

# COLLECTIVE BARGAINING AGREEMENT

Between



**Frontier Communications Inc.**

And



**International Brotherhood of Electrical Workers**

**I.B.E.W LOCAL UNION 543**

**Effective**

**October 1, 2011 through May 25, 2013**

## **AGREEMENT**

### **RECOGNITION AND DURATION**

This AGREEMENT, entered into this 1st day of October 2011 by and between FRONTIER COMMUNICATIONS INC, hereinafter referred to as the "Company," and LOCAL UNION NO. 543 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, affiliated with the AFL-CIO, hereinafter referred to as the "Union."

WITNESSETH:

### **RECOGNITION**

Pursuant to the provisions of Section 9 of the National Labor Relations Act and in accordance with the Rules and Regulations of the National Labor Relations Board, the Company recognizes the Union as the exclusive representative of all employees working in the classifications covered by this Agreement for the purpose of collective bargaining with respect to wages, hours, working conditions and other conditions of employment.

### **DURATION OF AGREEMENT**

This Agreement and the provisions hereof shall remain in full force and be binding from 12:01 a.m., October 1, 2011 until 12:00 midnight, May 25, 2013 and from year to year thereafter unless either party notifies the other party, not less than sixty (60) calendar days prior to the anniversary date of this Agreement or of an extension thereof, of its desire to terminate or amend the same.

Any notice required or permitted under the terms of this Agreement shall be effective when directed to the Director of Labor Relations, 3 High Ridge Park Stamford, CT. 06905 or to the Union addressed Local Union No. 543, IBEW, 16519 Victor Street, Suite 304, Victorville, California 92395 attention Business Manager, as the case may be, and deposited postage prepaid and certified in the United States mail. Either party may, by notice given as aforesaid, change its notice address for further notices hereunder. The effective date of any such notice shall be the date of receipt thereof.

## **ARTICLE 1**

### **MANAGEMENT RIGHTS**

The Company shall be free to exercise in every way the customary functions of management, it being understood and agreed that this provision shall include but not be restricted to the following enumeration of "Management Rights": The management of the Company's business and its operations, the direction of the workforce, including the right to hire, assign, suspend, transfer, promote, evaluate, discharge or discipline and to maintain discipline and efficiency of its employees and the right to relieve employees from duty because of lack of work or for other legitimate reasons; the right to determine the extent to which the plant shall be operated; the right to introduce new or improved production methods, processes or equipment, the right to decide the number and location of offices, the nature of equipment or machinery, the services to be rendered, the methods and processes of operation, the scheduling of production, the method of training employees, the designing and engineering of facilities, the right to contract, outsource and transfer work,

and the control of materials and supplies; the right to eliminate, create, change, or consolidate jobs and operations; the right to hire temporary, part-time and occasional employees; the right to sell, lease or otherwise dispose of its buildings, production facilities and/or inventory; the right to determine its financial and business policies; the right to make and enforce reasonable work rules and regulations including but not limited to those pertaining to attendance, performance standards and measures, dress code, including business attire and uniform programs, on the job conduct and job performance, etc.; and the right to enact Company policies, rules and regulations and sales and incentive programs, all of which are vested exclusively in the Company, to the extent that they are not in direct conflict with the provisions of this Agreement.

It is understood and agreed that all the rights, powers or authority inherently possessed by the Company are retained by the Company, except those which are clearly and specifically relinquished in the Agreement.

## **ARTICLE 2 NO LOCKOUT - NO STRIKE CLAUSE**

The Union agrees that it will not call, encourage, authorize, ratify or engage in any strike, slowdown, sympathy strike, or other interference with or interruption of work, for any reason, during the term of this Agreement or any renewal term hereof. In the event of a labor conflict involving Frontier Communications or another employer, where the Company is notified of violence or threatening activity, an employee will not be required to cross an authorized picket line. The Company agrees not to lock out employees during the term of this Agreement.

Each employee agrees that he will not himself or with or for others engage in any violations of the prohibition of Section 1 above for any reason during the term of this Agreement. Any breach of this Article by any employee or group of employees shall be grounds for discipline up to and including discharge or such other lawful disciplinary action as the Company may elect to impose.

Should any strike, slowdown or work stoppage occur in violation of this Article, the Union shall act promptly to terminate such action and bring about an immediate return to normal operations.

## **ARTICLE 3 DISTRIBUTION OF AGREEMENT**

1. The Company and the Union will jointly have copies of this Agreement and the attached wage schedules printed. Sufficient copies will be printed to provide both the Union and the Company with copies to meet their needs. The costs of printing the contract will be divided equally between the Union and the Company.

## **ARTICLE 4 COMPANY POLICY**

Except as expressly and specifically provided for elsewhere in this Agreement, all employees covered by this Agreement will be considered to be covered under Company

Policy. All provisions of Company Policy applying to non-represented employees will apply in the same manner to the employees covered by this Agreement. No Company Policy will be revised or eliminated during the course of this Agreement unless it is revised or eliminated in the same manner for non-represented employees..

## **ARTICLE 5 CONTRACTING OF WORK**

The Company may enter into such contracts as long as will not directly result in any layoff of employees who could perform the contracted work.

## **ARTICLE 6 LAYOFFS**

The Company has the right to reduce its workforce through layoffs or voluntary separation incentive programs. All aspects of any voluntary separation incentive program will be determined and implemented at the Company's sole and unreviewable discretion.

Before commencing a layoff of employees, the Company will give the Union at least 30 calendar days' advance notice, which notice will identify the expected number of employees to be laid-off and the projected timetable for implementing the layoff. During that 30 day period, the Company will discuss the situation with the Union, and consider in good faith any input offered by the Union regarding the situation. Thereafter, the layoffs shall be governed solely by the terms of this Article and the Company's actions to implement those terms. There shall be no requirement for the Company to further discuss or bargain over the decision in question or its effects.

**Layoffs:** Within each job classification affected by the layoff, employees will be laid off in inverse seniority order, provided that any senior employee who is excluded from layoff by virtue of his or her seniority must, in the Company's judgment, be fully qualified, without additional training, to perform all of the duties he or she is expected to perform or assume in an available position immediately following the layoff. If, in the Company's judgment, the senior employee does not have those requisite qualifications, then that employee may be laid off and the most senior junior employee with the requisite qualifications may be retained and placed in the available position. The retained junior employee will then be exempt from being laid off during the impending layoff. The Company will notify the Union of the junior employee retained and exempted from layoff pursuant to the terms expressed above.

**Right of recall:** a list of laid off employees shall be maintained, by seniority date and job classification in which the employee was assigned at the time of layoff. A laid-off employee shall have a conditional right of recall to a vacancy in the job classification from which the employee was laid off for the 12 month period following the effective date of his or her layoff. Laid-off employees are responsible for keeping the Company apprised of their current home addresses (no P. O. boxes) and telephone numbers.

In the event an opening arises in a job classification in which an employee has the right of recall, before the Company fills the position with a new hire or a promotion, the

Company will offer the position in seniority order to the laid-off employee if, in the judgment of the Company, he or she is then fully qualified without additional training to perform all of the duties of the open position. The offer will be sent by overnight delivery to the employee's most recent address of record. The employee must accept the offer in writing within 10 calendar days of delivery, and report for work as soon thereafter as instructed to. If an employee fails to respond to the offer without good cause, or declines the offer, his or her right of recall shall be forfeited.

A recalled employee who accepts a recall offer and is reemployed will receive seniority credit for the period of the layoff. A recalled employee will receive the same basic rate of pay that he or she was receiving at the time of his or her lay-off. As a condition to reemployment, the employee must tender back the prorated portion of any termination pay he or she received that is derived by dividing the number of weeks remaining in the recall period at the time the employee is to be reemployed by 52, and by then multiplying that fraction times the termination pay received to determine the amount of money that must be tendered back.

In the event the Company acquires employees from another company or companies in connection with either the purchase of the physical properties of such other company (ies) or of the consolidation or merger of such other company (ies) with the Company, the placement of such employees on the Company's payroll shall take precedence over any rights of recall.

