

COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE
NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION
AND
SERCO INC.

October 1, 2014 to October 1, 2017

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ARTICLE 1

PARTIES TO THE AGREEMENT

Section 1. This Agreement is made by and between the National Air Traffic Controllers Association (hereinafter “NATCA” or “the Union”) and Serco Inc. (hereinafter “the Company” or “the Employer”). The Union and the Employer are herein referred to collectively as “the Parties.”

Section 2. Neither Serco, the Union, nor any of their agents shall interfere with, restrain, coerce or intimidate employees because of membership or non-membership in the Union. It is agreed that there shall be no discrimination by Serco or the Union on any basis protected by applicable local, state or federal law.

Section 3. The terms “day” and “days” as used in this Agreement shall mean calendar days.

ARTICLE 2

UNION RECOGNITION AND REPRESENTATION

Section 1. The Employer hereby recognizes the Union as the exclusive bargaining representative of all full time and regular part time air traffic control specialists, excluding all other employees, guards and supervisors, employed at the air traffic control towers listed in Appendix I to this Agreement, pursuant to the National Labor Relations Act.

Section 2. The Employer agrees that, with respect to each of its other facilities where NATCA becomes the exclusive bargaining representative, the terms and conditions of this Agreement shall become applicable to the bargaining unit employees employed at such facility within a time frame and with any modifications agreed to by the Parties and Appendix I shall be amended accordingly.

Section 3. The Union shall designate one (1) Union representative to serve in a representational capacity at each facility. This designation shall be in writing to the Air Traffic Manager. The Air Traffic Manager shall be notified within ten (10) days of any changes.

Section 4. During meetings between the Air Traffic Manager or designee and the Union Representative or designee, the Parties will be equally represented.

Section 5. If requested by either Party at the national and/or corporate level, the Parties agree to meet in the spirit of cooperation and partnership at a mutually agreeable time and place. If both parties concur, such meetings may be conducted by telephone and/or via other electronic means.

Section 6. At any meeting called by the Air Traffic Manager or designee, Union participants shall be paid regular rate provided that such meeting occurs during the Union participant’s scheduled work hours

Section 7. Upon reasonable advance notification to the Air Traffic Manager or other individual designated by the Company, any national or regional Union official shall be permitted to visit the

Employer's air traffic control towers where NATCA is the exclusive representative to perform representational duties. The Union representatives shall comply with all security and other procedures applicable to visitors to the facility.

Section 8. The Union Representative or designee shall be allowed up to thirty (30) minutes paid at regular straight-time rate for orientation of new bargaining unit employees to explain the role and responsibilities of the Union provided that such meeting occurs during the all participants' scheduled work hours. The orientation shall be conducted at a mutually agreeable day and time.

Section 9. The Employer recognizes the right of a duly recognized Union representative to express the views of the Union, provided those views are identified as Union views.

Section 10. When operational requirements permit, the Employer will grant leave without pay to Employees to attend the following hearings held at or near their facility:

- (a) Grievance arbitration hearings conducted pursuant to the provisions of this Agreement, provided that the Employee is a Grievant, the representative of a Grievant, or a witness called by a party to the grievance.
- (b) Hearings of the National Labor Relations Board to which the Employer is a party, provided that the Employee is a party to the hearing, the representative of a party to the hearing, or a witness called by a party to the hearing.

Where there is more than one Employee who seeks to attend a hearing pursuant to this Article, the parties will schedule the hearings and arrange the presentation of evidence in such a manner so as to create the least amount of disruption to work requirements.

Section 11. The Employer agrees to grant leave without pay to at least one (1) employee to serve on the Union's collective bargaining committee for the purpose of negotiating future collective bargaining agreements provided that operational conditions permit such attendance and provided that the Employer will not incur extra expense.

Section 12. Absent an emergency or other special circumstance, each facility representative shall be released with pay for up to 24 hours to attend formal off site NATCA training or briefings per year provided it is not the same training. The Union will provide forty-five (45) days advance notice for scheduling purposes, unless otherwise agreed to by the Parties. The facility representative will provide documentation confirming attendance at such training/briefing within one week of return from such training/briefing.

ARTICLE 3

RIGHTS OF UNION OFFICIALS

Section 1. An employee who is elected or appointed to serve as a national or regional official representative of the Union shall be granted, upon request, leave of absence (LOA) concurrent with the elected term of office or appointment subject to the Employer's discretion based on staffing levels, contract requirements, and operational needs. Each request by an employee for such LOA shall be for a specified period and shall be certified by the national office of the

Union. The Union at the national level will give a minimum of sixty (60) days' notice to the Employer at the corporate level.

Section 2. Upon completion of a period of LOA granted under Section 1 of this Article, the Union official shall be returned to duty at the facility to which the employee was assigned prior to assuming LOA status if a position is available. If the employee is unable to return to his or her original facility, the Parties at the national level will determine an appropriate return to duty location at a NATCA-represented facility where a vacancy exists.

Section 3. The Union at the national level will provide sixty (60) days written notice to the Employer at the corporate level that the need for LOA granted under Section 1 of this Article has ended. In this instance, the procedures contained in Section 2 of this Article will apply.

Section 4. An employee who is placed on LOA in conjunction with this Article shall be entitled to continuation of seniority and, upon return, participation in benefit plan(s) without a waiting period to the extent allowed by plan documents and applicable law and provided there is no cost to the Employer.

Section 5. The Union recognizes the right of the Employer to hire a replacement for any employee granted LOA as specified by Section 1 of this Article.

Section 6. The Employer shall not conduct bargaining unit employee surveys, which are under the control and authority of the FCT program, without providing the Union an opportunity to review and comment on the questions and related issues. The Union will be provided an advance copy of such survey(s) prior to distribution. The Union shall provide to the Employer any comments or questions, regarding the survey, within five (5) days of receipt of the survey information. Any such survey conducted of bargaining unit personnel shall be done on duty time. Participation in surveys by bargaining unit employees shall be voluntary. To the extent possible, anonymity shall be guaranteed through the use of electronic surveys.

Section 7. Controller in Charge (CIC) duties shall be in accordance with FAA Order 7210.3, Facility Standard Operating Procedures and Employer Manuals and standards.

ARTICLE 4

EMPLOYEE RIGHTS

Section 1. Each employee of the bargaining unit has the right, freely and without fear of penalty or reprisal, to form, join and assist the Union or to refrain from any such activity, and each employee shall be protected in the exercise of this right.

Section 2. The Employer shall not assist a creditor or process server in any manner because of an occasional debt complaint, except as required by law.

Section 3. Radios, televisions, electronic devices, magazines and publications will be permitted in non-work areas designated by the Air Traffic Manager for use at non-work times. Under no conditions will televisions and/or electronic devices be allowed in the operating quarters, which include, but are not limited to, the tower cab and equipment room/s. While assigned to a position

of operation, reading material will be limited to that necessary for the operation of the position. Pornographic material of any type shall not be permitted in the facility.

Section 4. The Employer shall continue to maintain aviation liability insurance at no cost to employees.

Section 5. An employee's off-the-job conduct shall not result in disciplinary action, unless such conduct hampers his/her effectiveness as an employee or affects the public's confidence in the Employer.

ARTICLE 5

EMPLOYER RIGHTS

Section 1. Except as otherwise provided in this Agreement, the Employer shall maintain the normal and usual functions of management. The parties recognize that such rights, authority, functions and responsibilities include but are not limited to:

- * the full control, planning, management and operation of its business and facility;
- * the determination and scope of its activities and/or services to be offered, developed, eliminated, modified or used and all methods pertaining thereto, including the location, size and number of departments;
- * the determination of materials, parts, machinery and equipment to be acquired, utilized or discontinued and the layout, staffing and scheduling thereof;
- * the right to determine, increase or decrease staffing for any department;
- * the right to organize, reorganize, combine or discontinue departments;
- * the right to hire and direct employees;
- * the right to contract or subcontract non-bargaining unit work;
- * the training of employees;
- * the right to require employees to submit to a medical examination by the Employer;
- * the right to establish quality standards and performance standards, procedures and evaluations;
- * the right to determine position qualifications, schedules, staffing, shifts, and the right to require overtime work of employees;
- * the right to set or change the shift times and number of hours to be worked;

- * the right to introduce new or improved procedures, methods, services, machinery or equipment, to make technological changes or to discontinue procedures, methods, services, machinery or equipment;
- * the right to terminate, merge, consolidate, sell or otherwise transfer its business or any part thereof;
- * the right to enforce any directives, orders, or other regulatory requirements imposed on the Employer by any regulatory agency so empowered;
- * the right to determine the number of employees and the assignment of duties thereto;
- * the right to layoff or RIF employees;
- * the right to take whatever actions may be necessary to carry out the mission of the Employer in situations of emergency;
- * the right to select lead and supervisory personnel and the assignment of their work;
- * the right to assign supervisory or management personnel bargaining unit work covered by this Agreement;
- * the right to establish, combine, add, change or abolish jobs, duties and descriptions;
- * the right to issue, modify, delete and enforce reasonable rules, regulations and policies governing employee conduct and Employer operations.

