COLLECTIVE BARGAINING AGREEMENT

Between the
National Air Traffic Controllers Association
And
Serco Management Services, Inc.
July 1998

NATCA and Serco Management Services, Inc.

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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 Management Services, Inc. (hereinafter "the Company" or "the Employer"). The Union and the Employer are herein referred to collectively as "the Parties."

Section 2. Neither the Company, 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 the Company or the Union on any basis protected by applicable local, state or federal law.

Section 3. All references under this Agreement to employees of the male gender are used for convenience only and shall be construed to include both male and female employees.

Section 4. 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 1 to this Agreement, pursuant to the National Labor Relations Act.

Section 2. If the bargaining units described in Section 1 of this Article are amended to include other employees, those employees shall be covered by this Agreement.

Section 3. The Employer agrees that, with respect to each of its other facilities where NATCA becomes the exclusive bargaining representative, as provided above, the terms and conditions of this Agreement shall become applicable to the bargaining unit employees employed at such facility within a time frame as agreed to by the Parties and Appendix I shall be amended accordingly.

Section 4. The Union shall designate one 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 days of any changes.

Section 5. During meetings between the Air Traffic Manager or designee and the Union Representative or designee, the Parties will be equally represented.

Section 6. 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.

Section 7. At any meeting called by the Air Traffic Manager or designee, Union participants shall be in a duty status.

Section 8. Upon 72 hours advance notification to the Air Traffic Manager, 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.

Section 9. Staffing permitting, the Union Representative and/or designee may be granted annual leave, leave without pay (LWOP), or any combination thereof, at their option, to attend Union activities.

Section 10. At a mutually agreeable time, the Union Representative or designee shall be allowed up to 30 minutes for orientation of new bargaining unit employees to explain the role and responsibilities of the Union.

Section 12. When feasible, each Union Representative may, on request, be granted duty time to perform representational duties. It is understood the Parties will meet in the spirit of cooperation and harmony.

Section 13. 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 related to the terms and conditions of employment.

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 without pay (LWOP) concurrent with the elected term of office or appointment. Each request by an employee for such LWOP 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 60 days notice to the Employer at the corporate level. It is understood that appointments will be for a period of not less than 1 year.

Section 2. Upon completion of a period of LWOP 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 LWOP status if a position is available. If the employee is

unable to return to their original facility because no vacancy exists, the employee will be offered the first available vacancy. If the employee accepts a position at other than their original facility and subsequently a vacancy occurs at the original facility, the employee will be offered that position. The Employer will not fill a vacancy solely to avoid the provisions of this Section. During this period, Section 4 of this Article will continue in effect.

Section 3. The Union at the national level will provide 90 day written notice to the Employer at the corporate level that the need for LWOP 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 LWOP in conjunction with this Article shall be entitled to continuation of seniority and benefit plan(s) to the extent allowed and at no cost to the Employer.

Section 5. The Union recognizes the right of the Company to hire a permanent or temporary replacement for any employee granted LWOP as specified by Section 1 of this Article.

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 tower cab. 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 has established an Indemnification Policy dated June 5, 1997, that shall remain in full force and effect.

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. Subject to the terms of this Agreement, the right to hire, discipline, suspend or discharge for cause, promote, lay off and recall employees, and maintain the efficiency of the operation is vested exclusively with the Company.

Section 2. The Parties recognize that the management of the Company, the control and regulation of the use of all business equipment and property, the direction of the workforce, the formulation, revision and enforcement of rules and policies related to the conduct of the business, and the determination of all services, processes and standards required by a contractual customer are vested exclusively with the Company.

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.

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 the employee(s) in the case of Section 1, discussions 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 at the corporate level 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 reasonably in advance at the national level and, if requested by the Union, enter into negotiations over the proposed change. The Union shall make such request within 72 hours from notification from the Employer. The Parties shall confer within 48 hours for the purpose of reaching an agreement over the change. Should the Parties be unable to reach agreement, the Union retains its rights in accordance with the National Labor Relations Act as amended.

Section 2. For the purposes of this Article, adverse impact is defined as corporate changes in policy that are national in scope affecting working conditions, pay and benefits.

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 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 ten 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 days of the meeting as described in Section 2.a., the employee and/or the Union may grieve the issue in accordance with Article 9 of this Agreement.

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. This procedure provides the exclusive procedure available to the Parties and the employees in the unit for resolving grievances except as provided in Section 4 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 3. 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. 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 4. In the case of grievances concerning disciplinary actions, the Union may elect to utilize the procedures of Section 5 or Section 11.