**Layoff Allowance:** A laid off employee will receive termination pay based on years of service in accordance with the following schedule:

<u>Years of Service</u>	<u>Base Pay Severance Amount</u>
1	5 weeks
2	6 weeks
3	7 weeks
4	8 weeks
5	9 weeks
6	10 weeks
7	11 weeks
8	12 weeks
9	13 weeks
10	14 weeks
11	15 weeks
12	16 weeks
13	17 weeks
14	18 weeks
15	19 weeks
16	20 weeks
17	21 weeks
18	22 weeks
19	23 weeks
20	24 weeks
21	25 weeks
22 or more	26 weeks

**ARTICLE 7**  
**DISCHARGES AND SUSPENSIONS**

1. Employees covered by the Agreement shall not be wrongfully suspended or discharged. It is agreed that any verbal, written disciplinary memorandum or any suspension less than ten (10) working days cannot be arbitrated. Discharges or suspensions in excess of ten (10) working days may be arbitrated in cases where the Union claims the Company acted in an arbitrary and capricious manner.
2. Any suspension or discharge requires notification of such act be given to a Steward and the Business Manager of the Union. Any grievance over a suspension or discharge must be presented by the Union within four (4) workdays from receipt of Company's notice.

**ARTICLE 8**  
**BARGAINING AND GRIEVANCE MEETINGS**

1. The Company will pay for one (1) Company employee of the Union Negotiating Committee during actual contract negotiations for up to four (4) weeks retroactive to 02/21/11.

Pay shall be allowed for grievance meetings for not more than two (2) employees at the first level.

No deductions from credited service will be made for representatives of the Union covered by this contract for attendance at collective bargaining meetings.

The Union agrees to notify the Company's Human Resources Manager of the stewards on the property of the Company. Any steward shall upon request and approval by the Company be given sufficient time off with pay at his regular rate to process grievances. No employee shall serve as a steward while on leave of absence.

An International Representative, Business Manager or Business Manager's representative of the Union may have access to the Company's properties during regular working hours when it is necessary to investigate a grievance or a claimed violation of a provision of this Agreement, or following a meeting of the Company and Union to investigate a proposed modification of the Agreement or its application; provided however, that he first notify the General Manager in advance of his intended presence and proposed business. It is understood that the Union representative will hold to a minimum any interference with employees in the performance of their work.

**ARTICLE 9**  
**GRIEVANCES**

**Definitions**

- (a) For purposes of this Agreement, a "grievance" is defined as a dispute involving a specific provision or provisions of this Agreement. For purposes of this Article only, a "working day" is defined as any day other than a Saturday, a

Sunday or one of the Company recognized Holidays specified in Article 18 of this Agreement.

(b) While the Company may agree to discuss with the Union other employment-related disputes that are not “grievances” under subsection (a) above, the Company shall not be obligated to hear or process the dispute as a grievance subject to the procedure specified in this Article.

## **Grievance Steps**

### **Step 1**

(1) At Step 1, the grievance shall be reduced to writing and the written grievance shall include the following information: the name of the grievant, what is being grieved, the action or occurrence complained of, the date(s) of that action or occurrence, the Article or Articles of the contract alleged to have been violated and the remedy requested.

(2) The Union has 15 working days after the employee becomes aware of (or reasonably should have become aware of) the incident to file a Step 1 grievance.

(3) The grievance shall be discussed by the employee (if applicable), the Steward and the Company representative within 10 working days after the grievance is initiated. The Company will have 5 working days from the Step 1 meeting to respond to the grievance.

(4) Any settlement or adjustment of a grievance by the immediate supervisor at Step 1 shall be binding only for the particular grievance and shall not constitute precedent. Such settlements shall not be used in any legal or arbitration proceeding except in connection with a claim that the settlement has been violated.

### **Step 2**

(1) If the grievance is not settled at Step 1 the Union Business Manager shall submit the formal written grievance to the Human Resources Manager within 10 working days following the Step 1 answer. The grievance shall be discussed by the Union Business Manager and the General Manager (or their designated representatives) within 10 working days of receipt of the written grievance. The Company will have 10 working days from the Step 2 meeting to respond to the grievance.

### **Step 3**

(1) If the grievance is not settled at Step 2, the Union Business Manager shall submit the grievance to the Human Resources Manager within 10 working days following the Step 2 answer. The grievance shall be discussed by the Union Business Manager and the Human Resources

Manager (or their designated representatives) within 10 days of receipt of the grievance. The parties agree every effort will be made at Step 3 to resolve the grievance finally and avoid moving to arbitration. The Company will respond within 15 days after the Step 3 meeting.

(2) A grievance initiated by the Company will be heard by an IBEW Representative within 10 working days of its submission to the Union. The Union will respond within 15 days after the Step 3 meeting.

#### **Step 4 -- Arbitration**

(a) If the grievance is not settled at Step 3, and the matter at issue in the grievance is specifically made subject to arbitration in this Agreement, either party may refer the matter to arbitration within twenty 20 working days from the Step 3 response by submitting an arbitration demand in accordance with the requirements of this article.

#### **General Provisions**

(a) If a grievance is not presented or processed within the time limits specified above, unless the parties have agreed to an extension of time in writing, the grievance and the issue(s) contained therein shall be considered settled and the underlying issues resolved.

(b) In the event the party against whom the grievance is filed fails to meet or respond to a grievance in accordance with the time limits specified above, and the grieving party wishes to maintain the grievance, the grieving party must immediately advance the grievance to the next step of the grievance procedure in accord with the applicable time limit for doing so.

(c) All meetings in the grievance procedure will be held at times and places mutually agreeable to the parties. Grievance meetings may be conducted telephonically or by other "live" electronic means.

(d) No more than 2 employees will normally be excused during their scheduled hours to attend a grievance meeting on any given work day, and in all cases, whether or not an employee will be excused is subject to the needs of the business. At least one employee will be paid by the Company to attend the grievance meeting.

(e) Nothing in this Agreement in any manner affects the right of an individual employee or group of employees to present grievances to the Company under this Article nor affects the rights of the Union under the National Labor Relations Act, as amended. The Company agrees, however, that after a grievance arising under any provision of this Agreement has been referred to a Union Representative and such Representative has dealt with a Company Representative with respect thereto, no Company Representative will adjust or attempt to adjust the grievance with the employee or employees involved unless a Union Representative is first given an opportunity to be present.

## **ARBITRATION**

Only the matters specifically made subject to arbitration in this Agreement may be arbitrated. Unless a matter has been specifically made subject to arbitration, it shall be deemed to be excluded from arbitration by this Agreement and such matters shall not be submitted to or considered in arbitration. In addition, Company discipline of its employees including all verbal and written discipline and suspensions not exceeding ten (10) days, shall not be subject to this arbitration process.

The parties may agree to use either of the American Arbitration Association (AAA) or the Federal Mediation and Conciliation Service (FMCS) and agree to abide by the rules as set forth by the AAA or FMCS that govern the invocation of arbitration, the selection of the arbitrator and the conduct of the proceedings.

Either party may elect to have a stenographic transcript of the hearing(s) prepared and that party will pay the transcription cost. If both parties elect to have the hearing(s) transcribed, the cost of the transcription will be shared equally. If a party who did not elect transcription subsequently requests or otherwise obtains a copy, the cost of the transcription will be shared equally. In any case where a hearing is transcribed, the arbitrator will receive a copy of the transcript unless the parties agree otherwise.

In making an award, the arbitrator's decision shall be governed by the express terms of this Agreement. In addition, the arbitrator may not add to, subtract from, modify or disregard any Agreement provision. An arbitrator may not accept or consider any evidence that would vary or change the plain meaning of an Agreement provision that is not ambiguous on its face. These limitations on the arbitrator's authority shall not prevent an arbitrator from interpreting a provision of this Agreement that is ambiguous.

**Scope and Retroactivity of Awards:** An arbitrator's remedy shall be limited to the specific grievance submitted for arbitration. An arbitrator's determination may or may not be retroactive as the equities of the particular case shall demand, but in any case where the determination is retroactive, the retroactive effect or relief shall be limited to 10 working days prior to the date the grievance is submitted at Step 1 of the grievance procedure.

The compensation and expenses of the arbitrator, any fees or charges imposed by the American Arbitration Association, and any charge incurred for arbitration facilities shall be borne equally by the Union and the Company. Each party will otherwise bear its own expenses.

The decision of an arbitrator made in accord with the provisions of this Agreement shall be final and binding upon the parties. The Union and its members and the Company agree to abide by such decisions, which shall be enforceable by appropriate action or proceeding, if necessary, in a court of law or equity or otherwise.