Section 2. The Employer's failure to exercise any such right, prerogative or function hereby reserved to it or the Employer's exercise of any such right, prerogative or function in a particular way, shall not be considered a waiver of the Employer's right to exercise such right, prerogative or function or preclude it from exercising the same in some other way provided such right is not exercised in a capricious or arbitrary manner, and is done so in accordance with Article 44 (Effect of the Agreement) of this Agreement.

Section 3. It is not the intent of this Article to limit any of the normal and usual functions of management to manage its facilities and its daily operations, or the union to define any such functions. Consistent with applicable laws and regulations, the Employer retains all rights not specifically limited by the terms of this Agreement.

Section 4. The Employer reserves the right to take whatever actions may be necessary to accomplish its mission during emergencies provided that wage rates and monetary fringe benefits shall not be suspended.

Section 5. Nothing in this Article shall limit the Union's right to bargain over the effects of any management right exercised by the Employer, whether explicitly listed in this Article or otherwise, where the exercise of such right negatively affects a bargaining unit employee.

ARTICLE 6

REPRESENTATION RIGHTS

Section 1. The parties recognize management's right to meet with employee(s) without union representation. If during the course of a meeting it becomes apparent for the first time that a discipline or potential discipline could arise, the Employer shall stop and reschedule the meeting following advance notice to the Union and the employee(s). When it is known in advance that the subject of a meeting is to discuss or investigate a disciplinary or potential disciplinary situation, the Employer shall notify the employee and the Union in advance. The employee(s) shall be notified of their right to be accompanied by a Union representative.

Section 2. The Air Traffic Manager will only deal with the Union Representative or designee concerning matters in Section 1 of this Article at the facility level, unless otherwise agreed to by the Parties.

Section 3. By mutual consent, including that of employee(s) in the case of Section 1, discussion under this Article may be accomplished by telephone.

ARTICLE 7

CHANGES IN WORKING CONDITIONS

Section 1. It is mutually understood that there is no desire on the part of the Union to dictate the daily business policies of the Employer. Whenever the Employer contemplates a change in policy having an adverse impact upon the terms and working conditions of bargaining unit employees, the Employer will notify the Union fifteen (15) days in advance or as soon as practicable and, if requested by the Union, enter into negotiations over the proposed change. The Union shall make such request within seven (7) days from notification from the Employer. The Parties shall then confer within five (5) days for the purpose of reaching an agreement over the change. Where mutually agreed, such meetings may be conducted by telephone and/or via other electronic means. Should the Parties be unable to reach agreement, the Union retains its rights in accordance with the National Labor Relations Act as amended.

For the purposes of this Article, adverse impact is defined as changes in policy that reasonably could have an adverse effect on hours, working conditions, pay or benefits of bargaining unit employees.

Section 2. The parties agree that this Article shall not apply to any action by the Employer expressly covered by another Article in this Agreement.

ARTICLE 8

INFORMAL PROBLEM SOLVING

Section 1. The Parties recognize that the traditional methods of dispute resolution (e.g. grievance/arbitration and unfair labor practice charges) are not always the most efficient means of problem resolution. The Parties also recognize that early, open exchange regarding any complaint/problem/concern at the earliest stages reduces the use of and need for traditional and more cumbersome, adversarial dispute resolution procedures. Therefore, the Parties agree to use the provision of this Article to the fullest extent possible before resorting to other avenues of dispute resolution.

Section 2. The following procedure shall apply to informal problem solving:

(a) When a complaint/problem/concern arises, the employee, Union or Employer may notify the other affected Party of the complaint, problem or concern within ten (10) days of the event or discovery of the event giving rise to the complaint/problem/concern and try to resolve the complaint/problem/concern informally by mutual agreement. A meeting will be held as soon as practicable, but no later than within ten (10) days, to discuss the issue. Those in attendance will include the affected employee, the Union Representative or designee, the Air Traffic Manager and/or designee. The purpose of the discussion is to allow the employee, the Union and the Employer to freely present, receive and/or exchange information and their views on the situation.

(b) Any agreed to resolution under this Article shall fully resolve the complaint/problem/concern.

(c) In the event the Parties are unable to resolve the issue within ten (10) days of the meeting as described in Section 2(a), the employee and/or the Union or the Employer may grieve the issue in accordance with Article 9 of this Agreement.

Section 3. Such meetings shall be held at mutually agreeable times. Employees will be on paid time during normally scheduled shifts.

ARTICLE 9

GRIEVANCE PROCEDURE

Section 1. A grievance shall be defined as any complaint by a unit employee or the Union concerning any claimed violation of this Agreement or Employer personnel policies or regulations affecting conditions of employment.

Section 2. A day shall mean calendar days, however, where a deadline occurs on a Saturday, Sunday or Holiday, the deadline shall be extended to the next normal business day.

Section 3. This procedure provides the exclusive procedure available to the Parties and the employees in the unit for resolving grievances except as provided in Section 5 of this Article. Any employee(s) or the Union may file a grievance under this procedure. Bargaining unit

employees and the Parties intend that the joint problem solving procedures of Article 8 shall be used to the fullest extent practicable to resolve problems before moving under this Article 9.

Section 4. Employees are entitled to be assisted by the Union in the presentation of grievances. Any employee or group of employees covered by this procedure may present grievances with or without the assistance of the exclusive representative as long as the exclusive representative has been given the opportunity to be present during the grievance proceedings. No other individual(s), other than those designated by the Union, may serve as the employees' representative in the processing of a grievance under this procedure. The right of individual presentation does not include the right of taking the matter to arbitration unless the Union agrees to do so.

Section 5. In the case of grievances concerning disciplinary actions, the Union may elect to utilize the procedures of Section 6 or Section 12.

Section 6. Grievance procedure:

Step 1. An aggrieved employee or the Union shall submit a grievance, in writing, to the Air Traffic Manager within ten (10) days of the event giving rise to the grievance or within ten (10) days of the time the employee may have been reasonably expected to have learned of the event. The grievance shall be submitted on the standard grievance form and shall contain the name of the grievant, the alleged violation, the corrective action desired, the name of the Union Representative and whether the employee wishes to make an oral presentation. Failure to provide all of the information listed above will result in the grievance being returned for completion. The time limit will continue to run during the period the grievance is returned. If requested, the Air Traffic Manager shall, prior to making a decision, afford the employee and/or the Union Representative an opportunity to present the grievance orally. The Air Traffic Manager shall deliver the decision to the Union Representative and the employee within ten (10) days following receipt of the written grievance or within ten days following the oral presentation, whichever is later. The decision shall be delivered either by certified mail, return receipt requested, or electronic mail or personally delivered. If the grievance is denied, the reason(s) for denial will be in the written response.

Step 2. If the Union is not satisfied with the decision rendered in Step 1, the Union may within ten (10) days following receipt of the decision, advise the ATM in writing that it wishes the matter to be reviewed by the Program Manager or his designee. Within ten (10) days, the Union will be notified by certified mail, return receipt requested, or electronic mail of the Program Manager's (or his designee's) decision. If the grievance is denied, the reason(s) for denial will be in the written response.

Step 3. The Union at the national level may, within 15 days following receipt of the Step 2 decision, notify the Program Manager by certified mail, return receipt requested or electronic mail, that it desires the matter be submitted to arbitration and shall request a list of arbitrators from the Federal Mediation and Conciliation Service ("FMCS") Within 15 days after receipt of the request, an arbitrator shall be selected from the FMCS list by the Parties by alternately striking names until one remains with the choice of first strike determined by the flip of a coin or as otherwise mutually agreed.

Section 7. Time limits throughout all the steps of the grievance procedure can be extended by written mutual agreement.

Section 8. National Grievance Procedure:

Step 1. In the case of any grievance which the Union at the national level may have against the Employer at the corporate level, or which the Employer may have against the Union, the moving party shall at that level submit the grievance to the other Party in writing within twenty (20) calendar days of the time the moving Party may have been reasonably expected to have learned of the event and shall provide the following information:

- (a) The facts upon which the grievance is based.
- (b) The corrective action sought.
- (c) If an oral presentation is requested.

Local grievances raising substantially similar issues shall be addressed by the national grievance procedure.

Step 2. The responding Party shall answer the grievance in writing within twenty (20) calendar days following the date the grievance was received. If the moving Party is not satisfied with the answer, the matter may be referred to arbitration. The moving party shall, at the national level, so advise the responding Party at the national level by certified mail, return receipt requested, or electronic mail within thirty (30) calendar days following receipt of the respondent's answer or the date the answer was due. Within fifteen (15) days after receipt of the request, an arbitrator shall be selected pursuant to Section 6, Step 3.

Section 9. The grievance shall be heard by the arbitrator as promptly as practicable on a date and at a site mutually agreeable to the Parties at or near the facility where the grievance arose or other mutually agreeable location. Any Serco employee who is called by the Employer as a witness shall be in a paid status for the time required to testify. The arbitrator shall submit the decision to the Employer and the Union representatives as soon as possible, but in no event later than thirty (30) days following the close of the record unless the Parties waive this requirement. The decision of the arbitrator is final and binding.

