78	\$18.13
	8	\$19.35	\$19.73
	Maximum	9	\$21.05
Pension Band		110	110

Bell Labs Employees Wage Schedules

Grade 475 – Control Room Operator

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$10.71	\$10.92
	2	\$11.72	\$11.95
	3	\$12.82	\$13.07
	4	\$14.03	\$14.30
	5	\$15.35	\$15.65
	6	\$16.79	\$17.12
	7	\$18.37	\$18.73
	8	\$20.10	\$20.49
Maximum	9	\$21.98	\$22.42
Pension Band		112	112

Grade 476 – Reprographics Operator

	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$9.62	\$9.81
	2	\$10.43	\$10.64
	3	\$11.31	\$11.54
	4	\$12.26	\$12.51
	5	\$13.29	\$13.57
	6	\$14.41	\$14.72
	7	\$15.63	\$15.96
	8	\$16.95	\$17.31
Maximum	9	\$18.39	\$18.76
Pension Band		106	106

Bell Labs Employees Wage Schedules

Grade 408 – Telephone Operator			
Salary Plan MH7 (37.5 Hour Schedule ONLY)			
		Effective	Effective
	Step	06/01/2003	05/30/2004
Minimum	1	\$10.07	\$10.27
	2	\$10.99	\$11.21
	3	\$11.99	\$12.23
	4	\$13.08	\$13.34
	5	\$14.27	\$14.56
	6	\$15.57	\$15.89
	7	\$16.99	\$17.34
	8	\$18.54	\$18.92
Maximum	9	\$20.23	\$20.63
Pension Band		107	107

RDS&S Employees Wage Schedules

Zone 2
Charlotte Repair Center
Lucent Calibration and Repair Center

Grade A (MAS)				Grade B (MBS)			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$13.14	\$13.40	Minimum	1	\$10.55	\$10.76
	2	\$14.15	\$14.43		2	\$11.45	\$11.68
	3	\$15.23	\$15.53		3	\$12.43	\$12.68
	4	\$16.40	\$16.72		4	\$13.50	\$13.77
	5	\$17.66	\$18.00		5	\$14.66	\$14.95
	6	\$19.01	\$19.38		6	\$15.92	\$16.23
	7	\$20.46	\$20.86		7	\$17.29	\$17.62
	8	\$22.03	\$22.46		8	\$18.77	\$19.13
	9	\$23.72	\$24.18		9	\$20.38	\$20.77
	10	\$25.54	\$26.03		10	\$22.13	\$22.55
Maximum	11	\$27.47	\$28.02	Maximum	11	\$24.02	\$24.50
Pension Band		121	121	Pension Band		115	115

RDS&S Employees Wage Schedules

Grade Coordinator (MC2)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Maximum		20.46	20.87
Pension Band		110	110

Grade C (MCS)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$7.86	\$8.02
	2	\$11.45	\$8.24
	3	\$8.64	\$8.82
	4	\$9.06	\$9.25
	5	\$9.50	\$9.70
	6	\$9.96	\$10.17
	7	\$10.44	\$10.66
	8	\$10.94	\$11.17
	9	\$11.47	\$11.71
	10	\$12.02	\$12.28
	11	\$12.60	\$12.87
	12	\$13.21	\$13.49
	13	\$13.85	\$14.14
	14	\$14.52	\$14.82
	15	\$15.22	\$15.54
	16	\$15.96	\$16.29
	17	\$16.73	\$17.08
	18	\$17.54	\$17.90
	19	\$18.39	\$18.76
Maximum	20	\$19.26	\$19.65
Pension Band		108	108

RDS&S Employees Wage Schedules

**Zone 3
Kansas City G.P.C.
Phoenix G.P.C.**

Grade A (MAS)				Grade B (MBS)			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$13.31	\$13.58	Minimum	1	\$10.64	\$10.85
	2	\$14.32	\$14.61		2	\$11.55	\$11.78
	3	\$15.41	\$15.72		3	\$12.54	\$12.79
	4	\$16.58	\$16.92		4	\$13.61	\$13.88
	5	\$17.84	\$18.21		5	\$14.77	\$15.07
	6	\$19.20	\$19.59		6	\$16.03	\$16.36
	7	\$20.66	\$21.08		7	\$17.40	\$17.76
	8	\$22.23	\$22.68		8	\$18.89	\$19.28
	9	\$23.92	\$24.40		9	\$20.51	\$20.93
	10	\$25.74	\$26.26		10	\$22.26	\$22.72
Minimum	11	\$27.71	\$28.26	Maximum	11	\$24.17	\$24.65
Pension Band		121	121	Pension Band		116	116

RDS&S Employees Wage Schedules

Grade Coordinator (MC2)				Grade C (MCS)			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Maximum		20.60	21.01	Minimum	1	\$8.00	\$8.16
Pension Band		110	110		2	\$11.45	\$8.38
					3	\$8.78	\$8.96
					4	\$9.20	\$9.39
					5	\$9.64	\$9.84
					6	\$10.10	\$10.31
					7	\$10.58	\$10.80
					8	\$11.08	\$11.32
					9	\$11.61	\$11.86
					10	\$12.16	\$12.43
					11	\$12.74	\$13.02
					12	\$13.35	\$13.64
					13	\$13.99	\$14.29
					14	\$14.66	\$14.97
					15	\$15.36	\$15.68
					16	\$16.09	\$16.43
					17	\$16.86	\$17.21
					18	\$17.66	\$18.03
					19	\$18.50	\$18.89
Maximum				Maximum	20	\$19.39	\$19.78
Pension Band				Pension Band		108	108

RDS&S Employees Wage Schedules

East Point MDC

Grade Distribution Coordinator (DCA)			
	Step	Effective 06/01/2003	Effective 05/30/2004
Maximum		18.15	18.51
Pension Band		106	106

Grade Distribution Warehouse Operator (DMCH)			
	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$7.20	\$7.34
	2	\$11.45	\$7.68
	3	\$8.20	\$8.36
	4	\$8.75	\$8.92
	5	\$9.34	\$9.52
	6	\$9.97	\$10.16
	7	\$10.64	\$10.84
	8	\$11.36	\$11.57
	9	\$12.12	\$12.35
	10	\$12.94	\$13.18
	11	\$13.81	\$14.07
	12	\$14.74	\$15.02
	13	\$15.73	\$16.03
Maximum	14	\$16.78	\$17.12
Pension Band		104	104

RDS&S Employees Wage Schedules

**Grade Distribution Maintenance Repair
Operator (DMR)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$6.80	\$6.94
	2	\$7.46	\$7.61
	3	\$8.18	\$8.35
	4	\$8.97	\$9.16
	5	\$9.84	\$10.05
	6	\$10.79	\$11.02
	7	\$11.84	\$12.09
	8	\$12.99	\$13.26
	9	\$14.25	\$14.54
	10	\$15.63	\$15.95
Minimum	11	\$17.15	\$17.49
Pension Band		104	104

Grade Distribution Maintenance Mechanic (DMB)

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$9.42	\$9.61
	2	\$10.21	\$10.41
	3	\$11.06	\$11.28
	4	\$11.98	\$12.22
	5	\$12.98	\$13.24
	6	\$14.06	\$14.34
	7	\$15.23	\$15.54
	8	\$16.50	\$16.84
	9	\$17.88	\$18.24
	10	\$19.37	\$19.76
Maximum	11	\$20.98	\$21.40
Pension Band		110	110

RDS&S Employees Wage Schedules

**Grade Distribution Maintenance Specialist
(DMA)**

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$11.07	\$11.29
	2	\$11.89	\$12.13
	3	\$12.78	\$13.03
	4	\$13.73	\$14.00
	5	\$14.75	\$15.04
	6	\$15.85	\$16.16
	7	\$17.03	\$17.36
	8	\$18.30	\$18.65
	9	\$19.66	\$20.04
	10	\$21.12	\$21.53
Maximum	11	\$22.70	\$23.15
Pension Band		113	113

RDS&S Employees Wage Schedules

SERVICE AND SUPPORT

Charlotte G.P.C.

Grade R-10				Grade R-20			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$6.98	\$7.12	Minimum	1	\$8.42	\$8.59
	2	\$7.70	\$7.86		2	\$9.29	\$9.48
	3	\$8.50	\$8.67		3	\$10.25	\$10.46
	4	\$9.38	\$9.57		4	\$11.31	\$11.55
	5	\$10.35	\$10.56		5	\$12.48	\$12.75
	6	\$11.42	\$11.65		6	\$13.78	\$14.07
	7	\$12.60	\$12.86		7	\$15.21	\$15.53
	8	\$13.91	\$14.19		8	\$16.79	\$17.14
Minimum	9	\$15.36	\$15.67	Maximum	9	\$18.55	\$18.92
Pension Band		102	102	Pension Band		106	106

RDS&S Employees Wage Schedules

Grade R-30			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$9.28	\$9.47
	2	\$10.24	\$10.45
	3	\$11.30	\$11.53
	4	\$12.46	\$12.72
	5	\$13.74	\$14.03
	6	\$15.16	\$15.48
	7	\$16.72	\$17.07
	8	\$18.44	\$18.83
Minimum	9	\$20.34	\$20.75
Pension Band		109	109

Grade R-40			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.18	\$10.38
	2	\$11.23	\$11.45
	3	\$12.39	\$12.63
	4	\$13.67	\$13.94
	5	\$15.08	\$15.38
	6	\$16.64	\$16.97
	7	\$18.36	\$18.73
	8	\$20.26	\$20.67
Maximum	9	\$22.37	\$22.82
Pension Band		113	113

RDS&S Employees Wage Schedules

		Grade R-50	
		Effective	Effective
	Step	06/01/2003	05/30/2004
Minimum	1	\$13.14	\$13.40
	2	\$14.15	\$14.43
	3	\$15.23	\$15.53
	4	\$16.40	\$16.72
	5	\$17.66	\$18.00
	6	\$19.01	\$19.38
	7	\$20.46	\$20.86
	8	\$22.03	\$22.46
	9	\$23.72	\$24.18
	10	\$25.54	\$26.03
Maximum	11	\$27.47	\$28.02
Pension Band		121	121

RDS&S Employees Wage Schedules

East Point G.P.C.