... .... If a case is withdrawn from arbitration, such withdrawal shall settle the grievance(s) and resolve any issue(s) contained therein unless the parties expressly agree to a different

disposition. In addition, all grievances which have been held pending the outcome or disposition of the withdrawn case, as well as any issues contained therein, shall be considered settled and resolved unless the parties expressly agree in writing to a different disposition.

## **ARTICLE 10 SENIORITY**

Where the term seniority is used in this Agreement, it shall mean the length of time an employee has been continuously employed by the Company, including any bridged service where there is an interruption of service.

Service bridging shall occur under the current corporate policy governing the bridging of service, as that policy may be amended by the Company from time to time.

The Company shall furnish the Union with a seniority list of the employees covered hereunder. These lists shall be updated at twelve (12) month intervals. The Company will provide a corrected list during periods of layoff when the new list would differ from the one previously furnished.

Shift assignments, subject to the needs of the service, shall be determined on the basis of Company seniority. Vacation schedules, subject to the needs of the service, shall be determined on the basis of seniority.

## **ARTICLE 11 EMPLOYEES**

All new employees shall be considered probationary employees until completion of twelve (12) months of continuous service. Probationary employees may be terminated during this period at the discretion of Management.

## **ARTICLE 12 ASSIGNMENT OF WORK**

Where an employee is assigned to a higher wage classification on a temporary basis not to exceed six (6) months shall receive the higher rate of pay for the time worked.

With respect to the assignment of work, the controlling principle under this Agreement is that the Company may assign work in a manner that allows it to maximize its operational efficiency, to provide the best possible customer service at a highly competitive cost, and to consistently outperform its competitors in every facet of the business.

The provisions of this Agreement shall be construed and administered to promote the principle and objectives stated above.

Assignments of shift start times and schedules shall normally be on a volunteer basis first in Company seniority order in the classification affected.

## **ARTICLE 13 CREDITED SERVICE**

1. The term "credited service" shall mean the aggregate of the years, months, and days of active employment with the Company, its predecessors or affiliates of the General System which will be recognized by the Company with respect to each employee.
2. Active employment for purposes of calculating credited service shall include:
  - 2.1 Time for which the employee actually receives wages.
  - 2.2 Workers' Compensation benefits.
  - 2.3 Sick Benefits.
  - 2.4 Military leave of absence.
  - 2.5 Union leave of absence.
  - 2.6 Medical approved absence excused time.
3. Credited service shall not include time for which the employee is laid off or is on leave of absence for personal reasons.
4. If an employee is laid off due to force reduction and he is recalled as a result of an offer of reemployment made pursuant to said Section, he will be given full recognition, upon date of reemployment, for such credited service as existed with respect to him on the date of his layoff.
5. Credited service is not recognized for employees while they are classified as temporary or occasional; however, credited service will include all active employment for such employees previously in temporary or occasional status when they become regular employees without interruption in their employment for a period of six (6) months.

## **ARTICLE 14 HOURS OF WORK AND WORK TIME SCHEDULES**

### WORKDAYS AND WORK ASSIGNMENTS

The work week shall normally consist of forty (40) hours per week. Work schedules will either be eight (8) hours per day/five (5) days per week or ten (10) hours per day/four (4) days per week at the discretion of management. The Company shall make a good faith effort to provide employees with two (2) consecutive days off during the workweek, unless the needs of the business necessitate otherwise.

The work week shall run from Sunday through Saturday.

Normal shifts shall run between 5:30 a.m. and 9 p.m.

### WORK SCHEDULES

The Company shall post or make the work schedule available to employees at least seven (7) calendar days before the starting date of the work schedule.

## **ARTICLE 15 OVERTIME HOURS**

- 1.) All hours worked in excess of forty (40) hours in a work week or eight (8) hours in a day or ten (10) hours in a day for those employees who are working a 4/10 schedule, will be paid at one and one-half (1½) times an employee's basic rate. It is understood there will be no pyramiding of overtime.

It is understood that time not worked such as; PTO, jury duty, and bereavement leave, will not count towards the forty (40) hour work week as outlined in Section 1. Holidays will be counted towards the forty (40) hour work week as outlined in section 1.

It is understood that the company will not arbitrarily change an employee's normal days off to avoid paying overtime.

It is agreed that overtime will be worked in a safe manner while making reasonable attempts to utilize volunteerism, permit periodic requests for excused time off, and distribute overtime equally among qualified employees.

## **ARTICLE 16 INCLEMENT WEATHER**

1. When employees are unable to perform their work because of inclement weather they will be paid in accordance with the following:
  - 1.1 If an employee reports in person at his place of work but because of weather conditions is not sent out on the job, he will be paid for two (2) hours and will be released within one (1) hour.
  - 1.2. If an employee is sent out on the job and is forced to discontinue his work at any time during the first four (4) hours of his assigned shift because of weather conditions, he will be paid for one-half (½) day.
  - 1.3. If any employee works more than four (4) hours and is then forced to discontinue work because of weather conditions, he will be paid for a full day.

## **ARTICLE 17 PERSONAL TIME OFF (PTO )**

Frontier recognizes the need for time off for personal reasons and grants time off from work within the PTO policy. Each employee is responsible for managing his/her PTO throughout the year and proactively communicating PTO requests to his/her manager.

### **Eligibility**

PTO applies to all regular employees' schedules who are not covered by collective bargaining agreements working 20 or more hours per week.

Temporary, co-op or summer/student hires and part-time employees scheduled to work less than 20 hours per week are not eligible for PTO days or holiday pay.

## Use of PTO

PTO can be used for the following purposes:

- Vacation days/ Time off
- Religious holidays
- Court appearances
- Dr. appointments during work hours
- Emergencies
- Non-work related illness or accidents
- For the care of an immediate family member
- Other absences at the discretion of the employee's manager

## Using PTO for Short Term Disability

Each employee is required to use PTO time for their first 5 days of Short Term Disability leave.

## How PTO is Accrued

Each employee will accrue PTO days on a monthly basis, earning one-twelfth of his/her total allotment on the 16<sup>th</sup> of each month. Length of service is defined as time from each employee's date of hire.

Length of Service (As of date of hire)	Monthly Accrual	Annual Allocation
Less than 5 years	1.667 days	20 days or 160 hours
5 years but fewer than 10 years	1.833 days	22 days or 176 hours
10 years but fewer than 15 years	2.0 days	24 days or 192 hours
15 years but fewer than 20 years	2.167 days	26 days or 208 hours
20 years but fewer than 25 years	2.333days	28 days or 224 hours
25 years or more	2.5 days	30 days or 240 hours

PTO for part-time employees is based on the percentage of full time hours worked by the employee. For example, a part time employee who works 20 hours per week would be eligible for 10 days or 80 hours of PTO.

For new hires, PTO is accrued on the 16<sup>th</sup> of the month following 90 days. For example if you are hired in March, your PTO accrual begins on June 16<sup>th</sup>. An employee accrues at 1.667 days for a total of 15 days the first year.

## PTO Carryover

California employees may carry over all accrued but unused PTO days into the following year. However, an employee's accrued PTO days cannot exceed 100% of his/her annual allocation.

## Accrual Cap

Once a California employee accrues that maximum amount of PTO, he/she will not accrue additional PTO hours until hours are used and accruals can resume.

Monthly accruals are added on the 16<sup>th</sup> day of each month. If an employee is at the maximum number of hours on the 16<sup>th</sup> of any month, they will not accrue hours for that month. If they are entitled to two days per month and they are one day below the max, they will accrue one day, bringing them to the maximum.

## Termination of Employment

Employees who resign, retire or are terminated before the last day of the month, do not accrue PTO time for the month in which they terminate. All accrued PTO time not used shall be paid out

## Responsibilities

### Employee

- Submits the Paid Time Off (PTO) Request Form to his/her manager with advance request for approval **(-form available on the tab HR Policies, Procedures and Forms)**.
- Employees at the Director level and above, must seek prior approval for all PTO requests for two (2) or more consecutive weeks off.

### Manager

- Authorizes and signs the PTO Request Form
- Tracking of PTO for each of his/her direct reports on an individual PTO Tracking Form\_2010 **(form available on the tab HR Policies, Procedures and Forms)**.
- Notify local HR if employee will be using PTO for Short Term Disability (STD)

## ARTICLE 18 HOLIDAYS

1. The following days will observed as holidays:

New Year's Day  
Martin Luther King Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Day Observance

If the holiday falls on a Saturday then the Friday before will be observed, if the holiday falls on a Sunday then the Monday after will be observed.