Section 10. The arbitrator's fees and expenses of arbitration incurred under this Article shall be borne equally by the Parties. Neither Party may cancel a scheduled arbitration hearing without the consent of the other Party. In the event either Party cancels a scheduled arbitration hearing without this consent, that party shall bear the full cost of any cancellation fees. If a verbatim transcript of the hearing is made and either Party desires a copy, that Party will bear the expense of the copy or copies they obtain. The Parties will share equally the cost of the transcript, if any supplied to the arbitrator.

Section 11. The arbitrator shall rule only on the precise issue(s) submitted for arbitration and shall have no authority to determine any other issue(s). The arbitrator shall also have no power to add to or subtract from or modify any of the terms of this agreement or any supplementary agreement, nor rule on any matter which arises when this Agreement is not in full force and

effect. Questions as to whether or not a grievance is subject to the grievance procedure in this Agreement or is subject to arbitration shall be submitted to the arbitrator for decision. This provision shall normally be accomplished utilizing the provisions of section 13 of this Article.

Section 12. Expedited arbitrations: The Union at the national level may request expedited arbitration of a disciplinary action involving loss of pay by notice to the Employer within ten (10) days following the effective date of the discipline. Within fifteen (15) days after receipt of the request, an arbitrator shall be selected from a panel obtained from FMCS or by alternately striking names until one remains. An arbitrator unable to hear an expedited arbitration case within 15 days of his selection shall be deemed unavailable and the next arbitrator in turn will be selected, unless otherwise agreed to by the Parties. The hearing shall be conducted as soon as possible at a location at or near the facility where the grievance arose unless otherwise agreed to by the Parties. Either Party may file a written brief and/or request a transcript. Fees and expenses, including transcripts and cancellation fees, will be in accordance with Section 10 of this Article. The arbitrator shall issue a decision as soon as possible, but not later than fifteen (15) days after the hearing has been held.

Section 13. The Parties may, by mutual agreement, stipulate the facts and the issue(s) in a particular case directly to an arbitrator for decision without a formal hearing. Argument will be by written brief.

Section 14. In the handling of grievances under this procedure, upon request, the Union shall have access to such information relied upon for the action taken by the Employer.

Section 15. The Parties reserve their rights to appeal an arbitrator's decision in accordance with applicable law.

ARTICLE 10

EMPLOYEE RECORDS

Section 1. There shall be maintained no more than one official personnel file for each employee, which shall be maintained at the Corporate office. Upon written request to the Corporate office, an employee shall be provided a copy of the official personnel file at no cost to the employee. Unless unusual circumstances exist, the entitlement to this request is limited to once per year. It is understood that an employee who travels to the city where the Corporate office is located shall be permitted to review the official personnel file and may reproduce any and all information contained therein. If an employee believes there is a discrepancy in the material contained in the official personnel file, the employee may submit comments and/or recommended corrections which shall be included in the file. Any material determined by the employer to be incorrect will be removed from the employee's official personnel file.

Section 2. It is understood that a working file will be maintained at the facility which contains but is not limited to such items as a copy of an employee's medical certificate, a copy of an employee's CTO, tape talks, over-the-shoulder evaluations and similar items and is not considered an employee's official personnel file and is maintained by management. Employees are entitled to access to this working file.

ARTICLE 11

DISCIPLINARY ACTIONS

Section 1. This Article covers actions involving, written reprimands, suspensions, removals, and/or reductions in pay.

Section 2. An employee will not be discharged, suspended, or otherwise disciplined, nor entries made against the employee's service record without just cause, except as provided for by Article 12, Section 2 of this Agreement. Disciplinary actions must be determined on the merits of each individual case. Progressive discipline will be followed except in cases of "serious misconduct" such as theft, fraud, violence, gross insubordination, threatening conduct, abandonment of position, or violation of the substance abuse and testing program or where emergency or other exigent circumstances exist. Progressive discipline generally means documented verbal warning, written reprimand, suspension, dismissal.

Section 3.

(a) The Employer shall make a good faith effort to promptly investigate and issue discipline within a reasonable time period after it becomes aware of the underlying issue/incident/event. Reasonable time period shall be based on the relevant facts and circumstances including, without limitation, staffing levels and safety concerns. The Employer shall provide the Employee with an opportunity to explain his/her action/inaction relating to the issue/incident/event under investigation prior to issuing discipline. The Employee's representative may participate in the employee's explanation.

(b) No employee shall be disciplined to the extent of loss of pay or discharged without being advised in writing of the precise alleged reason or reasons leading to such action. This notice shall be presented directly to the employee with a copy provided to the Union.

(c) For issues not involving "serious misconduct" as defined in Section 2 above, the Employer shall provide the employee with an opportunity to reply to the notice (orally and/or in writing) within a reasonable time and the Employer shall consider such reply prior to issuing the final disciplinary action. The Employee's representative may participate in the employee's reply.

(d) A Union representative must be present (if requested by the Employee) at the time written notice or final disciplinary action is issued.

Section 4. An employee against whom action is taken under this Article and their Union representative shall have the right to review all of the information relied upon by the Employer to support the action and shall be given a copy upon request.

Section 5. Letters of confirmation of discussion/informal counseling shall not be considered disciplinary in nature, but may be used to document future disciplinary actions, provided the employee has been given a copy upon completion. The letters of confirmation of

discussion/informal counseling shall be completed as soon as practicable, but not later than thirty (30) days, after the event.

Section 6. Records of disciplinary action, including items described in Section 5 above, more than two (2) years old shall be considered inactive and shall not provide the basis for subsequent progressive discipline. Nothing contained in this Section shall preclude the use or production of any inactive discipline, in any administrative or judicial proceeding or in any arbitration to demonstrate notice or consistent treatment of employees.

Section 7. Any notifications made to an employee under this Article shall be accomplished in the following manner:

- (a) Personally delivered to the employee by the Air Traffic Manager or
- (b) If the employee is not available, the Employer shall deliver notification to the employee and the Union by certified mail or electronic mail, return receipt requested.

Section 8. Bargaining unit employees will be subject to substance testing in accordance with Department of Transportation (DOT) and Federal Aviation Administration (FAA) regulations as specified in the FAA contract.

ARTICLE 12

SENIORITY

Section 1. Seniority is defined as the length of continuous service with a Contract Tower ("CT") employer commencing from the earliest date of hire with a CT employer. In the event that two or more employees share the identical hire date, seniority shall be determined by lottery.

Section 2. New employees shall be considered probationary for a period of ninety (90) days from the date of hire or receiving their facility rating, whichever is later. During such probationary period an employee may be terminated at the discretion of the Company and shall not have access to the grievance and arbitration procedures as defined by this Agreement.

Section 3. Any employee covered by this agreement who resigns from the service of the Company shall lose all seniority rights accrued to the date he or she leaves the service of the Company. If such employee is later re-employed by the Company, seniority shall begin on the date of re-hire. A break in service occurs when the bargaining unit employee:

- (a) Resigns employment from the company
- (b) Is terminated for cause
- (c) Is on layoff for eighteen (18) months or more

Section 4. Any employee covered by this Agreement who accepts a position outside the bargaining unit shall not accrue bargaining unit seniority while occupying such position. If the employee returns to the bargaining unit their previous seniority earned will be credited.

Section 5. Once annually the union shall provide the employer at the local level an updated seniority list.

ARTICLE 13

VACANCIES

Section 1. Job openings at NATCA-represented facilities shall be posted in accordance with Employer's established recruiting processes.

Section 2. Employees shall be eligible for transfer 18 months after certification in their current facility provided they are in good standing in that facility and not under a performance improvement plan and have not received disciplinary action within the past twelve months.

Section 3. The Employer generally gives preference to internal over external candidates to fill vacancies but reserves the right to select the most qualified candidate for any vacancy.

Section 4. Where a vacancy occurs at a NATCA-represented facility, any eligible bargaining unit employee with a satisfactory work record may request, and shall be granted, a transfer to fill such a vacancy provided that the employee has the necessary qualifications to perform the job and such transfer will not unreasonably reduce the operational efficiency of any facility and provided further that no more qualified internal candidate has applied for such vacancy.

Section 5. If the decision regarding selection of an employee for transfer to a NATCA-represented facility is between two equally qualified bargaining unit employees, then the more senior bargaining unit employee will be offered the transfer first.

ARTICLE 14

WORKING HOURS

Section 1. The employees' regular work week is defined as Saturday through Friday provided that should the work week change for SCA-covered employees Company-wide such change also will be made for employees covered under this Agreement.

Section 2. Full time employees will continue to be scheduled to work their average hours for their facility unless it is beyond the Employer's control.

Section 3. The facility hours of operation are normally determined by the airport authority and/or the Federal Aviation Administration. The number of consecutive hours and days worked by bargaining unit employees shall not exceed those specified by applicable laws and regulations.

Section 4. The basic watch schedule is defined as the days of the week, hours of the day, rotation of shifts, and change in regular days off. The basic watch schedule must satisfy coverage requirements. Split shifts will not be used as part of the basic watch schedule and shall be limited to critical staffing situations only. Prior to bidding the basic watch schedule, the Employer will meet with the Union at the local level to discuss respective scheduling concerns. The watch schedule will provide for the maximum benefit to the Employer and the employee. Assignments of individual employees to the basic watch schedule are not considered changes to the basic watch schedule.