Grade R-10				Grade R-20			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$6.42	\$6.55	Minimum	1	\$7.54	\$7.69
	2	\$7.08	\$7.23		2	\$8.32	\$8.49
	3	\$7.81	\$7.98		3	\$9.18	\$9.37
	4	\$8.62	\$8.80		4	\$10.13	\$10.34
	5	\$9.51	\$9.71		5	\$11.18	\$11.41
	6	\$10.49	\$10.71		6	\$12.34	\$12.60
	7	\$11.57	\$11.81		7	\$13.62	\$13.91
	8	\$12.76	\$13.03		8	\$15.04	\$15.36
Minimum	9	\$14.08	\$14.36	Maximum	9	\$16.63	\$16.96
Pension Band		102	102	Pension Band		103	103

RDS&S Employees Wage Schedules

Grade R-30				Grade R-40			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$8.85	\$9.03	Minimum	1	\$9.98	\$10.18
	2	\$9.77	\$9.97		2	\$11.01	\$11.23
	3	\$10.79	\$11.01		3	\$12.15	\$12.39
	4	\$11.91	\$12.16		4	\$13.41	\$13.67
	5	\$13.15	\$13.43		5	\$14.80	\$15.09
	6	\$14.52	\$14.83		6	\$16.33	\$16.65
	7	\$16.03	\$16.37		7	\$18.02	\$18.37
	8	\$17.70	\$18.08		8	\$19.89	\$20.27
Minimum	9	\$19.56	\$19.95	Maximum	9	\$21.95	\$22.39
Pension Band		108	108	Pension Band		112	112

RDS&S Employees Wage Schedules

		Grade R-50	
		Effective	Effective
	Step	06/01/2003	05/30/2004
Minimum	1	\$11.62	\$11.85
	2	\$12.83	\$13.08
	3	\$14.16	\$14.44
	4	\$15.63	\$15.94
	5	\$17.25	\$17.59
	6	\$19.04	\$19.41
	7	\$21.01	\$21.42
	8	\$23.19	\$23.64
	Maximum	9	\$25.59
Pension Band		117	117

RDS&S Employees Wage Schedules

Guilford Center

Grade R-10				Grade R-20			
	Step	Effective 06\01\2003	Effective 05\30\2004		Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$6.34	\$6.47	Minimum	1	\$7.33	\$7.48
	2	\$6.99	\$7.13		2	\$8.08	\$8.24
	3	\$7.71	\$7.86		3	\$8.90	\$9.08
	4	\$8.50	\$8.66		4	\$9.81	\$10.00
	5	\$9.37	\$9.55		5	\$10.81	\$11.02
	6	\$10.33	\$10.53		6	\$11.91	\$12.14
	7	\$11.39	\$11.61		7	\$13.12	\$13.38
	8	\$12.56	\$12.80		8	\$14.46	\$14.74
Minimum	9	\$13.82	\$14.10	Maximum	9	\$15.92	\$16.24
Pension Band		102	102	Pension Band		103	103

RDS&S Employees Wage Schedules

Grade R-30			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$8.58	\$8.75
	2	\$9.46	\$9.64
	3	\$10.43	\$10.62
	4	\$11.49	\$11.70
	5	\$12.66	\$12.89
	6	\$13.95	\$14.21
	7	\$15.37	\$15.66
	8	\$16.94	\$17.26
Minimum	9	\$18.67	\$19.04
Pension Band		107	107

Grade R-40			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.35	\$10.56
	2	\$11.41	\$11.64
	3	\$12.58	\$12.83
	4	\$13.86	\$14.14
	5	\$15.28	\$15.58
	6	\$16.84	\$17.17
	7	\$18.56	\$18.92
	8	\$20.46	\$20.85
Maximum	9	\$22.53	\$22.98
Pension Band		113	113

RDS&S Employees Wage Schedules

Grade R-50			
	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.78	\$13.04
	2	\$14.08	\$14.37
	3	\$15.52	\$15.84
	4	\$17.10	\$17.46
	5	\$18.84	\$19.24
	6	\$20.76	\$21.20
	7	\$22.88	\$23.36
	8	\$25.21	\$25.74
	Maximum	9	\$27.80
Pension Band		122	122

RDS&S Employees Wage Schedules

Kansas City/Phoenix G.P.C.

Grade R-10				Grade R-20			
	Step	Effective 06/01/2003	Effective 05/30/2004		Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$7.08	\$7.22	Minimum	1	\$8.67	\$8.84
	2	\$7.82	\$7.97		2	\$9.57	\$9.76
	3	\$8.64	\$8.80		3	\$10.56	\$10.77
	4	\$9.54	\$9.72		4	\$11.65	\$11.89
	5	\$10.54	\$10.73		5	\$12.86	\$13.12
	6	\$11.64	\$11.85		6	\$14.19	\$14.48
	7	\$12.85	\$13.09		7	\$15.66	\$15.98
	8	\$14.19	\$14.46		8	\$17.28	\$17.64
Minimum	9	\$15.66	\$15.97	Maximum	9	\$19.07	\$19.45
Pension Band		102	102	Pension Band		107	107

RDS&S Employees Wage Schedules

Grade R-30			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$9.49	\$9.68
	2	\$10.47	\$10.68
	3	\$11.56	\$11.79
	4	\$12.76	\$13.01
	5	\$14.08	\$14.36
	6	\$15.54	\$15.85
	7	\$17.15	\$17.49
	8	\$18.93	\$19.30
Minimum	9	\$20.89	\$21.31
Pension Band		110	110

Grade R-40			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$10.64	\$10.85
	2	\$11.74	\$11.97
	3	\$12.95	\$13.21
	4	\$14.29	\$14.57
	5	\$15.76	\$16.07
	6	\$17.39	\$17.73
	7	\$19.18	\$19.56
	8	\$21.16	\$21.58
Maximum	9	\$23.34	\$23.81
Pension Band		114	114

RDS&S Employees Wage Schedules

Grade R-50			
	Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$12.57	\$12.82
	2	\$13.88	\$14.15
	3	\$15.32	\$15.62
	4	\$16.91	\$17.24
	5	\$18.67	\$19.03
	6	\$20.61	\$21.01
	7	\$22.75	\$23.19
	8	\$25.11	\$25.60
	Maximum	9	\$27.71
Pension Band		121	121

Manufacturing Five Tier Employees Wage Schedules

Tier 1 (F1)				Tier 2 (F2)			
	Step	Effective 06/01/2003	Effective 05/30/2004		Step	Effective 06/01/2003	Effective 05/30/2004
Minimum	1	\$9.41	\$9.60	Minimum	1	\$10.80	\$11.02
	2	\$9.95	\$10.15		2	\$11.38	\$11.61
	3	\$10.52	\$10.73		3	\$11.99	\$12.24
	4	\$11.12	\$11.34		4	\$12.64	\$12.90
	5	\$11.76	\$11.99		5	\$13.32	\$13.60
	6	\$12.43	\$12.67		6	\$14.04	\$14.33
	7	\$13.14	\$13.39		7	\$14.80	\$15.10
	8	\$13.89	\$14.15		8	\$15.60	\$15.91
Minimum	9	\$14.68	\$14.97	Maximum	9	\$16.44	\$16.77
Pension Band		102	102	Pension Band		104	104

Manufacturing Five Tier Employees Wage Schedules

Tier 3 (F3)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.60	\$12.85
	2	\$13.23	\$13.49
	3	\$13.89	\$14.16
	4	\$14.58	\$14.87
	5	\$15.31	\$15.61
	6	\$16.08	\$16.39
	7	\$16.88	\$17.21
	8	\$17.72	\$18.07
Minimum	9	\$18.62	\$18.99
Pension Band		107	107

Tier 4 (F4)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$14.84	\$15.14
	2	\$15.53	\$15.85
	3	\$16.26	\$16.59
	4	\$17.02	\$17.37
	5	\$17.82	\$18.18
	6	\$18.65	\$19.03
	7	\$19.52	\$19.92
	8	\$20.43	\$20.85
Maximum	9	\$21.40	\$21.83
Pension Band		112	112

Manufacturing Five Tier Employees Wage Schedules

		Tier 5 (F5)	
		Effective	Effective
	Step	06/01/2003	05/30/2004
Minimum	1	\$17.69	\$18.04
	2	\$18.47	\$18.83
	3	\$19.28	\$19.66
	4	\$20.13	\$20.53
	5	\$21.02	\$21.43
	6	\$21.95	\$22.37
	7	\$22.92	\$23.36
	8	\$23.93	\$24.39
Maximum	9	\$24.97	\$25.47
Pension Band		118	118

Manufacturing P&M Employees Wage Schedules

Production Level 1 (PL1)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$9.05	\$9.23
	2	\$9.72	\$9.92
	3	\$10.44	\$10.66
	4	\$11.22	\$11.46
	5	\$12.06	\$12.31
	6	\$12.96	\$13.23
	7	\$13.93	\$14.22
	8	\$14.97	\$15.28
Minimum	9	\$16.09	\$16.41
Pension Band		103	103

Production Level 2 (PL2)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.03	\$12.27
	2	\$12.65	\$12.90
	3	\$13.30	\$13.57
	4	\$13.99	\$14.27
	5	\$14.71	\$15.01
	6	\$15.47	\$15.78
	7	\$16.27	\$16.59
	8	\$17.11	\$17.45
Maximum	9	\$17.99	\$18.35
Pension Band		106	106

Manufacturing P&M Employees Wage Schedules

Production Level 3 (PL3)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.81	\$13.07
	2	\$13.45	\$13.72
	3	\$14.12	\$14.41
	4	\$14.83	\$15.13
	5	\$15.57	\$15.89
	6	\$16.35	\$16.68
	7	\$17.17	\$17.51
	8	\$18.03	\$18.39
Maximum	9	\$18.93	\$19.31
Pension Band		108	108