A regular full-time employee will be paid a holiday allowance of 8 hours pay at the employee's basic wage rate for each of the holidays, whether or not they perform work; subject to the same proviso, a part-time employee's holiday allowance will be prorated based on the number of hours the employee worked in the preceding 13 weeks, using a 40 hour work week

Employees will be excused from working a holiday based on the needs of the business.

It is understood that when an employee works a holiday, he shall receive eight (8) hours of holiday pay and he shall receive one and one-half times his normal rate of pay for all hours worked.

**ARTICLE 19**  
**LEAVES OF ABSENCES FOR PERSONAL / MEDICAL REASONS**

1. Regular employees who have completed twelve (12) months of credited service may be permitted to take leaves of absence from active employment for personal/medical reasons, but a leave of absence is a provision which may be granted to employees and not a right to which they are entitled.
2. Employees who are on approved short term disability (STD) absences shall have return rights to their original position or a position in which they qualify when their STD benefit has ended.

**ARTICLE 20**  
**TRAVEL LODGING AND MEALS**

1. Employees will be, from time to time, temporarily assigned by the Company to temporary headquarters either to perform work or to attend school.
2. Area Designations.

**AREA DESIGNATIONS**

<b><u>Permanent Headquarters</u></b>	<b><u>Reporting Locations Within Permanent</u></b>
Blythe, CA. Parker, AZ.	Blythe Warehouse or CO Parker, AZ CO

An employee who is assigned away from his/her regular headquarters on an overnight(s) trip shall be paid as follows:

On the first day of the assignment, the employee will be paid \$20.00 for meals with the Company to furnish lodging and a reasonable mode of transportation or to reimburse mileage at the then prevailing IRS rate for an employee's use of his or her personal vehicle. On the last day of the assignment, the employee will be paid \$20.00 for meals. All other days will be paid at \$30.00 per day, which includes meals, tips, laundry, or any other approved personal costs, with lodging and transportation paid for by the Company using the Company procurement card.

**ARTICLE 21**  
**COMPENSATION**

The Company may employ persons at starting wage rates it determines are commensurate with their previous training, employment and experience.

## Exhibit "A"

### Rates Per Hour

<u>Service Time</u>	<u>Sales and Service Technicians</u>
Start	Company Discretion
12 mo.	17.00
24 mo.	21.00
36 mo.	24.00
48 mo.	27.00
60 mo.	31.98

<u>Service Time</u>	<u>C.O. Tech</u>
Start	Company Discretion
12 mo.	17.00
24 mo.	21.00
36 mo.	24.35
48 mo.	27.00
60 mo.	32.86

Once an employee has reached sixty (60) months of service, all future wage increases will be as specified in Article 22 (Pay For Performance). All other employees will fall under Exhibit "A" above, with the understanding there will be no reduction in their current hourly wage rate

## ARTICLE 22 PAY FOR PERFORMANCE

Pay for performance is merit-based compensation designed to encourage and recognize peak individual performance through performance-based compensation. It is intended to afford employees a greater role in the growth and success of the Company by encouraging and rewarding improved productivity, quality, and competitiveness. Each employee is eligible to receive a wage rate increase based on the employee's individual performance, measured as described in the next section.

(a) Merit-based compensation will be determined based on performance objectives and measurements chosen by the Company for each job classification (which may vary across job classifications), with relative weighting given them as assigned by the Company. The Company will establish the objectives by March 1 of each year and communicate them to employees and the Union. Objectives and measurements may be adjusted during the year and such adjustments will be communicated promptly to employees and the Union. An example of the process appears below:

## EXAMPLES OF COMPONENTS

Sales and Service Technicians	PERFORMANCE PAY OUT		
	1.0%	1.5%	2.0%
1 - Commitments Met on Trouble	< 89%	89% - 92%	> 92%
2 - Commitments Met on Service Orders	< 96.5%	96.5% - 98%	> 98%
3 – Trouble Ticket Repeats	> 13%	11% - 13%	< 11%
4 – Service Order Repeats	> 7%	5% – 7%	< 5%
5 - Mean Time to Repair (MTTR)	> 25hrs	22.5 – 25 hrs	< 22.5 hrs
6 - Take the Lead Referrals (based on individual goals)	< 99%	99% to 107%	> 107%
7 – Take the Lead Sales (based on individual goals)	< 99%	99% to 107%	> 107%
8 - Take the Lead Revenue (based on District goals)	< 99%	99% to 107%	> 107%

## EXAMPLES OF COMPONENTS

Central Office Technicians	PERFORMANCE PAY OUT		
	1.0%	1.5%	2.0%
1 - Commitments Met on Trouble	< 89%	89% - 92%	> 92%
2 - Commitments Met on Service Orders	< 96.5%	96.5% - 98%	> 98%
3 – Trouble Ticket Repeats	> 13%	11% - 13%	< 11%
4 – Service Order Repeats	> 7%	5% – 7%	< 5%
5 - Mean Time to Repair (MTTR)	> 25hrs	22.5 – 25 hrs	< 22.5 hrs
6 – Preventative Maintenance Plan (PMP)	< 96.5%	96.5% - 98%	> 98%
7 - Take the Lead Referrals (based on Company-wide goals)	< 99%	99% to 107%	> 107%
8 – Take the Lead Sales (based on Company-wide goals)	< 99%	99% to 107%	> 107%
9 - Take the Lead Revenue (based on Company-wide goals)	< 99%	99% to 107%	> 107%

(b) All employees are subject to merit-based compensation treatment. Results will be measured and wage adjustments will occur on an annual basis, made effective October 1, 2012 based on each employee's overall performance (including attendance) during the preceding contract year. In the event the Company changes the manner in which it designates overall performance ratings, the new designations that most closely correlate to those used in this chart will be substituted in place of those designations.

Effective October 1, 2012, the Pay for Performance payout tiers will be 1.0%, 1.5% and 2.0% of base pay which will be paid in a lump sum on the pay date closest to October 1, 2012.

## **ARTICLE 23 DIFFERENTIALS**

### **Working Foreman**

In the event an employee is selected by the Company to be a Working Foreman, (to be in charge of 2 or more employees not including the selected employee) or an employee is selected to perform other supervisory/managerial responsibilities for a period of 2 hours or more, such employee shall receive \$1.00 / hour differential for all hours assigned such responsibilities.

- 1.1 Such employees may, as required, perform productive work of the same type and nature as normally assigned to employees included within the collective bargaining unit while they are acting in an in-charge capacity.
2. Shift differentials will be paid to employees who are required to work specified hours as a part of scheduled shifts. Shift differential will be included as a part of the employee's rate for the purpose of calculating overtime. Shift differential will not be prorated. Shift differentials will not be paid on holidays not worked, nor during vacations, nor during periods covered by sick benefits, nor will it be paid for work falling within the specified hours as a result of overtime which is a continuance of a regularly assigned shift or if it is a result of an emergency call-out.
- 2.1 A night tour premium of seventy-five (\$.75) cents per hour will be paid for all scheduled hours worked between 9:00 p.m. and 6:00 a.m.
3. The Company may schedule employees to standby making them available for duty. Such assignments shall be rotated within a job classification and employees assigned shall receive pay for each hour of standby according to the formula listed below. Such pay shall be in addition to any call-out time. Effective (date of ratification) \$1.50/hr of standby
  - 3.1 The Company will, as much as practicable, endeavor to equally distribute standby assignments, within a classification, to the extent of their duration, including equalization of assignments involving holidays.
  - 3.2 Employees assigned to standby normally will be assigned a Company vehicle in order to respond to call-out from their home. In the event that a vehicle is not assigned, the Company will pay the established IRS mileage rate for all miles driven in the employee's personal vehicle to respond to an emergency call out. Mileage will be paid traveling in excess of (30) thirty miles to a company premise to retrieve a vehicle.

## **ARTICLE 24 WORKING SAFETY COMMITTEE**

The Company shall make reasonable provisions for the safety of employees in the performance of their work. The Union shall cooperate in promoting the responsibility of the individual employees with regard to the prevention of accidents.

The number of employees serving on the Safety Committee shall not be less than two (2).

Every employee is urged and expected to make recommendations in writing at the time a work deficiency or unsafe condition is discovered.