Section 5. The basic watch schedule will normally be posted at least six (6) months in advance. Unless operational requirements do not permit, assignments to the watch schedule will be by seniority with the controller having the greater seniority having first choice among controllers. Assignments to the watch schedule shall be posted at least thirty (30) days in advance. The Employer recognizes that changes of individual assignments to the watch schedule are undesirable and shall make a good faith effort to minimize such changes. An employee's shift will not be changed solely for the purpose of avoiding payment of overtime or other premium pay to which an employee may be entitled, unless otherwise agreed to by the employee.

Section 6. The exchange of shifts and/or days off between equally qualified employees is authorized, provided it does not result in overtime, additional premium pay or violation of law, regulation, the terms of this Agreement, the Facility Staffing Plan or the Employer's contract with the FAA and provided further that such exchange is approved by the Air Traffic Manager or his designee.

Section 7. The Air Traffic Manager may perform air traffic control duties as scheduled by the Employer.

ARTICLE 15

LAYOFF AND RECALL

Section 1. In the event of a layoff, employees at the affected facility shall be laid off in reverse order of seniority. Affected employees will receive notification no less than 14 days prior to the effective date of the layoff, except in the event of emergency or other circumstances beyond the Employer's control.

Section 2. An employee affected by a layoff will have the following options:

- a. Accept an offer of employment at another of the Employer's facilities provided:
 - i. a vacancy exists and
 - ii. the employee is qualified for the vacant position
 - iii. there are not any other qualified employees who have been, or are also being, displaced from an Employer facility, who have more seniority with the Employer and have applied for the vacancy.
- b. Be placed in a layoff status.

Section 3. Employees in layoff status shall retain their seniority and recall rights to the facility from which they were laid off, based upon their seniority as of the date of their layoff, with recall rights for a period of 12 months. Employees in layoff status shall be recalled in seniority order.

Employees will normally be provided fourteen (14) days' advance notice of recall, however, in those cases where the Employer cannot, due to operational needs, provide fourteen (14) days' notice of recall, a minimum of seven (7) days will be sufficient. The recall process may be expedited by use of a telephone conversation allowing the employee 24 hours to inform the Employer of his intent to return to duty. Notice of recall will be confirmed in writing by the Employer. Such confirmation will be by certified mail, return receipt requested or by personal delivery to the employee. The Employee shall be required, within five (5) working days (excluding Saturday and Sunday) of delivery or attempted delivery of the notice of recall, to notify the Employer of his intent to return to work and return to work on the date specified for recall, unless otherwise agreed to by the Employer and the recalled employee. The Employee shall be required to be available for work within fourteen (14) days of the notice or as mutually agreed between the Employer and employee. Employee who declines (or fails to respond within the above time limits to) a recall opportunity forfeits all recall rights.

Section 4. An employee's recall rights shall not be affected in the event that the employee accepts or declines an offered position at a facility other than the one from which originally laid off.

Section 5. Eligible employees who are laid off shall receive pay for all accrued vacation at their current rate of pay. Disbursements of funds associated with a 401(k) account shall be in accordance with applicable plan documents and governing law.

Section 6. Employees shall be responsible for providing the Company with their current address, e-mail address, and telephone numbers. The Company point of contact for the provision of data under this section shall be the Human Resources Department.

ARTICLE 16

HOLIDAYS

Section 1. Employees shall be entitled to a minimum of ten (10) paid holidays within each year.

Section 2. Guaranteed paid holidays are:

- New Year's Day
- Martin Luther King's Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day

Christmas Day

Section 3. If the Employer recognizes and provides a new special state holiday to other similarly situated federal contract tower facilities in a jurisdiction, the Employer will agree to meet and bargain with the Union regarding the implementation of such holiday at the NATCA-represented towers in such jurisdiction.

Section 4. Employees scheduled to work on a designated holiday will be required to report to work on such holiday unless they have approved leave. Eligible employees who work on a holiday will receive their normal pay for that day plus eight hours of holiday pay at the regular hourly wage rate.

Section 5. In the event a holiday falls on an eligible employee's regularly scheduled day off, the eligible employee will receive eight hours of holiday pay at the regular hourly wage rate.

Section 6. Due to operational and contractual requirements, some or all Employees may be required to work on holidays. When time off without the use of paid leave on a holiday (or an alternate day in the same workweek) is authorized, approvals will be based on seniority.

Section 7. The Employer shall not reduce staffing on holidays solely for the purpose of avoiding holiday pay.

Section 8. To be eligible for holiday pay, when an employee is not scheduled to work the holiday, an employee must work on his/her scheduled shift immediately before and immediately after the designated holiday unless the Employer authorized the absence in advance or the absence is due to medical reasons verified by a doctor's note. Otherwise, to be eligible for holiday pay, an employee must have worked on the observed holiday when scheduled to do so unless the Employer authorized the absence in advance or the absence is due to medical reasons verified by a doctor's note.

Section 9. An employee who is on layoff, leave of absence or other unpaid leave is not eligible to receive holiday pay for any holiday that falls within the time period of his/her layoff, leave of absence or unpaid leave.

ARTICLE 17

WAGES

Section 1. Wage Increases

(a) Lump Sum Bonus Payments

(i) Effective with the first full pay period following October 1, 2015, each eligible employee on that date shall receive a lump sum bonus of \$500.00 less applicable tax and withholding.

(ii) Effective the first full pay period following October 1, 2016, each eligible employee on that date shall receive a lump sum bonus of \$500.00 less applicable tax and withholding.

(iii) To be eligible for such bonus, employees must be employed by the Employer at the Williams Gateway, AZ, Molokai, HI, or Hailey, ID facilities on the date of payment.

(b) Employees will receive a base wage rate increase of two percent (2.0%) on October 1, 2014, and additional increases of two percent (2.0%) per year on each subsequent October 1st, for the life of this Agreement. Wage Rates can be found in Appendix II annexed hereto. IWA (Mesa-Gateway FCT) employees shall receive a complexity pay not less than an additional \$.75/hr.

Section 2. Wage rate adjustments shall be made upon receipt of the modification of the contract from the FAA incorporating the applicable wage rates retroactive to October 1st (the first day of the Federal Government's fiscal year).

Section 3. Bargaining unit employees who work between the hours of 6:00 pm and 6:00 am shall receive 1.1 times the employee's base hourly rate of pay for each hour worked after 6:00 pm and before 6:00 am.

Section 4. Full-time bargaining unit employees (40 hours a week) working Sunday as part of their regularly scheduled workweek shall be paid at the rate of their regular hourly wage rate plus a Sunday premium of 25% of the regular hourly wage rate for each hour of Sunday work which is not overtime.

Section 5. Bargaining unit employees who work in excess of 40 hours in a work week shall receive 1.5 times the employee's base hourly rate of pay for all hours worked in excess of 40 hours in a work week. For the purposes of this Article, only hours worked shall be used in calculating overtime pay. Hours paid for non-work time (e.g., vacation, holiday, sick, PDL, and union leave) shall not be considered hours worked for the purposes of calculating overtime.

Section 6. If the Air Traffic Manager position becomes vacant, a qualified member of the bargaining unit may be requested to serve as Acting Air Traffic Manager and shall be paid at the Manager's rate of pay during this assignment. Assignments to the Acting Air Traffic Manager position are on a volunteer basis with the Employer, in its sole discretion, making the determination as to whom is offered the Acting Air Traffic Manager assignment.

Section 7. Where applicable, employees shall receive a cost-of-living allowance (COLA) in the amount as shown in Appendix III.

ARTICLE 18

TRAVEL EXPENSES

Section 1. The Company may authorize or require employees to travel in performance of job related activities. Reimbursement for travel expenses in such cases shall be the responsibility of

the Company as specified by this Article. All travel arrangements and expenditures for travel must be in accordance with Employer's corporate travel policy. The Employer reserves the right to make all travel arrangements including, but not limited to, air fare, lodgings, etc. Should the Employer elect to make such travel arrangements, it shall use reasonable efforts to accommodate the smoking habits of the employee.

Section 2. Employees authorized to travel by personal vehicle shall be reimbursed for mileage at the appropriate rate.

Section 3. Transportation by commercial aircraft may be directed by the Company. Reimbursement for tickets shall be at actual cost, as supported by appropriate documentation.

Section 4. Parking and tolls shall be reimbursed at cost.

Section 5. Meals shall be reimbursed at actual cost up to the Government's per diem amount; however, employees are expected to use a reasonable sense of economy in meal selection.

Section 6. The Company will not reimburse employees for traffic tickets or alcoholic beverages.

Section 7. Lodging shall be reimbursed at actual cost up to the Government's per diem amount. The employee is expected to use a reasonable sense of economy in the selection of lodgings.

Section 8. Employees required to travel more than once annually will be required to apply for, or maintain, a corporate sponsored credit card.

Section 9. Business expense reports must be completed, supported by receipts for all expenses which are reimbursable, by the employee seeking reimbursement in accordance with the Employer's applicable policy in effect. Reimbursement will be made not later than 30 days following proper submission of the business expense report.