Tester (TL-T)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$14.68	\$14.97
	2	\$15.22	\$15.52
	3	\$15.78	\$16.09
	4	\$16.36	\$16.68
	5	\$16.96	\$17.29
	6	\$17.58	\$17.92
	7	\$18.22	\$18.58
	8	\$18.89	\$19.26
	9	\$19.58	\$19.97
	10	\$20.30	\$20.70
	11	\$21.04	\$21.46
	Maximum	12	\$21.81
Pension Band		111	111

Manufacturing P&M Employees Wage Schedules

Trades Group 1 (001)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$20.36	\$20.77
	2	\$21.73	\$22.17
	3	\$23.19	\$23.66
	4	\$24.75	\$25.25
Maximum	5	\$26.42	\$26.95
Pension Band		120	120

Trades Group 2 (002)			
	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$20.36	\$20.77
	2	\$21.45	\$21.88
	3	\$22.60	\$23.05
	4	\$23.81	\$24.29
	5	\$25.09	\$25.59
	6	\$20.30	\$26.44
Maximum	7	\$27.86	\$28.42
Pension Band		123	123

Manufacturing P&M Employees Wage Schedules

Trainee – Composite Master Toolmaker II (T09)

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.09	\$12.33
	2	\$13.16	\$13.42
	3	\$14.32	\$14.61
	4	\$15.58	\$15.90
	5	\$16.96	\$17.30
	6	\$18.46	\$18.83
	7	\$20.09	\$20.49
	8	\$21.86	\$22.30
	9	\$23.79	\$24.27
	Maximum	10	\$25.89
Pension Band		123	123

Trainee – Control Systems Technician II (T10)

	Step	Effective 06\01\2003	Effective 05\30\2004
Minimum	1	\$12.09	\$12.33
	2	\$13.05	\$13.31
	3	\$14.08	\$14.36
	4	\$15.19	\$15.50
	5	\$16.39	\$16.73
	6	\$17.69	\$18.05
	7	\$19.09	\$19.48
	8	\$20.60	\$21.02
	9	\$22.23	\$22.68
	10	\$23.99	\$24.48
	Maximum	11	\$25.89
Pension Band		123	123

Manufacturing Five Tier Job Descriptions

TIER PLAN OCCUPATIONAL JOB CLASSIFICATIONS

Movement of Personnel

Occupational Job Classification	---Corridor---
TIER 1	
Clerk	Not Applicable
TIER 2	
Senior Clerk	Not Applicable
Secretary	Not Applicable
TIER 3	
Senior Secretary	Not Applicable
Associate	Not Applicable
TIER 4	
Administrative Analyst	Administrative
Computer Operations Analyst	Computer Operations
Drafting Analyst	Drafting
Financial Analyst	Financial
Materials Management Analyst	Materials Management
Technical Support Analyst	Technical Support
TIER 5	
Senior Administrative Analyst	Administrative
Senior Computer Operations Analyst	Computer Operations
Senior Drafting Analyst	Drafting
Senior Financial Analyst	Financial
Senior Materials Management Analyst	Materials Management
Senior Technical Support Analyst	Technical Support

Manufacturing Five Tier Job Descriptions

5 TIER PLAN OCCUPATIONAL JOB DESCRIPTIONS

PREFACE

Occupational Descriptions

It is understood that the assignments covered by the Occupations Descriptions in this Appendix cover the primary functions of the existing 200 or R10-R50 Series job descriptions for the corresponding grade levels slotted into the new Five Tier Plan. It is not intended that these descriptions include any primary duties for those grades slotted at a higher Tier.

The following 200 and R10-R50 job grades were reclassified into an Occupational Job Classification in the 5 Tier plan as follows:

<u>Job Grade</u>	<u>Tier</u>
201, 202, 203, R10	1
204, 205, R20	2
206, 207, R30	3
208, 209, R40	4
210, 211, 212, R50	5

Manufacturing Five Tier Job Descriptions

TIER PLAN OCCUPATIONAL JOB DESCRIPTIONS

Clerk - Tier 1

Movement of Personnel Corridor - Not Applicable

Job Description: (Legacy Job Title Code F1CR – GPS Job Code F1CK)

Perform any or a combination of routine duties generally of a clerical and service nature in accordance with established routines. Representative duties include but are not limited to the following:

- sorting;
- filing;
- distributing;
- maintaining simple records, charts, and graphs;
- typing;
- operating calculating equipment;
- proofreading;
- obtaining supplies;
- greeting and controlling visitors;
- setting up and operating reproducing machines and camera equipment;
- elementary drafting and tracing;
- operating PBX consoles and associated equipment;
- and operating a teletypewriter.

Prerequisites: B-TAB, may require Data Entry Skills Test.

Manufacturing Five Tier Job Descriptions

Senior Clerk - Tier 2

Movement of Personnel Corridor - Not Applicable

Job Description: (Legacy Job Title Code F2CR – GPS Job Code FSC2)

Perform duties generally of a clerical and service nature in accordance with established routines. Representative duties include but are not limited to the following:

- typing;
- processing and preparing reports;
- operating word processing equipment;
- preparing journal orders;
- reconciling routine discrepancies;
- keypunching data;
- preparing routine journal entries;
- instructing employees performing equal or lower level work;
- routine billing;
- operating mainframe computer peripheral equipment;
- creating files and generating reports not requiring creation of macro, logical or looping and branching commands;
- simple drafting;
- routine expediting;
- preparing payroll details;
- chauffeuring;
- ticket auditing;
- administering service anniversary awards.

Prerequisites: B-TAB, Data Entry Skills Test, may require Typing Test (when typing is 1/2 of tour). Chauffeuring requires a valid driver's license.

Manufacturing Five Tier Job Descriptions

Secretary - Tier 2

Movement of Personnel Corridor - Not Applicable

Job Description: (Legacy Job Title Code F2SR – GPS Job Code FSY2)

Perform secretarial duties for supervisor of second level or equivalent rank and perform various clerical assignments to facilitate organizational procedures. Representative duties include but are not limited to the following:

- typing data of any degree of complexity;
- preparing and maintaining departmental personnel and attendance files;
- making appointments and maintaining principal's itinerary;
- answering routine telephone inquiries and taking messages;
- greeting and directing visitors;
- *recording and distributing mail and follow up for disposition;*
- originating routine correspondence;
- compiling organizational summaries and reports;
- reviewing correspondence prepared by others to assure procedural and typographical accuracy;
- making travel and/or conference arrangements;
- may take and/or transcribe dictation of any complexity;
- maintaining minutes of meetings;
- operating word processing equipment;
- represent organization in contacts with other organizations, groups and individuals within the COMPANY and with outside vendors or clients;
- creating files and generating reports not requiring creation of macro, logical or looping and branching commands;
- instructing employees performing equal or lower level work.

Prerequisites: B-TAB, Typing Test

Manufacturing Five Tier Job Descriptions

Associate - Tier 3

Movement of Personnel Corridor - Not Applicable

Job Description: (Legacy Job Title Code F3AR – GPS Job Code FAE3)

Perform any or a combination of duties generally of an administrative or service nature. Representative duties include but are not limited to the following:

- analyzing drawings;
- instructing employees performing equal or lower level work;
- developing databases using non-scientific program software;
- resolving non-routine discrepancies;
- investigating complaints;
- administering, scoring and interpreting employment tests;
- order editing, ordering, tracing and complex expediting;
- maintaining stock of less complex items;
- routine scheduling;
- preparing journal entries;
- analyzing accounts and classifying of charges to accounts;
- maintaining ledgers;
- processing employee suggestions;
- performing comprehensive payroll, pricing, billing and functions;
- administering benefit programs;
- performing teller functions;
- classifying, rating, and routing shipments;
- performing visual and mechanical checks on products and processes;
- charting;
- operating mainframe computer systems;
- moderately complex drafting;
- order editing.

Prerequisites: B-TAB, Data Entry Skills Test, may require Typing, Valid Driver's License, Knowledge of UNIX, Radiology Certification.

Manufacturing Five Tier Job Descriptions

Senior Secretary - Tier 3

Movement of Personnel Corridor - Not Applicable

Job Description: (Legacy Job Title Code F3SR – GPS Job Code FSY3)

Perform secretarial duties for supervisor of third and fourth levels or equivalent rank and perform various clerical assignments to facilitate organizational procedures. Representative duties include but are not limited to the following:

- typing data of any degree of complexity;
- preparing and maintaining organizational personnel and attendance files;
- making appointments and maintaining principal's itinerary;
- answering routine telephone inquiries and taking messages;
- greeting and directing visitors;
- recording and distributing mail and follow up for disposition;
- originating routine correspondence, compiling organizational summaries and reports;
- reviewing correspondence prepared by others to assure procedural and typographical accuracy;
- making travel and/or conference arrangements;
- may take and/or transcribe dictation of any complexity;
- maintaining minutes of meetings;
- operating word processing equipment;
- represent organization in contacts with other organizations, groups and individuals within the Company and with outside vendors or clients;
- perform special projects in support of the organizational activities;
- develop clerical/administrative guidelines within organization;
- developing databases using non-scientific program software;
- *instructing employees performing equal or lower level work.*

Prerequisites: B-TAB, Typing Test, previous experience as Secretary, may require Stenography Test

Manufacturing Five Tier Job Descriptions

Administrative Analyst - Tier 4

Movement of Personnel Corridor - Administrative

Job Description: (Legacy Job Title Code F4AG – GPS Job Code FAA4)

Perform a variety of complex administrative duties. Representative duties include but are not limited to the following:

- staffing for non-supervisory employees;
- preparing list of candidates for job openings considering service, obligations of the union contract, experience and education required;
- acting as liaison with outside employment agencies and suppliers of temporary employees;
- conducting exit interviews and preparing correspondence and reports associated with employment and placement activities;
- preparing job advertisement copy and arrange for placement as required;
- visiting local high schools, junior colleges and technical institutes to advise students of employment opportunities;
- assisting medical personnel in various non-professional aspects of patient care;
- perform methods functions involving the development of new or revisions to existing business procedures;
- instructing employees performing equal or lower level work.