This recommendation shall be made to the Committee chairpersons and the appropriate supervisor immediately for action.

A safety meeting shall be held regularly, normally on a monthly basis.

The Company will draft reasonable safety rules. The Union may submit suggestions to the Company regarding revision and enforcement of such rules, and the Company agrees to meet with the Union for purposes of discussion of Union's suggestions. In the event any employee violated said safety rules set up by the Company, the Company reserves the right to take disciplinary action against said employee. However, an employee shall not lose seniority which might accrue during a period of suspension.

## **ARTICLE 25 TOOLS, EQUIPMENT AND GLOVES**

The Company will provide employees with the tools and equipment needed to complete the work they are assigned or expected to perform. Such items will remain the property of the Company.

The Company will inspect and approve or disapprove of all tools and equipment used by employees.

Lost items or items condemned by the Company which show damage caused by unnecessary abuse shall be replaced at the employee's expense. Such replaced tools or equipment shall meet approved standards.

It is agreed that no employee shall be required to replace tools or equipment that is stolen from a secured vehicle or facility.

## **ARTICLE 26 SICKNESS AND ACCIDENT BENEFITS**

### **SHORT-TERM DISABILITY**

Employees are eligible for Short Term Disability (STD) coverage in accordance with the terms of the Frontier Communications STD policy which is in effect at the time the employee becomes eligible for STD coverage.

- a. The Company requires the employee on STD to provide medical certification of the employee's inability to work due to illness or disability. The Company may also require medical certification that the employee may return to work following an absence due to illness or disability. Medical updates are required periodically during such a leave, and medical certification will be required, and may include an independent medical examination, paid for by the Company, at the Company's sole discretion.
- b. Coverage under the STD policy begins on the sixth (6<sup>th</sup>) consecutive work day of an employee's absence due to illness or disability. The first five (5) consecutive working days of absence due to illness will be deducted from an employee's PTO allocation. If an individual does not have any PTO time available these first five (5) days are unpaid. An employee who needs to take an individual day(s) for illness is to use PTO.
- c. Beginning on the sixth (6<sup>th</sup>) consecutive working day, the employee will be covered by Frontier Communications STD policy and procedures.

- d. After the 5<sup>th</sup> business day, the 6<sup>th</sup> through 30<sup>th</sup> days are covered at 100%
- e. 31<sup>st</sup> day through the 90<sup>th</sup> day are covered at 75%
- f. 91<sup>st</sup> day through the 180<sup>th</sup> day are covered at 67%

### **LONG TERM DISABILITY (LTD)**

In recognition of the impact a prolonged disability can have on income security and as a valuable supplement to the short-term disability benefits currently provided by the Company and IBEW Local Union No. 543 agree to continue a Long-Term Disability (hereinafter referred to as LTD) Plan. All provisions of this plan are available in the summary plan description.

### **ARTICLE 27 EMPLOYEE TRAINING**

Within each work group, employees will be given opportunity to learn, in an orderly sequence, all phases of the work necessary for them to carry out their job. Selection of which employees receive training within a title classification is a matter of Management decision, except that it is agreed that seniority will be given first consideration by the Company in making such selection.

### **ARTICLE 28 PROMOTIONS**

For promotions to positions within the bargaining unit, the Company may at its sole and unreviewable discretion, hire a new employee, consider and select among existing employees, or both. The Company affirms, however, that its general goal is to make promotions from within its existing workforce. Job openings will be posted electronically.

When considering only existing employees for promotions, the Company will determine the qualifications for the job, consider pertinent factors and select the employee who is the best qualified in the judgment of the Company. Where employees' qualifications are essentially the same, seniority shall prevail.

### **ARTICLE 29 LEAVE TIME**

- (a) Employees who are members of the National Guard, Air National Guard, U.S. Naval Reserve, Coast Guard Reserve, Marine Reserve, Air Force Reserve or Army Reserve may apply for and be paid the difference between their reserve pay and their base straight time pay for the annual two-week (10-day) training.
- (b) An employee who is scheduled for such two-week training shall notify his or her supervisor as soon as possible of training and no later than 30 calendar days before the departure date for training. Employees must provide an official copy of the military orders indicating the dates of training.
- (c) An employee must complete an Application for Military Leave, which is available from the Human Resources Manager.
- (d) To be paid the difference between base straight-time pay and military pay, an employee must complete and have an officer of his or her unit certify the employee's attendance, completion of training and pay received (excluding per diem and/or other reimbursed expenses).

### Death in Family Leave

- (a) An employee who is absent due to a death in the immediate family will be excused without loss of pay for a reasonable period of time (as determined by their supervisor), based on need and circumstances, usually one to three days. Paid time off may be requested in the instance of a death of someone outside of an employee's immediate family and will be permitted at the Company's discretion. Immediate family shall be defined as the employee's spouse, parents, mother-in-law, father-in-law, grandparents, son or daughter, brother or sister, grandchildren, sisters-in-law, brothers-in-law or domestic partners.

### Family & Medical Leave Act

- (a) Any time taken off by an employee as leave time that also qualifies as leave time under the Family and Medical Leave Act of 1993, or under any similar state or local law, shall also be counted as and taken as Paid Time Off (PTO) so long as an employee has any remaining PTO (accrued and unaccrued, but available), and such time shall also run concurrently with any other approved leave.

## **JURY DUTY**

1. If an employee receives a Summons for Jury Duty, the Company will compensate the employee for the difference between the jury fee and his base pay for the time lost from work; not to exceed ten (10) work days (80) hours in any twelve (12) month period.
  - 1.1 When an employee receives a summons for jury duty, he must notify his supervisor as soon as possible in order for the Company to make necessary arrangements to meet the needs of service.
  - 1.2 If an employee is required to report for jury duty and he is temporarily excused from attendance, he must return to work as soon as reasonably possible and complete the shift he is assigned while on jury duty.
  - 1.3 An employee working a night shift who is required to report for a full day of jury duty will be excused from his assigned shift and will be compensated in accordance with Section 1 above.
  - 1.4 The employee must have completed by the Court a form to be provided by the Company showing days and hours worked on jury duty.

## **ARTICLE 30 LUNCH PERIOD**

1. An employee's regular shift shall include a midpoint meal period of thirty (30), forty-five (45) or sixty (60) minutes as determined by management.
2. Management reserves the right to reschedule lunch periods if necessary from time to time to meet the demands of the service.
3. When employees are scheduled for an on-duty meal period within their normal tour, the meal period shall be included as part of the employee's tour, and will be paid for as time worked.

## **ARTICLE 31 UNION BULLETIN BOARDS**

The Union shall be permitted reasonable space on Company property for Union bulletin boards furnished by the Union. The location, number, size, and construction of such bulletin boards will be subject to the approval of the Company. The Union will post on bulletin boards announcements of Union meetings, nomination and elections of Union officers, information regarding bargaining, recreational and social activities, or such other matters that are not controversial, or derogatory to the Company, and so long as the postings are not otherwise deemed objectionable by the Company.

In the event any supervisor with responsibility for the location at which the matter is posted, or any higher ranking manager of the Company, complains to any official of the Union that the matter posted is objectionable, the Union will immediately remove such material. If the material is not immediately removed, the Company may remove it.

## **ARTICLE 32 DEDUCTION FOR UNION DUES, SERVICE FEES**

1. The Company shall deduct from the wages and/or sick benefit payments of members the Union dues or service fees for all employees for such payroll periods as it is authorized in writing to deduct by the individual employees covered by this Agreement.
2. IBEW Application for Membership card (marked Exhibit 1) enclosed shall be made a part of this Article. Payroll deduction authorization cards in the form attached hereto (marked Exhibit 2) shall be made a part of this Article.
3. An employee's authorization for deduction of dues shall be canceled by the Company any time proper notice is received from the employee or authorized representative of the Union. An employee's deduction authorization will automatically be canceled if the employee leaves the employ of the Company or is transferred out of the unit.
4. The Company will make twenty-four (24) biweekly union dues deductions per year in specified amounts and shall submit same each pay period to the Local Union No. 543. The Company will include with each submittal the name, address, and occupation or occupation code of each member of the bargaining unit. The list will show the amounts deducted for dues and service fees as applicable. The Company shall incur no liability from acting as agent in the collection of dues.