ARTICLE 19

TRAINING

Section 1. The Parties agree that the Employer determines individual training methods and needs. Employees will be given the opportunity to receive training in a fair and equitable manner.

Section 2. If an employee's developmental training is interrupted for thirty (30) days or more, the employee shall be granted sufficient training time, not to exceed the training time provided before the interruption, to attain the level of proficiency the employee had at the time of the interruption, prior to the resumption of the remaining allotted training time. The employee's evaluations, training records and/or reports shall be used by the Employer to determine when the employee's former level of proficiency has been re-attained.

Section 3. Remedial training shall only be administered to correct documented deficiencies in an employee's performance. When an employee is to be given remedial training, the employee shall be notified, in writing, of the specific subject areas to be covered and the reasons for the

training. The training shall be confined to those specific areas. Only these specific subject areas shall be entered into the training record.

Section 4. Employees may voluntarily enroll in educational courses designed to improve their work performance, expand their capabilities and increase their utility to the Employer. In accordance with the terms of its tuition reimbursement policy, the Employer shall reimburse employees who take Aviation job-related courses from an accredited college or university (including those on-line via computer) up to a maximum of \$5250.00 per calendar year for tuition fees. Employees shall complete all employee tuition reimbursement form(s)/application(s) and be paid in accordance with the Employer's policy. Employees must be employed for one year, have achieved facility certification before beginning any such course, obtain prior approval from the Employer that the course is considered job related, and be actively employed by the Employer upon course completion to receive this reimbursement.

Employees who voluntarily end their employment with the Employer twelve (12) or fewer months after completing the course will be required to repay the Employer the full amount of the tuition reimbursement received. In administering this program, the Employer will comply with all applicable tax laws.

Section 5. Employer required training normally should take place during the employee's normal duty hours.

Section 6. The Union facility Representative may comment and/or make suggestions regarding the Facility Training Plan.

ARTICLE 20

AVIATION SAFETY ACTION PROGRAM

Section 1. The Employer and the Union mutually recognize the safety benefits associated with promoting Safety and Reporting Cultures wherein employees can feel free to report with immunity, safety violations and issues without fear of reprisal.

Section 2. The parties have agreed to a Memorandum of Understanding and Side Agreement regarding the adoption and implementation of the Aviation Safety Action Program.

ARTICLE 21

INJURY COMPENSATION

The Employer agrees to comply with applicable workers' compensation laws and regulations when an employee suffers an industrial illness or injury in the performance of assigned duties. The Employer shall advise the employee of the right and process to file a claim for benefits. The Employer shall provide employees access to all compensation claim forms.

ARTICLE 22

EMPLOYEE RECERTIFICATION

Section 1. An employee who is operationally decertified and assigned to a training and/or recertification program in accordance with FAA Order 7210.3 and FAA Order 3120.4 will be given written notice within seven days of the specific reasons for the action.

Section 2. The employee and Union representative shall have an opportunity to review the information used in making the determination to place the employee in a training and/or recertification program, and to discuss the reasons for making the determination. Upon request, the employee shall be provided a copy of same.

Section 3. When an employee is to be given remedial training, it shall be in accordance with Article 19 of this Agreement. If remedial training is the result of decertification, the employee will be notified in writing of the skill level required for recertification on each position of operation, as appropriate.

Section 4. If training is to be provided before or during recertification, it shall be individually developed and shall only be administered to correct identified deficiencies and shall normally be scheduled during the employee's normal duty hours. If necessary, the Employer may adjust the employee's schedule to allow the employee to recertify as soon as possible.

ARTICLE 23

POSITION DESCRIPTIONS

Section 1. The Employer shall provide each bargaining unit employee a position description which reflects the duties of the employees at the facility.

Section 2. An employee shall not be required to perform duties that do not have a reasonable relationship to the employee's official position description.

ARTICLE 24

EMPLOYEE ASSISTANCE PROGRAM

Section 1. The Employer will continue to provide an Employee Assistance Program for all employees. The purpose of the program is to assist employees with personal problems.

Section 2. Use of the Employee Assistance Program services shall be voluntary.

Section 3. The Employer shall provide notice of this program to the bargaining unit employees.

ARTICLE 25

OVERTIME

Section 1. Overtime will be paid in accordance with applicable regulations and law.

Section 2. It is intended that overtime be kept to a minimum and shall be used when required to meet service requirements.

Section 3. All overtime assignments will be offered first to bargaining unit employees in a fair and equitable manner.

Section 4. In order to prevent undue fatigue, when an employee is required to remain on duty after his scheduled shift, the employee shall be released as quickly as practicable.

Section 5. If an employee is scheduled/called in to perform overtime work on his regular day off, he will be provided the opportunity to work two (2) hours.

ARTICLE 26

MEDICAL QUALIFICATIONS

Section 1. A Second-Class Airman Medical Certificate (Class II) at the candidate's expense, is required for initial employment pursuant to Federal Aviation Administration rules and regulations. The Employer will reimburse employees for required subsequent routine annual Class II physical examinations with an FAA Aviation Medical Examiner (AME) provided the Employee provides the Employer with a copy of a valid Second-Class Airman Medical Certificate and completes a Business Expense Report with copies of appropriate receipts in accordance with Employer's applicable corporate policy.

Section 2. Employees are required to maintain a current Class II and are responsible to comply with all restrictions, limitations, or cancellations of the certificate applicable to the performance of ATC duties. Waivers (special considerations) to the medical certificate will be accepted if approved by the Federal Aviation Administration.

Section 3. Employees shall not perform air traffic control duties beyond the last day of the month in which their medical certificate expires unless the clearance is extended by special consideration of the appropriate certifying official. Employees shall ensure that the Employer has an updated copy of their Second-Class Airman Medical Certificate at all times.

Section 4. An employee who is medically disqualified may appeal such a determination in accordance with applicable laws, rules and regulations. An eligible employee will be authorized the usage of all leave accumulated and accrued during the appeal process.

ARTICLE 27

MEAL PERIODS AND BREAKS

Section 1. Breaks are defined as a period of time during which no duties are assigned to an employee.

Section 2. On each shift, staffing permitting, the Employer shall provide for an uninterrupted 30-minute paid break away from operational positions for meals. Employees must remain in the facility and be immediately recallable while on such breaks. To the extent practicable, meal breaks will occur at or around the mid-point of an employee's shift.

Section 3. On each shift, staffing permitting, the Employer will provide employees relief breaks during the first and second part of an employee's shift. To the extent practicable, employees will not be required to work more than two consecutive hours on position without a break. Such relief breaks shall be in addition to the meal breaks described in this Article.

Section 4. No Employee shall leave the facility during his or her shift except on authorized Employer business. If an Employee needs to leave the facility on other than Employer business, the Employee shall sign out when leaving and sign back in when returning and shall not be "on-the-clock" during any time away from the facility and not immediately recallable. Such departures will only be allowed when necessary and when staffing levels and traffic permits. Requests by an employee to leave the facility for short periods of time on other than Employer business shall not be unreasonably denied.

ARTICLE 28

OCCUPATIONAL SAFETY AND HEALTH

Section 1. At those facilities where the Employer has control of and is responsible for the building structure, the Employer shall abide by applicable law and regulations relating to occupational safety and health. At those facilities where the Employer does not have control and responsibility for the building structure, the Employer will make reasonable efforts to have the Sponsor comply with all applicable law and regulations relating to occupational safety and health.

Section 2. The Employer shall ensure first aid kits are readily accessible to employees at all hours of facility operations.

ARTICLE 29

LEAVE OF ABSENCE

Section 1. A leave of absence is defined as a period of authorized absence of an employee from assigned duty for a definite period of time without pay.

Section 2. The Employer may grant employees a leave of absence without pay of up to six (6) weeks during a rolling twelve (12) month period.

Section 3. Serco may grant employee extensions to periods of leave of absence of thirty (30) calendar days in duration, for a total leave duration of up to one (1) year, provided that staffing needs and contractual requirements will allow an extended absence.

Section 4. Serco will continue to make available health insurance during any such authorized leave. Employees will continue to be responsible for premiums.

Section 5. In the event that an employee wishes to apply for a leave of absence, the employee shall provide a written request to the Employer. The request shall provide the reason for the request, the desired effective date, and the anticipated length of the requested leave of absence.

Section 6. The written request shall be provided to the Employer at least twenty (20) working days before the requested start date of leave. Any extension of a leave of absence shall be requested at least ten (10) working days prior to expiration of the leave of absence. The Employer, because of extenuating circumstances, may agree to accept shorter periods of notice.

Section 7. An employee returning from a leave of absence will be returned to his or her regular job without a loss of seniority. Employees will be returned to work at the same status as when they commenced the leave.

Section 8. In the event that an employee on leave of absence desires to return to duty before the ending date of an approved leave of absence, such request to return shall be approved provided the employee gives the Employer at least fifteen (15) working days' notice prior to the requested return date. The Employer may agree to accept a shorter notice period.

Section 9. The Employer will continue to provide FMLA leave to employees covered by this Agreement.