Prerequisites: Successful completion of Administrative Certification Exam and 12 months previous experience at Tier 3, may require Typing, Stenography

Manufacturing Five Tier Job Descriptions

Computer Operations Analyst - Tier 4

Movement of Personnel Corridor - Computer Operations

Job Description: (Legacy Job Title Code F4CR – GPS Job Code FC04)

Perform a variety of complex computer operations duties. Representative duties include but are not limited to the following:

- setting up and operating a large computer system and associated peripheral equipment;
- diagnosing error conditions and taking corrective actions;
- assisting others during the processing of various phases of more complex or involved projects;
- scheduling computer runs to make the most efficient use of computer time;
- dealing with other organizations to assure that data is received and returned per established schedules and to eliminate problem areas involving data center routines and procedures;
- maintaining machine logs and records of machine and input malfunctions;
- instructing employees performing equal or lower level work;
- scheduling and performing preventative maintenance;
- preparing job control cards and run procedures for special jobs;
- monitoring main console for processing flow and job interruptions;
- creating master file backups and managing tape libraries per documented procedures;
- maintaining trouble log;
- interacting with users to resolve access problems to on-line systems.

Prerequisites: Successful completion of Computer Operations certification exam and 12 months previous experience at Tier 3.

Manufacturing Five Tier Job Descriptions

Drafting Analyst - Tier 4

Movement of Personnel Corridor - Drafting

Job Description: (Legacy Job Title Code F4DR – GPS Job Code FDA4)

Perform a variety of complex drafting duties in any of the recognized drafting fields. Representative duties include but are not limited to the following:

- determining the type and number of views required working from sketches, marked prints, notes, verbal instructions, or other graphic presentations;
- computing and transcribing the measurements necessary to portray the proper relationships, fits, tolerances of drawing component in the most suitable format and according to accepted drafting principles and practices; - dimensioning drawings and portraying specific information using accepted symbols and notes;
- operating computer-aided graphics systems;
- compiling stock lists, parts, breakdowns, and other auxiliary information necessary to meet the intent of the drawing;
- checking details of components such as finishes, materials, strength requirements, and conformance to standards;
- recommending minor design changes based on practical experience;
- and instructing employees performing equal or lower level work.

Prerequisites: Successful completion of Drafting Certification exam and 12 months previous experience at Tier 3.

Manufacturing Five Tier Job Descriptions

Financial Analyst - Tier 4

Movement of Personnel Corridor - Financial

Job Description: (Legacy Job Title Code F4FR – GPS Job Code FFA4)

Perform a variety of comprehensive duties related to accounting and/or financial functions. Representative duties include but are not limited to the following:

- plant accounting including compiling of involved data such as investment, depreciation, distribution and variations;
- investigating and adjusting inventory variations;
- compiling standard costs from layouts, rates lists and drawings;
- developing labor rates;
- preparing organizational and operating results reports and associated accounting;
- preparing complex journal entry details, perform analysis of associated accounts and provide explanations for deviations from expected results;
- forecasting financial elements for assigned areas of responsibility;
- auditing disbursements for accounts payable, petty cash expenditures and employee expense accounts;
- estimating cash requirements in support of large financial organizational activities such as accounts payable and payroll;
- performing accounting and financial analysis in support of the Cost Effectiveness Program;
- billing of complex transactions such as partial and final material billing for EF&I orders, and factory to region billing;
- preparing special studies and analyses;
- instructing employees performing equal or lower level work;
- assisting others engaged in more complex activities.

Prerequisites: Successful completion of Financial Certification Exam and 12 months previous experience at Tier 3.

Manufacturing Five Tier Job Descriptions

Materials Management Analyst - Tier 4

Movement of Personnel Corridor - Materials Management

Job Description: (Legacy Job Title Code F4MR – GPS Job Code FMM4)

Perform a variety of complex materials management duties. Representative duties include but are not limited to the following:

- performing involved merchandise and service functions including the handling of complex expediting problems on orders, requisitions, and similar authorizations for all types of material;
- investigating and resolving service problems;
- analyzing and condensing manufacturing information to facilitate the manufacture of product;
- servicing the introduction of Class A changes and determining appropriate load dates for incorporating changes;
- establishing firm shipping schedules by analyzing orders, quarterly production estimates and shop capacities;
- establishing the introduction of new designs and change orders;
- planning, developing, and establishing long range production programs for the manufacture of products;
- performing service functions associated with material returned by customers;
- Analyzing involved production data, investigating abnormal variations and unusual trends, determining causes for deviations from expected results, and preparing special reports and summaries;
- Maintaining stock control over a wide variety of raw materials, equipment, apparatus, tools, and similar items used in the production process or to fill customer orders;
- Analyzing and resolving a variety of transportation problems;
- instructing employees performing equal or lower level work.

Prerequisites: Successful completion of Materials Management Certification Exam and 12 months previous experience at Tier 3.

Manufacturing Five Tier Job Descriptions

Technical Support Analyst - Tier 4

Movement of Personnel Corridor - Technical Support

Job Description: (Legacy Job Title Code F4TR – GPS Job Code FTS4)

Perform a variety of complex technical support duties. Representative duties include but are not limited to the following:

- performing quality checks and appraisals of a variety of products to determine conformance with operational testing requirements;
- analyzing defects and their causes;
- investigating problems encountered, discussing findings with concerned personnel, and recommending corrective measures;
- instructing employees performing equal or lower level work.

Prerequisites: Successful completion of Technical Certification examination and 12 months previous experience at Tier 3.

Manufacturing Five Tier Job Descriptions

Senior Administrative Analyst - Tier 5

Movement of Personnel Corridor - Administrative

Job Description: (Legacy Job Title Code F5AR – GPS Job Code FAA5)

Perform a wide variety of highly complex administrative duties. Representative duties include but are not limited to the following:

- assisting carrying out the company's personnel policies;
- visiting employees and employees' families and render assistance in matters dealing with personnel policy and employee benefits;
- preparing comprehensive reports with recommendations of action to be taken in keeping with general personnel policies, various benefit plan provisions, laws or government directions;
- perform functions associated with EEO & OSHA;
- instructing employees performing equal or lower level work.

Prerequisites: Associates Degree or equivalent credits (core) from an accredited college in Business Administration or equivalent as determined by the COMPANY and 24 months previous experience in Administrative Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

Senior Computer Operations Analyst - Tier 5

Movement of Personnel Corridor - Computer Operations

Job Description: (Legacy Job Title Code F5CR – GPS Job Code FC05)

Perform a wide variety of highly complex computer operations duties. Representative duties include but are not limited to the following:

- planning and coordinating the activities of a group engaged in operating a large computer system and associated peripheral equipment;
- initiating checks and procedural changes to improve efficiency;
- diagnosing complex error conditions and taking corrective action;
- originating overall computer schedules and rescheduling as required;
- preparing system flow charts;
- originating job instructions;
- setting up and operating all types of computer equipment;
- instructing or conducting training classes for employees performing equal or lower level work;
- originating and maintaining reports and records pertaining to computer utilization, maintenance of equipment and trouble logs;
- developing procedures for reporting processing and shift status;
- defining procedures regarding master file backups and off-site vaulting;
- developing and updating disaster recovery plans.

Prerequisites: Associates Degree or equivalent credits (core) from an accredited college in Computer Science or equivalent as determined by the COMPANY and 24 months previous experience in Computer Operations Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

Senior Drafting Analyst - Tier 5

Movement of Personnel Corridor - Drafting

Job Description: (Legacy Job Title Code F5DR – GPS Job Code DA5)

Perform a wide variety of the most complex drafting duties in any of the recognized drafting fields. Representative duties include but are not limited to the following:

- proceeding under own initiative;
- developing and preparing new drawings or making major revisions to existing drawings requiring the highest degree of specialized drafting skill and knowledge working from communicated ideas, sketches, and notes;
- collaborating with engineers and designers in working out minor design details such as fits, tolerances, materials finishes and use of standard parts;
- dimensioning drawings and portraying specific requirements through the use of accepted symbols and notes;
- operating computer-aided graphics systems;
- compiling stock lists, parts breakdown and other auxiliary information;
- instructing employees performing equal or lower level work.

Prerequisites: Associates Degree or equivalent credits (core) from an accredited college in a technical field or equivalent as determined by the COMPANY and 24 months previous experience in Drafting Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

Senior Financial Analyst - Tier 5

Movement of Personnel Corridor - Financial

Job Description: (Legacy Job Title Code F5FR – GPS Job Code FFA5)

Perform a wide variety of highly complex duties related to accounting and/or financial functions. Representative duties include but are not limited to the following:

- compiling forecasts and budgets;
- analyzing actual accounting operating results;
- conducting special studies and investigations usually of a non-recurring nature concerning such subjects as normal variations, costs of new products and direct and indirect expense;
- compiling data for tax returns;
- assist in conducting inventory and/or year end closing activities;
- assist in establishing load rates and compiling historical load rate data;
- instructing employees performing equal or lower level work.

Prerequisites: Associates Degree or equivalent credits (core) from an accredited college in Accounting or equivalent as determined by the COMPANY and 24 months previous experience in Financial Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

Senior Materials Management Analyst - Tier 5

Movement of Personnel Corridor - Materials Management

Job Description: (Legacy Job Title Code F5MR – GPS Job Code FMM5)

Perform a wide variety of highly complex materials management duties. Representative duties include but are not limited to the following:

- assisting buyers by performing a wide range of functions associated with the preparation, placement, and servicing of complex purchase contracts and the placement of non-contract purchase requests for a wide variety of items;
- establishing activities associated with the introduction of new design description cases;
- determine feasibility of processing cases by considering availability of facilities, anticipated orders, cost of new tooling and similar factors;
- servicing the processing of first application orders;
- analyzing related information to determine appropriate dates for incorporating changes;
- performing functions associated with inter-works forecast preparation;
- resolving difficulties and making special studies;
- instructing employees performing equal or lower level work.