## **ARTICLE 33 RELIEF BREAK**

1. Employees will be permitted reasonable relief breaks as provided herein.
  - 1.1 These breaks will be limited to fifteen (15) minutes per session. As a relief break is considered to be a mid-session break, normally no break will commence prior to the end of the first hour of the employee's scheduled session, nor will the break end during the last hour of his session. In no case will an employee drive a company vehicle which would deviate from his normal route for a relief break. In the event these rules are violated, disciplinary action can be taken.

## **ARTICLE 34 UNION SECURITY**

Under Federal labor laws, and obligations under this Agreement, the Union is required to represent all of the employees in the bargaining unit fairly and equally without regard to whether the employee is a member of the Union.

### **Arizona Employees**

Membership in the Union is not compulsory. Employees in job classifications within the collective bargaining unit are free to accept or to decline membership in the Union.

Any employee who is a member of the Union may, upon proper notice, voluntarily withdraw from such membership.

### **California Employees**

Employees presently covered by this Agreement and all employees hired or reinstated during the term of this Agreement shall be, or become, members of this Union as a condition of employment within thirty-one (31) days of the signing of this Agreement or the date of hire, whichever is the later or pay equivalent fees as a non-member.

In the event that any employee fails to acquire his/her membership in accordance with the provisions of this Section or pay equivalent fees as a non-member, the Union shall notify the Company in writing. Such written notice shall constitute a request to the Company to discharge said individual employee within forty-eight (48) hours (Saturdays, Sundays, days off and Holidays excluded). Such discharge would be for failure to maintain membership in the Union, as defined in the National Labor Relations Act, as amended. The Company shall incur no liability in the enforcement of this Article.

## **ARTICLE 35 LEAVE OF ABSENCE FOR OFFICIAL UNION BUSINESS**

1. At the request of the Union, not more than one (1) employee will be granted a leave of absence for official union business.
2. Elected Union officials who take full-time leaves of absence to serve their local Union under this provision shall have a right to reemployment, and he shall continue to accrue net credited service, provided that said employee can perform the duties with a reasonable amount of training for new technology
3. An employee may be excused without pay for not more than a total of thirty (30) days in any one (1) calendar year to conduct official Union business. The Company and Union agree that orderly scheduling of work and obtaining qualified replacements require full cooperation; thus, such excused absences under this provision will be granted with reasonable prior notice with Management's approval.

## **ARTICLE 36 SUCCESSORSHIP**

This Collective Bargaining Agreement shall be binding upon the Union and the Company, their successors and assigns, and shall continue in full force and effect in the event of the sale or other transfer of the business covered by this Agreement. As a condition of the sale or other transfer of the business covered

by this Collective Bargaining Agreement, the Company shall require the transferee to assume and adopt the terms and conditions of this Collective Bargaining Agreement and to continue to recognize the Union as the sole bargaining agent for the employees covered by this Collective Bargaining Agreement.

### **ARTICLE 37**

#### **EMPLOYEE HEALTH AND WELFARE BENEFITS**

Employees shall be eligible during the term of this Agreement to participate in such health and welfare benefit plans and programs as may be in effect from time to time for non-represented employees of Frontier Communications. The terms of such participation, including eligibility shall be in accordance with the provisions of the Plans as are in effect from time to time, and subject to the limitations set forth below, employees shall share in the cost of the Plans in the same manner as such non-represented employees. A list of the Plans in effect as of the effective date of this Agreement (which may be amended, terminated, or replaced during the term of this Agreement) is set forth below.

To the extent permitted by law, the Company shall have complete discretion to amend or replace any plan or program from time to time for any reason as long as such changes to such plan or program apply to a majority of Frontier Communications employees covered under such plan or program.

The Company shall have complete discretion to select a carrier, third-party administrator, and/or preferred provider network. The Company or other plan administrator of the Plans shall have complete discretion with respect to plan administration, and any disputes shall be handled in accordance with the plan's applicable claims procedure and shall not be subject to arbitration.

Company contributions to Medical Plan coverage shall be subject to the following schedule:

January 1, 2012: Employees shall pay 15% of the medical insurance premium.

January 1, 2013:

- a. Company Contribution Medical: The Company's monthly contribution towards the medical premium or premium equivalent for Base Medical Plan coverage (currently, the Gold PPO Plan) will in no event be less than 75% of the amount of the total monthly premium or premium equivalent for Base Medical Plan coverage with buy-up and buy-down options.
- b. Employees whose base wages is under \$60,000.00 per year, their medical insurance contribution rate will be 23.5%.
- c. Company Contribution Dental: The Company's monthly contribution towards dental premium or premium equivalent for Base Dental Plan coverage (currently, Dental Gold Plan) will in no event be less than 75% of the amount of the total monthly premium or premium equivalent for Base Dental Plan coverage with buy-up and buy down options.
- d. Vision Plan – Employees pay the full cost of the Vision Plan

- e. Tobacco User Surcharge: In addition to the contribution set forth above, employees and/or covered spouses who use tobacco shall pay a supplemental tobacco user premium equal to 10% of the Medical Plan's monthly premium or premium equivalent cost for single coverage.

Welfare Plans as of the Effective date of this Agreement:

1. Medical Plans

Platinum PPO Plan  
Gold PPO Plan  
Silver PPO Plan

2. Dental Plans

Dental Gold Plan  
Dental Platinum Plan  
Dental Silver Plan

3. Vision (VSP) Plan

4. Life Insurance Plans

Basic  
Supplemental  
Spouse Life  
Child Life

5. Long Term Disability Plans

Basic  
Supplemental

6. Personal Accident Insurance/ AD&D

Cafeteria Plan Flexible Spending Accounts

## **ARTICLE 38 EDUCATION AND LIFE-LONG LEARNING**

Frontier Communications Inc. and IBEW Local Union No. 543 agree to continue joint efforts which allow employees additional opportunities to learn and enhance their knowledge. There will be a maximum annual payment for tuition and fees of \$3,000.00 per calendar year to all employees covered by this agreement or Company policy, whichever is greater.

**ARTICLE 39**  
**4/10 WORK SCHEDULE**

Frontier Communications Inc. (hereinafter referred to as "Company" and the International Brotherhood of Electrical Workers (hereinafter referred to as "Union") agree to implement a four (4) day workweek, ten (10) hours a day, forty (40) hours per week (hereinafter referred to as the 4/10 Plan). This Plan will be implemented pursuant to the provisions outline below:

The Company reserves the right to select the number of employees, classification(s), location(s), and work group(s) within the classifications in which the 4/10 Plan will be implemented. Also, the Company will reserve the right to determine when the Plan will or will not be utilized

1. Overtime: All contractual provisions relative to regular or overtime compensation will apply except the time and one-half rate does not apply until the employee has worked beyond ten (10) hours in a day.

2. Holidays

**A. Legal Holidays**

Whenever a legal holiday occurs during the week, management, at their discretion, can change the 4/10 schedule to a 5/8 schedule. Employees whose schedules are not changed to a 5/8 schedule will receive ten (10) hours holiday pay.

3. Vacation: Full week (four days) – Employee's 4/10 schedule will be changed to 5/8.

Vacation: Day-at-a-time (less than four days) – Employee will be paid up to ten (10) hours for each day-at-a-time vacation. The employee will have up to ten (10) hours deducted from his accumulated vacation hours for each day-at-a-time vacation taken.

**ARTICLE 40**  
**HOURLY SAVINGS PLAN (HSP)**

1. Frontier Communications Inc. and IBEW Local Union No. 543 will make the Hourly Savings Plan (HSP) available to regular full time hourly employees of the Company who are covered by the Collective Bargaining Agreement.
2. The Company reserves the right at any time, and from time to time, by action of the Board of Directors, to modify or amend in whole or part, any or all of the provisions of the HSP, but no such amendment or modification shall have the effect of reducing the accrued benefits of members, retired members, former members or their beneficiaries or of diverting any part of the Trust Fund to an purpose other than for the exclusive benefit of members, retired members, former members, or their beneficiaries and the payment of reasonable HSP administration expenses.

The Company reserves the right, by action of the Board of Directors, to terminate or partially terminate the HSP at any time. Upon termination or partial termination of the HSP or upon the complete discontinuance of contributions under the HSP, the member accounts of the members affected by the termination, partial termination, or complete discontinuance of contributions as the case may be shall be non-forfeitable. In the event this plan is

terminated and a replacement plan is enacted, the Union shall be offered the same replacement plan as non-represented employees.