ARTICLE 30

CRITICAL INCIDENT STRESS DEBRIEFING (CISD)

Section 1. The Employer will proactively manage the common disruptive physical, mental, and emotional factors that an employee may experience while on duty, after a critical incident, (i.e., accidents/incidents, such as an aviation disaster with loss of life, the death of a co-worker, acts of terrorism, exposure to toxic materials). Upon request, an employee involved in or witnessing a critical incident shall be relieved from operational duties as soon as feasible.

Section 2. The use of the EAP services will be authorized in accordance with the provisions of Article 24 of this Agreement.

Section 3. Whenever possible, an educational briefing regarding critical incident stress will be offered to all employees at an affected facility at no cost to the Employer.

ARTICLE 31

CONTROLLER PERFORMANCE/IMMUNITY PROGRAM

Section 1. The Parties recognize that each employee is responsible for ensuring that their performance conforms to established standards and FAA regulations and orders, and the Employer ensures each employee is certified by the FAA. In the event of a difference of professional opinion between an employee and the Manager the employee shall comply with the instructions of the Manager. In such situations, the Manager shall assume all responsibility for the decision and the employee shall be immune from any action, disciplinary or otherwise, which might otherwise result from complying with the Manager's instructions.

Section 2. In the event a Manager relieves an employee from the employee's operational position because of alleged unacceptable performance of duty, the Manager shall provide, upon request of the employee, a written explanation of reason(s) for the action as soon as practicable but not more than seven days. The written explanation is not a notice of proposed action, disciplinary or otherwise.

Section 3. It is not the intent of the Company, or of the Union, to dictate the techniques or the manner in which an employee provides air traffic control services so long as they are consistent with FAA rules and regulations.

ARTICLE 32

UNION PUBLICATIONS AND USE OF EMPLOYER'S FACILITIES

Section 1. The Employer will provide necessary space in each facility where bargaining unit employees are employed, in a non-work area, for a Union furnished bulletin board for the posting of Union materials. The content of any material placed on the Union bulletin board shall not be restricted, censored, altered or removed by the Employer unless a reasonable person would find such materials are offensive, scurrilous, inflammatory or disparaging.

Section 2. The Union is authorized to conduct Union business in the Employer's facilities where bargaining unit members are employed in non-work areas as determined by the Air Traffic Manager. It is understood that the tower cab is a work area. When a Union representative is performing representational duties under this Agreement, the Employer shall make reasonable efforts to provide meeting area that will allow for confidential discussions.

Section 3. The Union may distribute materials to bargaining unit employees in the Employer's facilities in non-work areas during non-work times. The Union may place a lockable file cabinet in a mutually agreeable reasonable location within the Employer's facility where bargaining unit members are employed.

Section 4. The Union may place a Union reading binder in each facility in a non-work area where bargaining unit employees are employed to communicate with and inform the employees. The Employer shall not censor, restrict, alter, destroy or remove items from the Union reading binder. This binder is specifically limited to official Union business.

Section 5. The Union may send and receive mail through the Employer's facility address and/or mailbox at no expense to the Employer. The Employer is not responsible for Union mail. Provided the Employer will incur no costs, the employer shall provide bargaining unit employees with access to existing mail box/slot in each facility where bargaining unit members are employed. The union may place materials in employee mail boxes/slots.

Section 6. Union representatives may use the Employer's electronic mail address for official business communications with management officials.

Section 7. The Air Traffic Manager will, upon the Union Representative's request, provide space for Union meetings as space and scheduling permit. Operational and work areas may not be used for Union business. Employees participating in any such meeting shall be on unpaid time. On duty employees in a non-work status may be allowed to attend these Union meetings, provided they are available for immediate recall.

Section 8. Provided the employer will incur no costs, the Employer will provide access to existing personal lockers for use by bargaining unit members.

ARTICLE 33

PARKING

Section 1. The Parties recognize that parking is normally under the control of the Airport Manager or the FAA. The Employer will make reasonable efforts to provide safe and adequate parking for employees as close to the facility as possible at no cost to the employee.

ARTICLE 34

AIR TRAFFIC CONTROL FACILITY EVALUATIONS

Section 1. The Union recognizes the right of the Federal Aviation Administration ("FAA") and the Employer to conduct periodic Air Traffic Control Facility evaluations and follow-ups in accordance with the FAA's and Employer's rules, regulations and procedures.

Section 2. The Employer shall notify the employees at least thirty (30) days in advance or as soon as practicable of any scheduled FAA evaluation or follow-up. If the Employer receives less than thirty (30) days' notice from the FAA of an evaluation or follow-up, the Employer shall notify the Union Representative immediately.

Section 3. Should the FAA, or the Employer, elect to interview any bargaining unit employee regarding any evaluation, audit, survey or any other facility or service assessment, the individual, upon their request, shall be afforded Union representation. This representation/participation will occur on duty time.

Section 4. The Employer, upon request, shall provide the principal facility representative with a copy of the final report of an evaluation and/or follow-up.

ARTICLE 35

PAID LEAVE

Section 1. Upon completion of each full year of continuous service, Employees shall receive paid vacation leave according Appendix IV.

Section 2. The Employer understands the importance of time off from work and the important safety benefit resulting from such time off, and encourages employees to utilize their vacation time for rest and relaxation. Employees who fail to schedule all of their earned vacation within ninety (90) days of their next anniversary date may have their vacation scheduled by the ATM during such ninety (90) day period or at the Employer's option, have any such earned vacation paid out in the pay period following their anniversary date.

Section 3. Where staffing levels and operational needs permit, employees will be provided the opportunity to take at least two consecutive weeks of vacation leave during the year.

Section 4. Vacation leave may be charged in the smallest increment allowed by the Employer's timekeeping system.

Section 5. The Manager and the Union Representative will cooperate to ensure that employees are permitted to take vacation leave of their choice to the extent possible. In the event of a conflict between vacation leave requests, seniority shall prevail.

Section 6. In those cases where an employee with at least one (1) year of continuous service resigns or is otherwise terminated, the Employer shall pay out all earned but unused vacation leave to the employee. In the event of death of an employee, the Employer shall pay out all unused vacation leave to the employee's designated beneficiary or, if not otherwise designated, to the employee's estate.

Section 7. During periods of stress caused by the death of a family member, an employee, upon request, shall be excused from work with pay for three days. For purposes of this section, a family member is defined as an employee's spouse, domestic partners (both same sex and opposite), child (to include step and adoptive children), mother, father, sister, brother, grandparents, grandchildren and like in-laws. Employees must promptly notify their ATM of their request for bereavement leave. The employee must complete a Request for Leave form and submit to the Project Management Office ("PMO"). Bereavement leave will not be paid if it occurs when the employee is on vacation or leave of absence, absent due to illness or injury, or not working due to a regularly scheduled day off or a paid holiday.

Section 8. Performance of jury duty is considered a basic civic responsibility. When an employee is summoned for jury duty and is required to serve on a regular work day during work hours which the employee would otherwise be scheduled to work, the employee shall be paid the difference between their regular hourly rate of pay not exceeding eight hours per day and the pay for jury service. Any employee who reports for such service and is excused from service early enough to work two (2) hours or more of his shift shall immediately report to work. Employees receiving a jury summons must present the summons and a leave request to the ATM promptly after receipt of such summons and must furnish the ATM with proper written documentation of

performed jury duty and fees received upon their return to work. Jury duty leave shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40).

Section 9. For the purposes of Section 8 of this Article, and to the extent feasible, an employee's shift shall be changed so that his regular days off coincided with those of the court.

Section 10. Employees enlisted or entering the military or naval services of the United States shall be granted all rights and privileges provided by the applicable federal laws.

Section 11. In the event of fire, earthquake, storm, power outage or other emergency which requires the temporary closing of the tower, employees scheduled for and who report to work (excluding employees on overtime) during such closure shall receive up to four (4) hours of straight time pay for loss of scheduled work. Employees who receive notification from the Employer and are directed not to report shall not be eligible for such pay. Employees will be permitted to use earned vacation leave for any additional loss of scheduled work hours (excluding overtime) resulting from such closure.

Section 12. If an employee becomes seriously ill or injured at work, the Employer shall arrange for transportation to a physician, medical facility, or other designated location. If requested by the employee, or if the employee is unable to request, the Employer shall notify the employee's family or designated party of the occurrence and location of the employee.

Section 13. An employee will request leave in advance unless illness prevents advance notice, in which case the employee will notify the Air Traffic Manager as soon as possible. Except where there is evidence of sick leave abuse or other unusual circumstances, an employee will not be required to furnish a medical certificate for absences of fewer than three consecutive days.

Section 14. Paid leaves shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40). If an employee's approved paid leave will result in more than forty (40) paid hours in a work week, the approved leave over forty (40) hours will be treated as leave without pay. Any benefit plan(s) and/or accrual of leave shall continue in force during any period an employee is on paid leave.

Section 15. The Air Traffic Manager may approve up to two hours of time away from work for the purpose of voting for employees whose work schedules prevent them from voting during the time the polls are open. The Employer reserves the right to deny such requests where operational or staffing levels do not allow such time away from work.