Prerequisites: Associates Degree or equivalent credits (core) from an accredited college in Production Operations or Inventory Control Management or equivalent as determined by the COMPANY, and 24 months previous experience in Materials Management Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

Senior Technical Support Analyst - Tier 5

Movement of Personnel Corridor - Technical Support

Job Description: (Legacy Job Title Code F5TR – GPS Job Code FTS5)

Perform a wide variety of highly complex duties generally of a technical nature. Representative duties include but are not limited to the following:

- coordinate the effort of employees performing the most difficult testing and analysis of complex interrelated circuits for causes of failure on a variety of electronic products and systems requiring electronic theory, which includes testing and inspecting the most complex digital and electronic transmission and switching systems;
- make recommendations for operating improvements and devise new methods of gathering and providing reliable data into summarizations and comparisons depicting conditions and trends;
- plan and conduct in-depth investigations and comprehensive studies in response to all types of field, inter-works, and intra-works complaints of difficulties and problems encountered and take corrective measures in the absence of established procedures and routines;
- conduct a wide variety of chemical analyses and tests; and,
- instructing employees performing equal or lower level work.

Prerequisites: Associates Degree or equivalent credits (core) in the technical field from an accredited college or Certification in a specific field or equivalent as determined by the COMPANY and 24 months previous experience in the Technical Support Corridor at Tier 4.

Manufacturing Five Tier Job Descriptions

MOVEMENT OF PERSONNEL

SPECIAL DESIGNATED JOBS -----CORRIDOR-----

TIER 4

Plant Inspector	Not Applicable
Laboratory Assistant	Not Applicable
Trades Order Analyst	Not Applicable
Photographic Technician	Not Applicable
X-Ray Technician	Not Applicable

TIER 5

Plant Inspector	Not Applicable
Laboratory Assistant	Not Applicable
Trades Order Analyst	Not Applicable
Photographic Technician	Not Applicable

Note: The above special designated jobs apply only in those manufacturing locations where these job tours were in effect prior to the 1989 Agreement and were slotted over to Tier 4 and Tier 5 tours as a result of the 1989 Agreement.

Manufacturing Five Tier Job Descriptions

Plant Inspector - Tier 4

Job Description: (Legacy Job Title Code FPI4 – GPS Job Code 110021)

Perform complex duties of a technical nature. Representative duties include but are not limited to the following:

Under the direction of functional personnel, inspect plant facilities including buildings, grounds, heating, cooling, power plants, air conditioning systems, flammable and hazardous storage, handling and transportation equipment, service systems such as electrical, water, exhaust, and air; radio frequency generating equipment; plant systems; cleaning units; waste treatment systems; fire protection apparatus and equipment; machines; furnaces; and ovens to assure compliance with health and safety requirements including Company regulations, legal requirements, government codes, and insurance specifications. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

NOTE: Appropriate licenses are required in some jurisdictions.

Manufacturing Five Tier Job Descriptions

Lab Assistant (Environmental) - Tier 4

Job Description: (Legacy Job Title Code FLA4 – GPS Job Code 110112)

Perform complex duties of a technical nature. Representative duties include but are not limited to the following:

Under the direction of functional personnel, assist in the execution of Works pollution control policy, industrial hygiene, and safety programs. Analyze related laws, rules, and regulations administered by Federal, State, and Local agencies. Assist in the maintenance of computerized control systems for hazardous waste. Carry out applicable procedures taking into consideration Local circumstances. Monitor and sample sewage and other wastes. Assist in investigations and surveys initiated by Federal, State or Local agencies. Assist in inspections on subject topics. Compile findings and suggest corrective actions. Assist in presentation of training courses on hazardous waste management. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

Trades Order Analyst - Tier 4

Job Description: (Legacy Job Title Code FTO4 – GPS Job Code 110050)

Perform complex duties of a technical nature. Representative duties include but are not limited to the following:

Analyzing data associated with orders for the constructing of test sets, tools, gauges, fixtures, machines, and plant facilities including those of a moderate degree of complexity; authorizing the construction, rearrangement, modification repair and cleaning of plant facilities including equipment; and placing related orders. Instruct employees performing equal of lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

Photographic Technician - Tier 4

Job Description: (Legacy Job Title Code FPT4 – GPS Job Code 110023)

Perform complex duties of a technical nature. Representative duties include but are not limited to the following:

Receive general directions and provide a variety of photographic services within the capability of Company equipment. Determine characteristics and conditions of work to be done, select proper equipment, understanding equipment limitations in order to achieve desired results of a variety of job assignments. Set up developing facilities and equipment and process film as required. This position is characterized by having the knowledge to basically work alone, however, functional personnel are available to provide technical support as needed. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

X-Ray Technician - Tier 4

Job Description: (Legacy Job Title Code FXR4 - GPS Job Code 110117)

Perform complex duties of a technical support nature. Representative duties include but are not limited to the following:

Set up and operate X-Ray equipment as necessary to obtain desired radiographs for determining work limitations, locating cause of pain, determining extent of an injury, and obtaining routine chest radiographs. Involves positioning patients to obtain radiograph of the desired area taking into consideration the type of radiograph required and condition of the patient and avoiding unnecessary aggravation of pain or injury. Position equipment for desired exposure, adjust equipment controls according to the type exposure required and thickness of subject, and actuate controls. Develop radiograph, and forward to Company doctor or consulting radiologists for diagnosis. Perform a variety of standard laboratory tests in connection with employment, occupational, and periodic physical examinations and requests by doctors for specific tests, including the operation of various associated medical testing equipment such as orthorotator and audiometer. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

Plant Inspector - Tier 5

Job Description: (Legacy Job Title Code FPI5 – GPS Job Code 110022)

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Independently plan and conduct inspections of plant facilities including buildings, grounds, heating, cooling, power plants, air conditioning systems, flammable and hazardous storage, handling and transportation equipment, service systems such as electrical, water, exhaust, and air; radio frequency generating equipment; plating systems; cleaning units; waste treatment system; fire protection apparatus and equipment; machines; furnaces and ovens to assure compliance with health and safety requirements including Company regulations, legal requirements, government codes, and insurance specifications. Investigate incidents including explosions, fires, accidents, and power and light failures. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989

NOTE: Appropriate licenses are required in some jurisdictions.

Manufacturing Five Tier Job Descriptions

Lab Assistant (Environmental) - Tier 5

Job Description: (Legacy Job Title Code FLA5 – GPS Job Code 110017)

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Under the direction of functional personnel, carry out established Manufacturing Works pollution control policy, industrial hygiene, and safety programs. Analyze and interpret related laws, rules, and regulations administered by Federal, State, and Local agencies.

Maintain computerized control systems for hazardous waste. Determine applicable procedures, making adaptations for Local circumstances. Monitor and sample sewage and other wastes. Investigate the need to recommend changes resulting from operations. Conduct surveys with other local companies to provide local consistency. Compile required environmental reports. Conduct inspections on subject topics. Provide reports and recommend corrective actions. Present training courses on hazardous waste management. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

Trades Order Analyst - Tier 5

Job Description: (Legacy Job Title Code FTO5 - GPS Job Code 110051)

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Analyzing data associated with orders for the construction of test sets, tools; gauges, fixtures, machines, and plant facilities including those of the highest cost and complexity, preparing associated cost estimates; placing related orders; acting as a liaison between Company and outside suppliers; and coordinate all activities to assure that deliveries are on schedule and meet quality requirements, Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing Five Tier Job Descriptions

Photographic Technician - Tier 5

Job Description: (Legacy Job Title Code FPT5 – GPS Job Code 110114)

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Provide leadership to lower level photographers. Independently plan, coordinate and schedule photographic assignments. This level is considered the subject matter expert in photographic technique. Equip and maintain developing facilities. Develop and make touch up and special effects improvements to work. Take special photos to be used in Marketing, Public Relations, Sales, Bell Labs, Engineering, and Operating efforts. Order and maintain needed supplies and equipment. Must be able to determine equipment and accessories to be used in order to achieve desired results. Order parts and make repairs to equipment. Instruct employees performing equal or lower level work.

Prerequisites: Those used prior to June of 1989.

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB CLASSIFICATIONS
PRODUCTION OCCUPATION LEVEL PLAN CLASSIFICATIONS**

Movement of Personnel

-----Corridor-----

<u>Production Occupation Level I</u>	Legacy Job Title Code	GPS Job Code
Production Associate	7181	107181
<u>Production Occupation Level II</u>	Code	Code
Senior Operator, EM-II, MO-II, PL2M/T, MT-II	7182	107182
Senior Operator, (HPT) MT-II		
<u>Production Occupation Level III</u>	Code	Code
Process Analyst, EM-III, MO- III, PL3M/T, MT-III	7183	107183
Process Analyst, (JTW) MT-III		
<u>Tester Analyst - TL-T</u>	Code	Code
Tester	6550	106550

JOURNEYMAN TRADES PLAN CLASSIFICATIONS

	Code	Code
	687M	106876
Trades Group 1	681M	106816
Composite Master Mechanic	6822	106822
Sheet Metal Worker	6145	106145
D.I. Water	6870	106870
Trades Group 2	Code	Code
Air Conditioning & Refrigeration Mechanic	6879	106879
Control Systems Technician	6286	106286
Composite Master Toolmaker	441M	104416
Electrician	6815	106815
Manufacturing Systems Technician	6285	106285
Plant Inspector	6216	106216
Project Trades Planner	6494	106494
Technician	628M	106286
Trades Order Analyst	6214	106214

Manufacturing P&M Job Descriptions

**PRODUCTION OCCUPATION AND JOURNEYMAN TRADES
CLASSIFICATION DESCRIPTION**

PRODUCTION LEVEL OCCUPATION DESCRIPTION
Production Associate - Manufacturing Operations - PLI

Legacy Job Title Code 7181

GPS Job Code 107181

DESCRIPTION

Perform short cycle process and fabrication operations including experimental and pre-production duties in connection with the processing of material, parts, assemblies, or apparatus which are individual operations such as, but not limited to, identifying and counting, pattern generation, substrate cleaning, sensitizing, screening, firing, exposing, developing, anodizing, snapping, bonding, shearing, solder reflowing, IC attaching, encapsulating, mounting apparatus, wiring, soldering, verifying, and testing associated with the fabrication, modification, repair or reclamation of a product or its components; using process and fabrication equipment, microscopes, processing chemicals, solvents, bonding agents, hand tools, fixtures, power tools and bench or similar machines. Perform make-ready operations, maintain adjustments, and operate automatic and semi-automatic machines to process materials, parts, or assemblies. May assist Senior Machine Operator with set-ups. Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies and proving in new equipment and machine control tapes. Job duties include operating data terminals and other input/output devices to load program media into machine control computers and microprocessors, making minor program changes to accommodate missing components and similar discrepancies.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Entry level job requiring training and successful completion of COMPANY sponsored/recognized course(s) to meet proficiency and quality levels.