3. The HSP may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan; provided, however, that no such merger, consolidation, or transfer shall be consummated unless each member and beneficiary under the HSP would receive a benefit immediately after the merger, consolidation, or transfer, if the transferee plan then terminated, that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation, or transfer, if the HSP had then terminated.
4. The Company and the Union agree that every provision heretofore contained in this Agreement is contingent upon the Company's receipt of a favorable determination that the HSP, as amended, continues to be qualified under Section 401(a) et. seq., of the Internal Revenue Code. In the event any revision in the HSP is necessary to obtain or maintain a favorable determination from the Internal Revenue Service, the Company will make the revisions, adhering as closely as possible to the level of benefits contained in the HSP.
5. In the event any portion of this agreement is determined by a court or government agency to be in violation of existing law or is voided by a change in existing laws, the Company retains the unilateral right to make whatever modifications it deems necessary and appropriate to comply with the law, including the right to rescind the Agreement, if it deems no such modification is feasible. The Company shall have no obligation to bargain or negotiate with the Union in the event that this Agreement is modified or eliminated or in the event the Company does not implement any or all of the provisions of this Agreement because it does not receive Internal Revenue Service approval, any or all of these plans are deemed not qualified, or because of a change in existing laws.
6. The HSP will be administered solely in accordance with the provisions and no matter concerning the HSP or any difference arising there under shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement but rather shall be governed by the terms and conditions of the HSP and the interpretation of the HSP Committee.

#### **ARTICLE 41 HOURLY SAVINGS PLAN (COMPANY MATCH)**

Frontier Communications Inc. and IBEW Local Union No. 543 agree to continue the Company matching contribution to the hourly Savings Plan (HSP) for all employees hired prior to 7/1/10. The Company matching contribution will be \$.50 cents for every \$1.00 contributed by the employee, up to a maximum of six (6) percent of pay. For employees hired before 7/1/10, the Company match will be terminated on 12/31/12.

For employees hired on or after 7/1/10, in lieu of a pension benefit, these employees will receive a Company matching contribution of \$.50 for every dollar contributed by the employee, up to a maximum of (8) percent.

**ARTICLE 42**  
**LUMP SUM PAYMENT OPTION**

1. Frontier Communications, Inc. and IBEW Local Union No. 543 agree to continue the Plan for Hourly Employee's Pensions (hereinafter referred to as the Plan) for all employees hired prior to 7/1/10.
2. Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.
3. The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

**ARTICLE 43**  
**NOTIFICATION TO UNION OF INVOLUNTARY SURPLUS CONDITION**

The Company will give a thirty (30) day notice to the Union Business Manager of any pending involuntary surplus. The Union Business Manager agrees to keep this information completely confidential until the Company approves its dissemination.

The Company will meet with the Union to discuss declared surpluses that may require the application of Article 6 of this Agreement. These discussions are intended to provide a better understanding of the need to relocate and/or reduce the workforce and address any unique circumstances.

**ARTICLE 44**  
**SALES INCENTIVE PROGRAMS**

The Company may develop and implement sales and other incentive programs which will provide participating employees the opportunity to earn merchandise, cash, and other awards of value based on individual and/or collective performance in achieving standards developed and administered solely by the Company. All employees are responsible for selling the Company's products and services including generating referrals. In addition, all employees are expected to participate in sales and sales incentive plans and programs and may be required to participate. Both parties expect all employees to participate in promoting the sale of the Company's products and services. The Company will not discipline non-commissioned employees solely on the basis of their sales results.

Upon ratification the Company will notify the Union of such sales or other incentive programs prior to their implementation. Upon written request from the Union, the Company will provide the Union with reports that detail the total number of employees who receive awards under each program.

The development, design, size and frequency and/or administration of such sales incentive programs are wholly within the discretion of the Company and are not subject to the Grievance and Arbitration provisions of the Labor Agreement. However, if a dispute arises regarding the

amount of merchandise, cash or other awards of value earned by participating employees in accordance with the provisions of a sales incentive plan, such disputes may be resolved through the Grievance and Arbitration procedures set forth in the Labor Agreement.

## **ARTICLE 45 VACATION DONATION**

The Company may allow employees to donate a portion of available and unused vacation time, in eight (8) hour increments, to other bargaining unit employees who, because of catastrophic or hardship situations, are unable to be at work and no longer have available paid time off. An Employee wishing to donate their time will fill out a "Donation of Vacation Time" form, specifying the amount of time donated and the name of the individual to whom the time will be donated.

## **ARTICLE 46 WORK ASSIGNMENT FLEXIBILITY AND JOB SECURITY**

In recognition of intensifying competition throughout the industry and in our service areas in California and Arizona, as well as the growing importance of maximizing customer satisfaction and operational efficiencies to stave off competitive inroads, the Company and the Union agree to the following:

1. Whenever possible, and consistent with operational efficiencies as determined by the Company, an employee is expected to complete an entire job assignment, whether or not some of the tasks necessary to complete the job are normally performed by employees in a different job classification. This "single dispatch/single work assignment" principle applies primarily to Sales and Service Technician and is conditioned on an employee being trained, qualified, and equipped to safely perform the tasks necessary to complete the entire job. This primary focus on Sales and Service Technician shall not preclude the application of these principles to other classifications in order to provide superior customer service; the Company, the Union, and employees will continue to work together to improve customer service and operational efficiency.
2. In order to complete a job in a single dispatch and/or work assignment, as provided for in Paragraph 1, a Sales and Service Technician who is assigned to, or performs, work that is normally performed by a different classification, may do so during the scheduled and nonscheduled hours of the classification and work groups that normally perform the work in question.
3. The parties' overriding objective is to utilize employees in a common sense manner to complete work, wherever possible, in a single dispatch or assignment, and to avoid the inconveniences to customers, operational inefficiencies, and overall competitive disadvantages associated with dispatching or assigning more employees than are needed to efficiently and safely complete a job.
4. Both the Company and the Union recognize that long term job security with the Company is dependent upon meeting and beating the competitive challenge, and that overall job security is enhanced through employees enhancing their skills and broadening the scope of work they are qualified to perform.

5. Continued training, on and off the job, is a critical component of enhanced job security. In recognition of the importance of self-motivated training, the Company will pay a;; technicians an hourly differential for attaining the following certifications:

Certification Incentive Differentials:

- Comp TIA + \$0.25 per hour
- Network Plus \$0.25 per hour
- CCNA \$0.50 per hour

If an employee has all three certifications, the employee will receive a total differential of \$1.25 per hour.

The cost of courses and examinations to acquire such certification may be eligible for reimbursement under the Tuition Reimbursement Program. Preparation for the certification examinations shall be on an employee's own time unless the Company offers the training in connection with the employee's current position.

In addition to the initiatives set forth above, the parties agree that in order to improve the Company's competitive position as well as the overall service we provide to our customer, the following current job classifications will be combined into the new job classifications shown below:

1. Sales and Service Technician I: The duties and functions of the Cable Splicer, Customer Service Technician II and OSP Construction Installer/Splicer are combined into the new job classification of sales and Service Technician I, which will be placed on Sales and Service Technician scale. This job classification encompasses the functions and duties of the Customer Service Technician I. All employees currently in one of the foregoing job classifications shall be reclassified accordingly. Future technician openings in these former job classifications will be posted for this classification only.
2. Central Office Technician: This job classification encompasses the functions and duties of Equipment Installer and Equipment Maintainer. All employees currently in one of the foregoing job classifications shall be reclassified accordingly. Future technician openings in these former job classifications will be posted for this classification only.

**ARTICLE 47**  
**PENSION ACCRUAL SERVICE**

1. **Frontier Communications** Inc. and IBEW Local Union No. 543 agree to modify the pension treatment for hourly employees who leave a former GTE company and subsequently are employed by a former Bell Atlantic company.
2. Effective as soon as administratively possible, hourly employees who leave the employ of a fGTE company and who subsequently are employed by a former Bell Atlantic company will begin participation in the applicable Verizon Pension Plan for New York and New England Associates (the New York/New England plan) or the Verizon Pension Plan for Mid-Atlantic Associates (the Mid-Atlantic plan) in accordance with the participation eligibility provisions of the applicable plan. The

hourly employee will continue to earn Vesting Service and Accredited Service for purposes of retirement eligibility under the (fGTE) Hourly Pension Plan while employed by the fBA company, subject to any applicable bridging requirements. Accredited Service for pension accrual purposes under the (fGTE) Hourly Pension Plan will stop as of the date the hourly employee stops working for the fGTE company.