ARTICLE 36

HEALTH AND WELFARE

Section 1. The Employer will contribute to employees' health and welfare benefits at the rate of \$4.02 per hour worked, except for employees working in Hawaii where the contribution shall be \$1.66 per hour worked for the purpose of providing a flexible, pre-tax benefit plan for each employee as described in this Article. Beginning in August 2015 and annually each August

thereafter, the parties will review and discuss the health and welfare hourly contribution above and will use the applicable wage determination's health and welfare hourly contribution as a reference to adjust such amount and/or calculation. Any such adjustment shall become effective upon receipt of the modification of the contract from the FAA incorporating the H&W adjustment retroactive to the prior October 1st (the first day of the Federal Government's fiscal year).

Section 2. Health and welfare benefits covered by this provision include: health insurance, vision insurance, dental insurance, life and AD&D insurance, STD, LTD, PDL leave, EAP, H&W benefits administration, and 401(k) excluding Employer matching contributions. The short-term disability, long-term disability and life insurance benefits are mandatory.

Section 3. The Employer shall continue to provide, in accordance with its present policy, the following benefits to eligible employees; provided that should the following benefits change for all non-exempt SCA-covered employees Employer-wide, such changes will also be made in the benefits provided in this Article subject to Section 3(a)(i) below.

(a) Health Insurance. Subject to this Article, the Employer will provide a comparable level of health insurance benefits as it currently provides under the Cigna Choice Fund Open Access Plus HRA – Bronze & Gold Plans currently in effect. The Employer will cover the costs of such health insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits except to the extent provided in Section 3(a)(i) below. Any such employee share of premiums shall be made via payroll deduction on a pre-tax basis under Section 125 of the Internal Revenue Code.

(i) Health Insurance Premium Increases. Employees who elect health insurance coverage under an Employer-provided plan shall pay the employee-share of the premium in effect for such plan at the time of enrollment. In subsequent plan years, should the premium increase the employee shall be responsible for one-half (50%) of the additional cost and the Employer will pay the other one-half (50%) of the additional cost. For example, if the employee share of the premium is \$200/month upon enrollment and in a subsequent year the premium increases by 10%, the employee and Employer will split the additional \$20 monthly cost with the employee share becoming \$210/month and the Employer paying an additional \$10/month.

(b) Dental. Subject to this Article, the Employer will provide a comparable level of dental insurance benefits as it currently provides under the Concordia Preferred plan currently in effect. The Employer will cover the costs of such dental insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits. Any such employee share of premiums shall be made via payroll deduction on a pre-tax basis under Section 125 of the Internal Revenue Code.

(c) Vision Insurance. Subject to this Article, the Employer will provide a comparable level of vision insurance benefits as it currently provides under the Vision Service Plan

policy currently in effect. The Employer will cover the costs of such vision insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits. Any such employee share of premiums shall be made via payroll deduction on a pre-tax basis under Section 125 of the Internal Revenue Code.

(d) Life and AD&D Insurance. Subject to this Article, the Employer will provide a comparable level of life and AD&D insurance benefits as it currently provides under the Minnesota Life Insurance Company policy currently in effect. The Employer will cover the costs of such life and AD&D insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits. Any such employee share of premiums shall be made via payroll deduction on a pre-tax basis under Section 125 of the Internal Revenue Code.

(e) Short Term Disability. The Employer shall provide a comparable level of short term disability insurance benefits as it currently provides under the Matrix Absence Management policy currently in effect. The Employer will cover the costs of such benefit provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits. To the extent the employee pays for this benefit post-tax, this will continue to be a 100% employee paid benefit.

(f) Long Term Disability. The Employer shall provide a comparable level of long term disability insurance benefits as it currently provides under the Reliance Standard Life Insurance policy currently in effect. The Employer will cover the costs of such benefit provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1, the employee will be required to pay the remaining cost to maintain such benefits. To the extent the employee pays for this benefit post-tax, this will continue to be a 100% employee paid benefit.

(g) Employee Assistance Program. The Employer will continue to provide an Employee Assistance Program (“EAP”). The Employer shall provide employees with information about this program during the initial employee orientation.

(h) 401(k). The Employer will contribute to the employee’s 401(k) account the amount, if any by which the health and welfare contribution amount set forth in Section 1 exceeds the cost of the health and welfare benefits provided to such employee. Such contribution shall be made to the employee 401(k) account in accordance with the Employer’s practice for all non-exempt SCA-covered employees Employer-wide but in all cases no less than quarterly.. Where the costs of health and welfare benefits provided to such employee exceed the health and welfare contribution amount, no Employer 401(k) contributions shall be made, other than Employer matching contributions as set forth in Section 7 of this Article.

- (i) PDL Leave. The Employer will provide eligible employees with PDL leave in accordance with Section 8 below.
- (j) Health & Welfare Benefits Administration. The Employer will continue to administer the benefits.
- (k) 125 Plan. Subject to this Article, the Employer will continue to provide a Section 125 Plan. The Employer will cover the costs of such 125 Plan.

Section 4. The Employer reserves the right to change insurance carriers, health maintenance organizations, plan administrators, or to self-insure, as it deems appropriate.

Section 5. The benefits described in this Article will be made available to eligible employees on the first day of the first month following the employee's date of hire.

Section 6. Termination of Coverage. Except as is otherwise required pursuant to the Employee Retirement Income Security Act of 1974 with respect to coverage under the insurance programs set forth in this Article coverage of an employee under the insurance programs set forth in Section 1 (a) through (h) of this Article shall terminate upon the earliest date allowed by the terms and conditions of the plan documents and the law. Notwithstanding any provision of this Agreement, the Employer shall have no obligations to pay any of the costs of the coverage set forth in this Agreement on behalf of any employee who is engaged in a strike.

Section 7. A 401(k) Retirement Plan will be provided for all bargaining unit employees. Employees may elect to have a specified amount or a specified percentage within limits of federal law, withheld from their regular pay and deposited into their plan as soon as possible, but no longer than six weeks. The Employer will match the employee's contribution up to six percent (6%) of their gross income at the rate fifty percent (50%).

Section 8.

(a) In an effort to promote good health practices within the facility and to provide financial stability to employees who develop short-term or long-term disabilities and to provide employees with additional paid time off, the Company will provide personal days leave ("PDL") consistent with the following:

- i. Eligibility. All employees are eligible for PDL.
- ii. Pay. PDL shall be paid at the regular hourly rate.
- iii. Increments. PDL may be charged in the smallest increment allowed by the Employer's timekeeping system.
- iv. Facility Procedures. An employee will request PDL in advance unless illness prevents advance notice, in which case the employee will notify the Air Traffic Manager as soon as possible. An employee will not be required to furnish a medical certificate for absences of fewer than three consecutive days.

v. Accrual. Employees shall accrue 1.54 hours of PDL each pay period (40 hours per year), credited against their health and welfare contributions.

vi. Pay-out. Employees shall be paid for any accrued but unused PDL on the pay period following their anniversary and upon termination.

(b) Additionally, Serco will provide fourteen (14) hours of sick leave per calendar year to each eligible bargaining unit employee. Sick leave is not accrued, and unused sick leave cannot be carried over the following year. Employees shall not be entitled to receive pay for any earned but unused sick leave upon termination or at any other time.

i. Eligibility. Employees employed at Williams Gateway, AZ, Molokai, HI, or Hailey, ID facilities are eligible for sick leave provided they are employed on the first day of the first pay period of the calendar year.

ii. Pay. Sick leave shall be paid at the regular hourly rate.

iii. Increments. Sick leave shall be used in 1-hour increments.

iv. Facility Procedures. An employee will request sick leave in advance unless illness prevents advance notice, in which case the employee will notify the Air Traffic Manager as soon as possible. An employee will not be required to furnish a medical certificate for absences of two (2) consecutive days or less.

v. Sick leave may be taken for an absence of an employee on a scheduled day, by reason of (a) illness, (b) accident, (c) illness of dependent child, or (d) need to care for immediate family member with serious health condition.

(c) PDL and Sick leave shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40). If an employee's approved PDL or sick leave will result in more than forty (40) paid hours in a work week, the approved leave over forty (40) hours will be treated as leave without pay.

Section 9. The extent of coverage under all Employer insurance policies (including HMO) referred to in this Agreement will be governed by the terms and conditions set forth in said policies or plans. Any questions or disputes concerning said insurance policies or plans or benefits there under will be resolved in accordance with the terms and conditions set forth in said policies or plans. It is expressly agreed and understood that the Employer does not accept, nor is it to be charged with, any responsibility or liability in any manner for any benefit afforded by this Article pursuant to or under an insurance contract, plan or program, including determination of coverage, qualification for or payment of benefits to or on behalf of an employee, or otherwise, and the Employer's sole liability shall be limited to making payment to the insurer of any required premium payment. Nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to the Employer, employee or beneficiary of any employee.

Section 10. The Employer will notify the Union of changes in the terms and conditions of the above H&W benefits and, except for Employer-wide changes applicable to all non-exempt SCA-covered employees, will bargain with the Union regarding such changes.