NOTE: Certification will be required to verify initial proficiency.

Manufacturing P&M Job Descriptions

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
SENIOR OPERATOR - EQUIPMENT MANUFACTURING EM-II**

Legacy Job Title Code 7182

GPS Job Code 107182

DESCRIPTION

Set up, adjust, and operate equipment; schedule, layout, instruct, assign and coordinate the flow of work; and clear difficulties for operators performing assembling, wiring, processing, fabricating, inspecting, repairing, verifying, and similar operations. Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies, proving in new equipment and machine control tapes plus clearing discrepancies in manufacturing information. Job duties include operating data terminals and other input/output devices to load program media into machine control computers and microprocessors, making minor program changes to accommodate missing components and similar discrepancies. As required by needs of the business, fill in for Operator (Production Associate).

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

Manufacturing P&M Job Descriptions

PRODUCTION LEVEL OCCUPATION DESCRIPTION PROCESS ANALYST - EQUIPMENT MANUFACTURING EM-III

Legacy Job Title Code 7183

GPS Job Code 107183

DESCRIPTION

Investigate and resolve manufacturing and processing difficulties, excessive product rejections, low yields and malfunctioning processing and testing equipment associated with Equipment Manufacturing. Maximize equipment utilization. As required by needs of the business, fill in for Senior Operator. Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies, proving in new equipment and machine control tapes plus clearing discrepancies in manufacturing information. Job duties include operating data terminals and other input/output devices to load program media into machine control computers and microprocessors, making minor program changes to accommodate missing components and similar discrepancies. Includes full non-supervisory responsibility for assigning, instructing, and coordinating the flow of work.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

Manufacturing P&M Job Descriptions

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
SENIOR OPERATOR - MECHANICAL OPERATIONS MO-II**

Legacy Job Title Code 7182

GPS Job Code 107182

DESCRIPTION

Set up, maintain adjustments, operate and make minor repairs on automatic and semi-automatic machines; schedule, instruct, assign and reassign work, and clear machine difficulties. Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies, proving in new equipment and machine control tapes plus clearing discrepancies in manufacturing information. Job duties include operating data terminals and other input/output device to load program media into machine control computers and microprocessors, making minor program changes to accommodate components and similar discrepancies. As required by the needs of the business, fill in for Operator.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

Manufacturing P&M Job Descriptions

PRODUCTION LEVEL OCCUPATION DESCRIPTION SENIOR OPERATOR - TSM LEVEL II REPAIRER - PL2M/T

Legacy Job Title Code 7182

GPS Job Code 107182

ENTRANCE LEVEL REQUIREMENTS

- Meet OSHA heavy lifting requirements.
- Should have vocational school background or equivalent.
- Requires knowledge of AC and DC theory or equivalent.
- Requires the ability to interpret assembly and wiring drawings or diagrams, stocklist and catalogs pertaining to making repairs to test equipment.
- Requires previous experience in panel and PWB wiring and assembly.
- Job requires extensive use of hand tools.
- Fabricate, wire and repair cords cables and fixtures.

SPECIFIC TRADES

- Electrical
- Mechanical
- Pneumatics
- Vacuum

TRAINING

- Training for UNIX, MACCS, IMSA, and IMPAC.
- Training for vacuum type fixture repair.
- Training for ESD certification.
- Training on building and repairing precisions probe fixtures.
- Specialized training on terminating fiber optic cable and the use of specialized tools.

Manufacturing P&M Job Descriptions

EXPERTISE

- Wire DC and AC power including 3 phase.
- Requires the pulling of fiber optic cable, semi-rigid cable and 25 pair telco cable. This requires ladder climbing, the use of standup fork lifts, scissor lifts, and a license to operate this heavy equipment.
- Requires the terminating of the following type cables:
- 25 Pair Telco cable, Modular cable, semi-rigid cable, Fiber optic cable, including both glass and plastic, ribbon cable and various types of coax cable.
- Terminating these cables require specialized training and the use of specialized tools.
- Requires knowledge and experience to patch 110 patch panels.
- Requires testing fiber optic cable using and optical loss test set.
- Analyzing cable scanner requirements.
- Perform preventive maintenance on laser printers.
- Perform scheduled preventive maintenance on various types of vacuum, pneumatic and electro-mechanical test fixtures.
- Fabricate replacement gaskets for vacuum type fixtures.
- Build and repair precisions probe fixtures using microscope, micrometer and other precisions instruments. This includes using a laser probe machine to replace probes, precisely align the probes and resolder probe tips to the laser fixtures.
- Responsible for installing and maintaining ESD on all test facilities.
- Responsible for the repair and calibration of ESD checkers.
- Aid Technicians in fabricating fixtures and test boxes used in trouble shooting fixtures and test sets.
- Interpret program readouts to determine problem areas in trouble shooting Teradyne, Ditmco, Fact II, ESP and HP fixtures.
- Requires reading fixture schematics and maps to locate and resolve contact problems.
- Repair vacuum fixtures which may require checkout by using the test set.
- Build and repair frequency sensitive semi-rigid cables. These cables are built to stringent requirements and are built with specialized tools.
- Requires working with machinist or toolmakers to determine material and method required to refurbish or make replacement parts for fixtures, etc.
- Requires cutting all types of metals on band saw and duall saw to dimensions, for toolmakers and machinist.
- Requires installing fittings on both air and vacuum hoses.

Manufacturing P&M Job Descriptions

- Requires ordering parts from vendors using catalogs or by telephone verifying correct part numbers.
- Requires the processing of purchase orders and journal orders.
- Requires the use of UNIX, IMSA, MACCS and IMPAC.
- Requires the use lettering machines including metal details which are used to identify test equipment.
- Inspect all machined details and designate color of paint and type of engraving which is required.
- Requires the knowledge and experience to cover all areas of TSM fixture repair including the works service storeroom.

Manufacturing P&M Job Descriptions

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
PROCESS ANALYST - MECHANICAL OPERATIONS MO-III**

Legacy Job Title Code 7183

GPS Job Code 107183

DESCRIPTION

Investigate and resolve difficulties and diagnose and isolate causes of machine malfunctions involving critical and intricate adjustments to numerous complexities interrelated and interacting mechanisms of automatic and semi-automatic machines. Involves complex automated manufacturing facilities having novel designing features subject to engineering development and changes encompassing electrical, mechanical, air, vacuum, liquid, or similar systems integrated to perform sequential operations automatically. As required by needs of the business, fill in for Senior Operator. Includes responsibility for instructing, assigning and reassigning work, and coordinating individual efforts to minimize machine down time. Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies, proving in new equipment and machine control tapes plus clearing discrepancies in manufacturing information. Job duties include operating data terminals and other input/output devices to load program media into machine control computers and microprocessors, making minor program changes to accommodate missing components and similar discrepancies.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
PROCESS ANALYST - TSM LEVEL III UTILITY - PL3M/T**

Legacy Job Title Code 7183

GPS Job Code 107183

ENTRANCE LEVEL REQUIREMENTS

- Meet OSHA heavy lifting requirements.
- Should have vocational school background or equivalent.
- Requires knowledge of AC and DC theory or equivalent.
- Job requires extensive use of hand tools.
- Requires the ability to interpret wiring, schematics, and assembly drawings to obtain requirements.
- Requires 12 months previous experience on lower graded assembly, wiring and test set repair.

SPECIFIC TRADES

- Mechanical
- Electrical AC and DC
- Engraving
- Painting

TRAINING

- Training for UNIX, MACCS, IMSA and IMPAC.
- Requires 12 months on the job training as a level II.

Manufacturing P&M Job Descriptions

EXPERTISE

- Requires the use of UNIX, IMSA, MACCS and IMPAC.
- Program and setup Scripta CN 900 Engraving machine for a variety of complex operations on flat and curved surfaces, on metal and composition materials.
- Requires performing a wide variety of engraving operations, devising setups and making mathematical calculations in setting up engraving machine.
- Must have mechanical skills to set up jigs and fixtures to hold panels for engraving.
- Operate drill press, band saw, grinder, belt sander, power shears, sandblaster and other power hand tools.
- Determine the proper method of assembling test cabinets including fabrication on equipment shelves and installing test equipment.
- Recommend to drafting and engineering, changes that should be made in the distribution of test equipment in the test cabinet. These recommendations would include the distribution of the weight, safety and air flow, etc.
- Wire test set cabinets for both AC and DC power. This includes wiring power control panels and power strips, per the State of Massachusetts electric code. The wire size and overload protection is determined by the current drain of the test set.
- Required to locate, assemble, install and connect power panels, cords and wiring, including outlet panels, power control panels, interlocks and junction boxes in the test set cabinet. This also includes interconnecting of the various test panels and equipment.
- Prepare test set panels by sandblasting, mixing paint to proper consistency and applying the finish with professional spray paint equipment.
- Requires interfacing with drafting, engineering, machinists and technicians.
- Read and interpret teletype handbooks, technical manuals and special written instructions to determine mechanical and electromechanical requirements of the equipment.
- Clean units, replace worn or damaged mechanical parts such as belts, springs, cams, pulleys, push rods, replace damaged wiring, lubricate and adjust equipment to critical tolerances.
- Fabricate small replacement parts from stock material using jigs and drill press, etc.
- Perform preventive maintenance on all teletype printers.
- Teletype repair requires the ability to plan and execute a diversified sequence of operations to dismantle, repair and assemble complex teletype equipment.