3. Employees who begin working for a fBA company will begin participation in the New York/New England or Mid-Atlantic plan, whichever is applicable, on the date specified by the participation eligibility provisions of those plans. Service recognition under the New York/New England or Mid-Atlantic pension plan will be based on the provisions of those plans.
4. The Company will continue to provide a defined pension plan for employees hired prior to 7/1/10.
  - (a) The Verizon (fGTE) Hourly Pension Plan accrued benefit as of the date of termination with the fGTE company determined using the average annual compensation earned at the fGTE company for the five consecutive highest paid years earned up to the date employment with the fGTE company ended and Accredited Service earned up to the date employment with the fGTE company ended.

PLUS

- (b) The accrued benefit earned under the New York/New England plan or the Mid-Atlantic plan, whichever is applicable, based upon Verizon service credited under the applicable plan.

## **ARTICLE 48 UNIFORMS, SAFETY GLASSES and SAFETY BOOTS**

### **Uniforms**

Employees shall be issued an appropriate number of uniforms (**minimum of five**) as determined by the Company. The Company will issue replacement uniforms or pieces thereof as it sees the need to do so. Employees in the Sales and Service Technician and Central Office Technician job titles will be provided with, and will wear assigned uniforms. The Company may add or remove employee job titles to or from this list, after notice to the Union and an opportunity for discussion of the change.

Uniforms shall be worn so as to have a consistent appearance throughout the workforce and may not be altered in any way by employees.

Employees will be responsible for ordinary care and safekeeping of uniforms provided by the Company. Where all or part of a uniform is lost or damaged due to an employee's carelessness, the employee will be responsible for the cost of replacement. The Company will pay employees \$5.00 per work week for the laundering of the uniforms. The Company may, at its option, assume responsibility for having uniforms laundered; in which case no laundry allowance will be paid.

The Company may amend the dress code to further implement these provisions and also to cover employees who are not required to wear uniforms.

### **Safety Glasses**

Employees who are required to wear prescription safety glasses will be reimbursed for the expense actually incurred to purchase one pair of Company-approved safety glasses once every two years. Reimbursement will require a receipt from the employee and will not exceed the actual and reasonable cost for a pair of these glasses.

### **Safety Boots**

The Company will reimburse employees in classifications required to wear special safety footwear for up to \$175.00 for the purchase of approved new or rebuilt safety footwear once every 24 months. The boots must be on a Company-approved list of safety footwear or have been approved in advance by the Company, and must be from a Company-approved vendor. Reimbursement will require a receipt from the employee. With supervisory approval a company credit card may be used for the purchase.

## **ARTICLE 49 EMPLOYEE DISCOUNTS**

The Company will provide employees living within Company territory with discounted telecommunications services and, if available, High Speed Internet or other services, in accord with its existing policies on providing employees with discounts on Company services, as those policies may be amended from time to time by the Company at its discretion.

# EXHIBIT 1

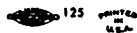


## International Office Copy OBLIGATION OF I.B.E.W.

THIS ORIGINAL  
TO BE SENT  
TO I. O. FOR FILE

"I, \_\_\_\_\_, in the  
(PLEASE PRINT NAME)  
presence of members of the International Brotherhood of Electrical Workers,  
promise and agree to conform to and abide by the Constitution and laws of  
the I. B. E. W. and its Local Unions. I will further the purposes for which  
the I. B. E. W. is instituted. I will bear true allegiance to it and will not  
sacrifice its interest in any manner."

FORM 107 REV 9/94



TO BE SIGNED BY APPLICANT — PLEASE DO NOT PRINT

APPLICATION FOR MEMBERSHIP IN INTERNATIONAL BROTHERHOOD OF ELECTRICAL	<b>PRINT OR TYPE IN BLACK INK ONLY</b>			SEX— MALE <input type="checkbox"/> FEMALE <input type="checkbox"/>
	LAST NAME	FIRST	INITIAL	SOCIAL SECURITY NO.
	ADDRESS (STREET & NUMBER)			DATE OF BIRTH
	CITY & STATE (OR PROVINCE)		POSTAL CODE	TELEPHONE NO.
	PRESENT EMPLOYER			DATE HIRED
	CLASSIFICATION			DATE OF THIS APPLICATION
	HAVE YOU EVER BEEN A MEMBER OF I.B.E.W?		YES <input type="checkbox"/> NO <input type="checkbox"/>	IF SO, WHERE?
			LOCAL NO.	STATE
	<b>PORTION BELOW TO BE FILLED IN BY L. U. SECRETARY</b>			
	LOCAL UNION NO.	DATE OF INITIATION	TYPE OF MEMBERSHIP "A" <input type="checkbox"/> "BA" <input type="checkbox"/>	CARD NO.

UNION DUES OR SERVICE FEE  
DEDUCTION AUTHORIZATION  
FORM 90016933 (10/97)

Return both copies to TXD1931J

PRINT FULL NAME (Last) (First) (Middle)

MAIL CODE	LOCAL NUMBER	BLDG CODE	SOCIAL SECURITY NUMBER	
EMPLOYEE SIGNATURE		DEDUCTION START DATE		DATE EMPLOYED
HOME ADDRESS-STREET AND NUMBER		CITY	STATE	ZIP CODE



I hereby authorize Verizon California Inc. to deduct monthly from my wages and/or Sick Benefit payments received from the company an amount equal to the regular Union Dues and/or Service fee then in effect as certified from time to time by the Secretary-Treasurer of the International Brotherhood of Electrical Workers. This Authorization shall remain in effect as long as I am a bargaining unit employee represented by IBEW.

Union membership dues and agency fees are not deductible as charitable contributions for Federal Income tax purposes. Dues and agency fees, however, may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

EMPLOYEE NO.	DEDUCTION CODE	AMOUNT	SOURCE CODE	50	<input type="checkbox"/> UNION DUES DEDUCTION AUTHORIZATION <input type="checkbox"/> SERVICE FEE DEDUCTION AUTHORIZATION
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The parties hereto have caused this Agreement to be executed in their names by their duly authorized Officers:

**FRONTIER COMMUNICATIONS INC**

**Peter Homes:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Director of Labor Relations**

**Tom Gustafson:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Human Resources Manager**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL UNION NO. 543**

**Jerry M. Koger:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Business Manager/Financial Secretary**

**Samuel Rees:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Committee Person**

ARTICLE	TITLE	PAGE
1	Management Rights	2
2	No Lock Out - No Strike Clause	3
3	Distribution of Agreement	3
4	Company Policy	3
5	Contracting of Work	4
6	Layoffs	4
7	Discharges and Suspensions	6
8	Bargaining and Grievance Meetings	6
9	Grievances	6
10	Seniority	10
11	Employees	10
12	Assignment of Work	10
13	Credited Service	11
14	Hours of Work and Work Time Schedules	11
15	Overtime Hours	12
16	Inclement Weather	12
17	Personal Time Off	12
18	Holidays	14
19	Leaves of Absences for Personal / Medical Reasons	15
20	Travel, Lodging, and Meals	15
21	Compensation	15
22	Pay For Performance	16
23	Differentials	18
24	Working Safety Committee	18
25	Tools, Equipment, and Gloves	19
26	Sickness and Accident Benefits / LTD /	19
27	Employee Training	20
28	Promotions	20
29	Leave Time	20
30	Lunch Period	21
31	Bulletin Boards	22
32	Deduction for Union Dues, Service Fees	22
33	Relief Break	22
34	Union Security	23
35	Leave of Absence Union Business	23
36	Successorship	23
37	Employee Health and Welfare Benefits	24
38	Education and Life-Long Learning	25
39	4/10 Work Schedule	26
40	Hourly Savings Plan	26
41	Hourly Savings Plan Company Match	27
42	Lump Sum Payment Option	28
43	Notification to Union of Involuntary Surplus Condition	28
44	Sales Incentive Programs	28

45	Vacation Donation	29
46	Work Assignment Flexibility and Job Security	29
47	Pension Accrual Service	30
48	Uniforms, Safety Glasses, and Safety Boots	31
49	Employee Discounts	32
	Exhibit 1 IBEW Membership Application	33
	Exhibit 2 Union Dues / Service Fees Deduction Authorization	34
	Index of Articles	36