Section 11. The Employer reserves the exclusive right to make any changes, reductions, modifications, deletions, or improvements with respect to employee medical, prescription, dental, or vision insurance (including but not limited to changes in insurance carriers, insurance plans, benefit levels, deductibles, co-payment levels, type of plan, employee premium contribution levels, opting for self-insurance, provision of health insurance through private or public health insurance exchanges rather than through employer plans, etc.) it determines are warranted in its sole discretion to comply with Affordable Care Act or other federal law or ensure employees are not eligible to obtain insurance through an insurance exchange or that the Employer will not be subject to penalties. These changes are not subject to collective bargaining provided that such changes are the same for the Employer's other non-bargaining unit SCA-covered employees. The Employer shall provide the Union notice of any such changes prior to implementation.

ARTICLE 37

DUES WITHHOLDING

Section 1. To the extent permitted by applicable law, the Employer agrees to deduct Union dues from an employee's wages uniformly and lawfully levied by NATCA and to remit same to NATCA on a monthly basis, not later than the end of the month following the month in which they are withheld, provided that the employee executes the dues withholding form provided by the Union. This remittance shall be accompanied by a list of all Employees. This list shall include the Employee's name, facility, job classification, dues remitted if any, date of hire, base hourly wage rate, and dates of unpaid leave.

Section 2. Any change in the rate or amount of dues levied by the Union shall be put into effect and the deductions made during the calendar month following the calendar month in which the Employer receives notice of the change.

Section 3. All deductions of dues provided for in this Agreement shall be automatically terminated upon separation of an employee from the bargaining unit.

Section 4. An employee who has authorized the withholding of Union dues may request revocation of such authorization after one (1) year by completion of a request to the employer in accordance with the procedures below:

(a) First year members: A request may be filed anytime by an employee during the thirty (30) calendar-day period beginning forty-five (45) days prior to the anniversary date of his/her first dues withholding and ending fifteen (15) days prior to the anniversary date. It is the employee's responsibility to ensure timely filing of his/her revocation forms. Revocation forms shall only be accepted by the Employer during this time period. The Employer shall notify the Union, in writing, of all revocations and provide a copy of the request at the time the revocation is made effective.

(b) All other members: March 1 shall be the annual date for all revocations of Union dues. The employee must complete and submit a request to the Employer between the dates of January 1 to January 31 of any given year. Upon receipt of a valid revocation

request completed and signed by the employee, the Employer shall discontinue withholding the dues from the employee's pay effective only with the first full pay period which begins after the following March 1. The Employer shall notify the Union, in writing, of all revocations and provide a copy of the request at the time the revocation is made effective.

Section 5. The Union shall indemnify and hold the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise from any action taken or not taken by the Employer pursuant to this Article.

ARTICLE 38

PAY ADMINISTRATION

Section 1. The Employer shall pay employees all wages due on a bi-weekly basis.

Section 2. For each pay period, the Employer will continue to provide each employee with a Leave and Earnings statement that includes, at a minimum, the following information:

- total wages paid;
- itemized list of all deductions;
- total regular hours worked and associated wages; total overtime hours worked and associated wages;
- total hours worked for which non-overtime differentials and/or premiums were earned and associated wages; and
- vacation earned and used.

Section 3. Employees will have their wages directly deposited in a checking or savings account of their choice. Exceptions to this policy will be considered on a case by case basis.

ARTICLE 39

DRESS CODE

Section 1. Members of the bargaining unit shall groom and attire themselves in a neat, clean manner which will not erode public confidence in the professionalism of the air traffic controller work force.

ARTICLE 40

PROTECTIVE PROVISION

Section 1. The Parties recognize that events beyond their control may affect the general terms and conditions of employment specified in this Agreement. Such an event would be

modification, suspension of funding and/or termination of the contract under which one or more facilities covered by this Agreement are operated. In the event such a modification/termination becomes imminent, the Parties shall promptly meet to negotiate its impact, including but not limited to:

- (a) the employment status of employees who would otherwise be adversely affected;
- (b) the certified representational rights of the Union;
- (c) the ability of the Employer to remain competitive; and
- (d) severance pay, if any.

Section 2. In the event another contractor replaces the Employer, the status of this Agreement will be in accordance with applicable law, rules and regulations.

ARTICLE 41

NATIONAL TRANSPORTATION SAFETY BOARD (NTSB) UNION REPRESENTATIVES

Section 1. The Parties recognize that the right of Union Representatives to participate in NTSB investigations is at the complete discretion of the NTSB. Should the NTSB allow a Union representative to participate, the following procedures shall apply to such representative to be named by the Union.

Section 2. The Union will provide the Employer with the name of the national NTSB representative. If necessary, the representative, if a member of the NTSB team, will be permitted reasonable access to the Employer's facilities, subject to advance notification and shall be bound by the confidentiality agreement required by the NTSB.

ARTICLE 42

PROFESSIONAL STANDARDS

Section 1. By June 30, 2015, the Employer will make appropriate person(s) available for a presentation by the Union on the merits of a Professional Standards Program (PSP).

Section 2. Should the parties reach an agreement on a PSP, they will work together to implement such program.

ARTICLE 43

FLIGHT DECK TRAINING (FDT)

Section 1. The Employer and the Union recognize the learning and professional benefits associated with promoting interaction and transfer of knowledge between pilots and controllers.

Section 2. At such a time as the FAA makes available their FDT program, the Union and the Employer shall meet and bargain over the FDT program.

ARTICLE 44

EFFECT OF THE AGREEMENT

Section 1. This Agreement represents the complete understanding between the Parties at the national level concerning the terms and conditions within, and supersedes the July 1998 Collective Bargaining Agreement between NATCA and Serco Management Services, Inc.

Section 2. Nothing in this Agreement is intended to eliminate long-standing past practices at the local level that do not conflict with this Agreement.

Section 3. Any provision of this Agreement shall be determined a valid exception to, and shall supersede any Employer rules, regulations, orders and practices which conflict with this Agreement. Any changes thereto will be in accordance with Article 7 of this Agreement. The Employer agrees to apply its rules, regulation, directives and orders in a fair and equitable manner.

Section 4. The status of this Agreement and the Union's recognition will be governed by applicable law.

ARTICLE 45

DURATION

Section 1. This Agreement is subject to the approval of the National Air Traffic Controllers Association, the Employer's Senior Vice President, General Counsel and member ratification. This Agreement shall remain in effect for Thirty-Six (36) months from the date of ratification and shall be automatically renewed for additional periods of one (1) year unless either Party gives written notice to the other of its desire to amend or terminate this Agreement. The written notice must be given not more than one hundred twenty (120) calendar days or less than sixty (60) calendar days preceding the expiration date of this Agreement. If negotiations of a new Agreement are not completed prior to the expiration date of this Agreement, this Agreement shall remain in full force and effect until a new Agreement is reached.

Section 2. If any part of this Agreement is, or is hereafter found to be in contravention of the laws or regulations of the United States or of any state having jurisdiction, such parts shall be superseded by the appropriate provisions of such law or regulation so as the same is in effect, but all other provisions of this Agreement shall continue in full force and effect. Upon any such determination being made, the Employer and the Union will promptly negotiate and endeavor to reach an agreement upon a suitable substitute therefore.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have hereunto set their hands.

FOR THE UNION:

FOR THE EMPLOYER:

Garth Koleszar
Chief Negotiator

David Goldberg
Senior Vice President,
General Counsel

Date: _____

Date: _____

John Bratcher
Chairman,
National Organizing Committee

Date: _____

Damien Maree
Labor Relations Attorney

Date: _____

APPENDIX I

NATCA is the collective bargaining agent certified by the National Labor Relations Board (NLRB) for bargaining unit employees employed by Serco Inc. at:

Williams Gateway, AZ (IWA)
Molokai, HI (MKK)
Hailey, ID (SUN)

NATCA and Serco Inc. have entered into this Agreement covering these facilities. Other facilities in which NATCA is certified by the NLRB shall be covered as provided in Article 2 of the Agreement.

**APPENDIX II
WAGE RATES**

Facility	Current Wage Rate	<u>2014</u> 2%	<u>2015</u> 2%	<u>2016</u> 2%
Gateway, AZ (IWA)	\$29.85*	\$30.45	\$31.06	\$31.68
Molokai, HI (MKK)	\$29.26	\$29.85	\$30.44	\$31.05
Hailey, ID (SUN)	\$29.26	\$29.85	\$30.44	\$31.05

* plus \$.75/hour complexity pay for full facility certified employees only for all hours paid up to 40/hours per week.

**APPENDIX III
COLA**

Employees at the following bargaining unit facilities shall receive a cost of living allowance (COLA) in the percentage shown below applied to their regular hourly wage rate for all hours paid up to 40 hours per week.

FACILITY	COLA %
Molokai, HI (MKK)	30%

**APPENDIX IV
VACATION LEAVE**

Upon completion of each full year of continuous service, employees shall be eligible for a paid vacation in accordance with Article 35 and the following schedule:

	VACATION LEAVE		
Facility	80 hours after X years	120 hours after X years	160 hours after X years
Gateway, AZ (IWA)	1	5	10
Molokai, HI (MKK)	1	10	15
Hailey, ID (SUN)	1	5	10