Manufacturing P&M Job Descriptions

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
Senior Operator - Mechanical Operations (HPT) MT-II**

Legacy Job Title Code 7183

GPS Job Code 107183

DESCRIPTION

Assist skilled trades personnel by performing minor assignments including tasks of a manual labor nature on own initiative and more complex work assigned for practical training purposes working under close direction and instruction. Includes all plant construction and maintenance work involving trades such as, but not limited to, Carpenter, Electrician, Pipefitter, Maintenance Man, Painter, Sheet Metal Worker and Welder.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

Manufacturing P&M Job Descriptions

PRODUCTION LEVEL OCCUPATION DESCRIPTION
Production Analyst - MECHANICAL Operations (JTW) MT-III

Legacy Job Title Code 7183

GPS Job Code 107183

DESCRIPTION

Assist tradesmen and perform trades assignments in a specific trade including the assembly, modification, repair, erection and installation and maintenance of structures, equipment, machinery and any other plant facility without assistance, and perform more difficult work under close direction and instruction. Includes any plant construction and maintenance trade such as but not limited to, Carpenter, Electrician, Pipefitter, Maintenance Man, Millwright, Painter, Sheet Metal Worker and Welder. Involves the setup and operation of equipment such as power saws, drill presses, foot shears, bending brakes, sanders, grinders, portable electric and pneumatic tools, pipe cutting and threading equipment, welding equipment, gas torches, semi-electric and hand trucks, ladders, scaffolds, and miscellaneous general use and special tools associated with the specific trade assignment.

As required by needs of the business, fill in for Senior Operator (HPT). Includes responsibility for instructing, assigning and reassigning work, and coordinating individual efforts of helpers on trades assignments.

PREREQUISITE FOR ENTRY INTO OCCUPATION

Successful completion of COMPANY sponsored/recognized training course(s).

NOTE: Certification will be required to verify initial proficiency.

**PRODUCTION LEVEL OCCUPATION DESCRIPTION
TESTER ANALYST - TL-T**

Legacy Job Title Code 6550

GPS Job Code 106550

DESCRIPTION

Perform the job of testing and troubleshooting (analysis) of any/all product including but not limited to sub-assemblies, plug-ins, bays, frames, panels, printed wiring boards, integrated circuits and systems.

Testing operations include all set-up, adjustment and operation of test and analyzing equipment. Equipment may be manual, semi-automatic, computer controlled and "mucket" test arrangements. Equipment may be of standard and/or special design including CRT's, personal computers, Sun Stations, and/or any other computer equipment and applicable software.

The work requires advance knowledge and application of the theories in electronics.

The work includes initial and/or sample testing including the tryout of new or changed methods. The daily analysis routine includes the application of established troubleshooting (analysis) techniques and the development of new analysis techniques. Tester may make minor repairs.

Collaborate and work with supervisory, engineering and other functional personnel in conducting special studies, proving in new equipment and/or test/analysis processes and identification and clearing of discrepancies in manufacturing/test/analysis information.

Includes full non-supervisory responsibility for instructing and directing the efforts of co-workers.

PREREQUISITE FOR ENTRY INTO OCCUPATION

NOTE: Certification will be required

The work requires an advanced knowledge and application of the theories in electronics.

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 687M

GPS Job Code 106876

**COMPOSITE MASTER MECHANIC
Trades Group 1**

DESCRIPTION

Service, maintain, repair, overhaul, modify and perform operational tests on all types of industrial trucks, automotive equipment, and service systems equipment and auxiliaries associated with the generation of steam, supplying of compressed air, water and waste treatment services, refrigeration and air conditioning, grounds maintenance equipment and similar plant services.

Includes diagnosing difficulties and effecting repairs in both mechanical and electrical problems; use of welding and hand tool equipment to perform incidental operations; and perform necessary associated and related duties.

RESPONSIBILITY REQUIREMENTS

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesworker and Tradesworker assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

PREREQUISITE FOR ENTRY IN TRADE

Completion of accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 681M

GPS Job Code 106816

COMPOSITE MASTER TRADESWORKER

Trades Group 1

DESCRIPTION

Layout, assemble, construct, erect, move and/or install, maintain, modify, overhaul and repair all types of plant structures, facilities, service systems, and equipment such as mechanical doors, partitions, exhaust equipment and conveyors; structural steelwork, buildings, flooring, walls and ceilings, interior and exterior details, forms, furniture and locking devices; and related machinery, machine parts, tools and dies.

Set up and operate all types of hand, portable and stationary woodworking and related power tools and equipment; welding equipment to weld, braze, cut, flame, harden and straighten ferrous and non-ferrous metals and alloys' and maintain a Master Key System and associated records.

Includes related activities such as cut opening in floors, walls, ceilings and layouts of foundations and mounting locations; cut, fit and fasten glass items such as window panes and plate glass; prepare surfaces, mix, match erect scaffolding and apply protective and special finishes such as striping, stippling, imitation woodgraining and application of all types of walls coverings; use of necessary rigging in moving items; design and color of all types of signs, display cards, bulletins, posters, plaques, etc. involving creative effort and originality in presentation; and freehand drawing and sketching including all styles and lettering and effective contrasting by means of artistic brushes and spray guns in application of materials.

Diagnose difficulties, perform incidental operations and perform necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision. Train and direct efforts of plant trades Helpers, junior

Manufacturing P&M Job Descriptions

Tradesworker and Tradesworker assigned to assist in the performance of the work. Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 6822

GPS Job Code 106822

OCCUPATIONAL JOB CLASSIFICATION - PIPEFITTER

Trades Group 1

DESCRIPTION

Install, maintain, operate, modify, repair and perform operational tests on all types of piping systems and associated fittings, pumps, special controls and regulating devices used in connection with manufacturing processes, fire protection and plant service systems. Involves cutting, bending, threading, joining, hanging and covering pipes, flame cutting and welding steel items; and performing necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 6145

GPS Job Code 106145

OCCUPATIONAL JOB CLASSIFICATION - Sheet Metal Worker

Trades Group 1

Description

Lay out, fabricate, assemble, install, modify and repair plant equipment parts, details and assemblies made of sheet metal, plastic, composition and other materials. Involves laying out and developing patterns, the use of hand and power tools, cutting and welding equipment and the performance of necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 6870

GPS Job Code 106870

D. I. WATER FACILITY ATTENDANT

Trades Group 1

DESCRIPTION

Perform in accordance with oral and written instructions, the job of attending a centralized water de-ionization facility. Work involves the use of tools and equipment such as meters, gauges, and other measuring instruments, metal and plastic pipe and fittings, washers, filters and packing material, various caustic and acid additives plus miscellaneous hand tools. Also includes the use of a computer based on-line system of the complete D.I. Water Facility.

Obtain and interpret operating instructions, plus other information necessary to the attendance of the D.I. Water Facility. Monitor operation of the central de-ionized water system. Note and record the water flow, conductivity and temperature readings at the various stages of de-ionization, the pressure drop over the several filter locations and the return rate to storage tanks. Make required control adjustments to achieve satisfactory operating results.

Perform regeneration of resin mixed beds, when depleted, on a regular basis. Periodically backwash carbon filter beds and chemically clean reverse osmosis system. Take emergency action to prevent facility breakdown when alarm is sounded. Operate valves to re-route flow around problem area and make necessary repairs. Perform repair and overhaul functions. Perform preventative maintenance duties on the DI Water Facility. Tighten pipes, unions flanges and seals, replace filters, washers and packing materials, lubricate motors and adjust and replace drive belts. Representative examples but not limited to the equipment identified.

Obtain water samples, perform various checks utilizing gauges and other measuring instruments, or deliver said samples to the laboratory for chemical analysis. Job duties include replenishing caustic and acid tanks as needed, performing record keeping and material handling functions associated with the tour and maintaining equipment and work areas in a clean and orderly condition.

Manufacturing P&M Job Descriptions

RESPONSIBILITY AND REQUIREMENTS

Responsible for operation and maintenance of the D.I. Water Facility.

Train and direct the efforts of plant trades helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

PREREQUISITE FOR ENTRY IN TRADE

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience and pipefitter experience.

Demonstrated ability of basic skills associated with this trade.

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 6879

GPS Job Code 106879

AIR CONDITIONING AND REFRIGERATION MECHANIC

Trades Group 2

DESCRIPTION

Maintain, repair, overhaul, modify and perform operational tests on all types of manufacturing equipment, plant facilities and vacuum systems, providing for the cooling, evacuating, filtering, heating, humidifying and pressurizing of atmospheric air and other gases or liquids. Includes diagnosing both mechanical and/or electrical difficulties, the testing, maintenance, adjustment and replacement of gage, recorder, regulator and similar control units.

Maintain, modify or repair electronic controls, microprocessors or similar electronic instruments, meters, terminal connections, time delay relays, safety interlocks, circuit breakers, and pressure switches. Replace defective breaker controls, thermostats, switches, fuses, and electrical wiring to repair units.

Perform necessary associated mechanical, electrical and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesworkers assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Manufacturing P&M Job Descriptions

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Qualifying Criteria For Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 6286

GPS Job Code 106286

CONTROL SYSTEMS TECHNICIAN

Trades Group 2

DESCRIPTION

Install, prove-in, trouble shoot, calibrate, modify, maintain, inspect and repair all types of electrical, electronic, computer, numeric tape and similar systems controlling the operation of production testing equipment and service facilities. Systems are characterized as involving highly integrated solid state circuitry and numerous electronic components incorporating unique experimental or prototype features and designs. Includes the development of trouble shooting and special servicing techniques in the absence of complete procedural information and performing necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Manufacturing P&M Job Descriptions

Qualifying Criteria For Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 441M

GPS Job Code 104416

COMPOSITE MASTER TOOLMAKER
Trades Group 2

DESCRIPTION

Set up, operate and adjust precision machines, inspect, and perform toolmaking and related operations associated with the construction, maintenance, modification, fabrication and repair of all types of precision punch and die sets, molding dies, machines, tools, gages, jigs, models, fixtures, instruments, and associated parts and details used in test equipment, plant machinery, equipment, structures and facilities involving the use of all types of material. Involves prototype, experimental or specially designed items characterized by exacting dimensional, finish, and operational requirements including the development of functional details occasionally in the absence of design information; and inspecting for conformance to dimensional, physical and finish requirements where incomplete design data and inadequate facilities present unusual and difficult problems in checking critical requirements.

Set up, operate and adjust furnaces and associated heat treating equipment to alter the physical characteristics of items fabricated from all types of metals; grinding machines to perform intricate contour grinding work in connection with the construction of tool and machine parts necessitating the developing of special holding devices and grinding techniques, and improvising complex inspection set-ups and making tryouts of items for conformance to design intent.

Collaborate with functional engineers in supplementing or improving original design; analyze, and resolve complex fabrication and prove-in problems; and performing necessary dismantling, re-assembling and necessary associated and related duties including machining, heat treating, and specialized welding operations.

Manufacturing P&M Job Descriptions

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesworker and Tradesworker assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 6815 GPS Job Code 106815

OCCUPATIONAL JOB CLASSIFICATION - Electrician

Trades Group 2

DESCRIPTION

Install, maintain, overhaul, repair, trouble shoot, modify, calibrate, test and prove in all types of electronic and primary and secondary AC and DC electrical systems and equipment, and associated manufacturing control equipment characterized by highly integrated circuits, numerous components with unusual operating features, extremely critical requirements requiring the development of trouble shooting techniques due to developmental or experimental nature of designs and the absence of complete information. Involves collaboration with engineers in developing and improving design; and working on prototype automated equipment having integrated electrical, mechanical and hydraulic systems; and, performing necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Manufacturing P&M Job Descriptions

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

Manufacturing P&M Job Descriptions

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 6285

GPS Job Code 106285

OCCUPATIONAL JOB CLASSIFICATION - Manufacturing System Technician

Trades Group 2

DESCRIPTION

Maintain, repair, overhaul, prove in and modify all types of manufacturing facilities. Includes trouble shooting and repairing of mechanical, pneumatic, hydraulic, vacuum and cooling systems. Fabricate replacement parts using a variety of machinery and hand tools as necessary.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 6216

GPS Job Code 106216

OCCUPATIONAL JOB CLASSIFICATION - PLANT INSPECTOR

Trades Group 2

DESCRIPTION

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Independently plan and conduct inspections of plant facilities including buildings, grounds, heating, cooling, power plants, air conditioning systems, flammable and hazardous storage, handling and transportation equipment, service systems such as electrical, water, exhaust, and air; radio frequency generating equipment; plating systems; cleaning units; waste treatment system; fire protection apparatus and equipment; machines; furnaces and ovens to assure compliance with health and safety requirements including Company regulations, legal requirements, government codes, and insurance specifications. Investigate incidents including explosions, fires, accidents, and power and light failures.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of Plant Trades Helpers, Junior Tradesmen and Tradesmen assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Manufacturing P&M Job Descriptions

Demonstrated ability of basic skills associated with the respective trade.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

Note: *Appropriate licenses are required in some jurisdictions.*

Manufacturing P&M Job Descriptions

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 6494

GPS Job Code 106494

PROJECT TRADES PLANNER

Trades Group 2

DESCRIPTION

Read and analyze engineering notes, drawings, and work orders to determine what information and materials are needed to install, construct, maintain, modify, refurbish, repair, and remove plant equipment and facilities.

Review the information to identify the skilled trade requirements and refer to the appropriate craft. Work in conjunction with supervisor to coordinate the efforts of the tradesman in order to complete the work in a timely manner.

Expedite parts and material shortages as required. Prepare required drawings to facilitate work and planning assignments within own skilled craft.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

**OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN**

Legacy Job Title Code 628M

GPS Job Code 106286

TECHNICIAN

Trades Group 2

DESCRIPTION

Install, prove-in, trouble shoot, calibrate, modify, maintain, inspect and repair all types of novel, prototype, experimental and conventional electrical and electronic manufacturing, testing and control equipment and meters; and micro, mini, medium and large scale computer systems, computer terminals, printers, disc drives or tape drives that are associated with on-site telecommunications systems.

Modify and/or assemble modular software test programs to exercise and test telecommunications computer systems as a functional unit.

Equipment is characterized as involving a multiplicity of circuitry and interdependent operating features and extremely critical calibration requirements. Includes the development of trouble shooting and special servicing techniques in the absence of complete procedural information and performing necessary associated and related duties.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of plant trades, Helpers, Junior Tradesworkers and Tradesworkers assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Manufacturing P&M Job Descriptions

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability to perform effectively the full range of work.

Manufacturing P&M Job Descriptions

OCCUPATIONAL JOB DESCRIPTIONS
JOURNEYMAN TRADES PLAN

Legacy Job Title Code 6214

GPS Job Code 106214

Trades Order Analyst

Trades Group 2

DESCRIPTION

Perform highly complex duties of a technical nature. Representative duties include but are not limited to the following:

Analyzing data associated with order for the construction of test sets, tools, gauges, fixtures, machines, and plant facilities including those of the highest cost and complexity, preparing associated cost estimates; and coordinate all activities to assure that deliveries are on schedule and meet quality requirements.

Responsibility Requirements

Independently plan work assignments and perform duties with a minimum of direct supervision.

Train and direct efforts of Plant Trades, Helpers, Junior Tradesworkers and Tradesworkers assigned to assist in the performance of the work.

Collaborate with functional personnel in own and other organizations to resolve problems and recommend solutions based on trades knowledge.

Manufacturing P&M Job Descriptions

Prerequisite for Entry in Trade

Completion of an accredited trades training course or equivalent knowledge and skill acquired by means of practical experience.

Demonstrated ability of basic skills associated with this trade.

Qualifying Criteria for Advancement Beyond Control Rate

Demonstrated ability of basic skills associated with this trade.

Manufacturing P&M Job Descriptions

JOB ADMINISTRATION GUIDE PRODUCTION LEVELS

FUNCTION	I	II	III	TL-T	
ASSEMBLER	X	X			
ASSIGN WORK		X	X	X	X
ATTENDANT			X		
BENCH HAND	X	X			
CABLE FORMER	X	X			
CHECKER	X	X			
CHECKER, PROCESS	X	X			
CLEANER	X				
CLEAN EQUIPMENT	X				
OPERATOR					
COMPOUND MIXER			X		
COUNTER	X				
CRT OPERATIONS	does	not	affect	level	
DISPATCHER		X	X		
FLOOR HAND	X	X			
FURNACE TENDER			X		
GRINDING MACHINE	X	X			
OPERATOR					
HELPER		X			
HELPER, PLANT TRADES		X			
INSPECTOR	X	X	X		
JR. TRADES WORKER			X		
LAPPING MACHINE	X	X	X		
OPERATOR					
LAYOUT OPERATOR		X	X	X	X
MACHINE OPERATOR	X	X			
MACHINE SETTER		X	X		
MATERIAL HANDLER	X	X			
PACKER	X	X			
PLATER	X	X			
PLATE MAKER		X			
PLATER, UTILITY			X		
PUNCH PRESS OPERATOR	X				
RECEIVER		X	X		
RECLAMATION OPERATOR	X	X			
REPAIRER	X	X	X		
SCREEN PRINTER	X				

Manufacturing P&M Job Descriptions

SELECTOR		X				
SORTER		X				
SPRAYER		X				
STOCKKEEPER		X	X			
STOCK SELECTOR	X	X				
TESTER				X	X	X
TEST EQUIPMENT OPERATOR	X					
UTILITY OPERATOR	X	X	X			
WAREHOUSE WORKER	X	X				
WIRER	X	X				

PRODUCTION OCCUPATION LEVEL DIFFERENCE CRITERIA

The Merrimack Valley Works Corridor/Level Plan for PRODUCTION OCCUPATIONS is a classification plan. A classification plan is, by definition, nonquantitative. The differentiation of Levels is not arrived at through assigning points to attributes. Rather, it is a "banding" of well-recognized functions separated by one of three things. These are: Prerequisite job knowledges/skills & formal education prior to entry into the Level and the responsibility for assigning work to others. The Plan has to be understood by all parties involved. Misadministration by line supervision and improper classification of new jobs by Wage Practices is intended to be minimized. Secondly, on-going maintenance of this plan should be virtually eliminated. By utilizing clear or "benchmark" functions the affect of changes in job tours can be quickly ascertained by using a pair comparison methodology with the Job Administration Guide.

The parameters for each of the three levels and the logic behind their slotting is as follows:

Level I - Production Associate

This Level encompasses all base and non-base functions which can be learned by the average employee without prior experience with the COMPANY or post-high school training, education, or other experience. This only applies to duties performed at Level I. If a new job or product is introduced and the skills and knowledges needed to perform this job are more closely matched with those benchmark functions identified as Levels II or III, then it will not be slotted in the Level I category.

Level II - Senior Operator

This level requires skills and/or knowledges which, due to their depth or breadth, cannot be performed in a reasonable time period without previous Lucent Technologies experience in one or more "corridors" or by post-high school training or experience. This Level will require certification by the COMPANY to verify the employee's abilities prior to entry into a job. A job which includes plating, for example, requires specific understanding of the basics of chemistry. The employee must bring a related background to this Level of work in order to function successfully. Also, an employee must have an in-depth knowledge of most operations within a "corridor" in order to be effective when assigning work to Level I Operators. Certification is required prior to entry into this Level.

Manufacturing P&M Job Descriptions

Level III - Process Analyst

This is the highest and most difficult of the three levels. It requires post-high school training and/or experience prior to entry into a job. It also requires responsibility for assigning work to lower Levels. The skills needed must be of an in-depth variety in a technical or mechanical field. Certification is required prior to entry into this Level.

TL-T - Tester Analyst - Replaces Legacy of former Tester Levels A, B & C

This level requires advanced technical education in electronics, skill and/or knowledge which, due to their complexity, cannot be performed in a reasonable time period without previous experience. It includes all base and non-base functions. This level will require certification by the Company to verify the employee's ability prior to entry into a Tester position. Also, an employee must have in-depth knowledge of testing operations in order to be effective when assigning work to other tester analysts (TL-Ts).

JOURNEYMAN CARD - JOURNEYMAN TRADES PLAN

SAMPLE JOURNEYMAN CARD

JOURNEYMAN CARD	
This certifies that _____ (name) _____	
has qualified as a journeyman	

at the _____ (Location) _____ of	
Lucent _____ (Business Unit)	Date: / /
Union _____	Lucent _____

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