Section 5. Grievance procedure:

Step 1. An aggrieved employee or the Union shall submit a grievance, in writing, to the Air Traffic Manager within ten days of the event giving rise to the grievance or within ten 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 or the employee as appropriate within ten 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 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 days following receipt of the decision, advise the Air Traffic Manager that it wishes the matter to be reviewed by the appropriate Contract Manager. The Union will be notified by certified mail, return receipt requested, within ten days of the Contract Manager'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 Contract Manager by certified mail, return receipt requested, that it desires the matter be submitted to arbitration. Within 15 days after receipt of the request, an arbitrator shall be selected from the panel 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 6. The Parties shall create a panel of five mutually acceptable arbitrators, unless otherwise agreed to by the Parties. These arbitrators shall be geographically located within the Company's area(s) of operation. After one year of service on the panel, either Party may unilaterally remove an arbitrator from the panel and another arbitrator shall be mutually selected to fill the vacancy. Arbitrators selected for the panel must agree to hear expedited arbitration cases as provided in Section 11.

Section 7. 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. The grievant shall be in a duty status, if otherwise in a duty status, during the arbitration. The arbitrator shall submit the decision to the Employer and the Union representatives as soon as possible, but in no event later than 30 days following the close of the record unless the Parties waive this requirement. The decision of the arbitrator is final and binding.

Section 8. 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 9. 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; nor rule on any matter reserved as a Company right in Article 5 of this Agreement. Questions as to whether or not a grievance is on a matter 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 11 of this Article.

Section 10. If the Employer fails to issue a decision within the specified time limits, the Union may proceed to the next step without a decision.

Section 11. Expedited arbitrations: The Union at the national level may request expedited arbitration of a disciplinary action involving loss of pay by notice to the Company within ten days following the effective date of the discipline. Within ten days after receipt of the request, an arbitrator shall be selected from the panel by the Parties or by alternately striking names until one remains. An arbitrator unable to hear an expedited arbitration case within 15 days 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 8 of this Article. The arbitrator shall issue a decision as soon as possible, but not later than 15 days after the hearing has been held.

Section 12. 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 13. 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 14. The Parties reserve their rights to appeal an arbitrator's decision in accordance with applicable law.

Section 15. It is understood that grievance settlements shall not be precedent setting for future cases unless otherwise agreed to by the Parties.

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 major violations or where emergency or other extrinsic circumstances exist. Progressive discipline means written reprimand, suspension, dismissal.

Section 3. 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 within ten days from the time the Employer may have reasonably expected to have learned of the event upon which such action is based.

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/oral warnings 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/oral warnings shall be completed as soon as practicable, but not later than 30 days, after the event.

Section 6. Records of disciplinary action, including items described in Section 5 above, shall be expunged from the employee's service record not later than two years from the date of the action.

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

a. Personally delivered to the employee and the Union representative 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, return receipt requested.

ARTICLE 12

SENIORITY

Section 1. Seniority is defined as the length of continuous service with the Company commencing from the date of hire, including seniority accrued with the employee's immediate predecessor. In the event that two or more employees share the identical employment date, seniority shall be determined by the length of continuous service at the facility where the employees are located. If such action does not break the tie, seniority shall be determined by lottery.

Section 2. New employees shall be considered probationary for a period of 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.

Section 4. Any employee covered by this Agreement who accepts a Corporate 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. When the requirements of the Company will permit, an employee, upon request, may be granted leave without pay normally not to exceed 30 days without loss of seniority rights.

ARTICLE 13

VACANCIES

Section 1. Employees desiring to transfer to another facility shall submit their request on a request for transfer form to the Personnel Office.

Section 2. In filling controller vacancies, employees with a transfer request on file will receive priority consideration over new hires. The Employer will place the selected employee in the new position as soon as it is reasonably practicable to do so.

Section 3. Vacancies and promotional vacancies for all Company open positions normally shall be posted in the facility for a period of at least 14 days unless circumstances beyond the Employer's control prevent such notice.

Section 4. If the Employer elects to transfer a bargaining unit employee to fill a vacancy and there are two equally qualified employees who have applied for a transfer to the same facility, unless unusual circumstances exist, the most senior employee will be offered the transfer.

ARTICLE 14

WORKING HOURS

Section 1. The employees regular work week is defined as Monday through Sunday. Time sheets shall be utilized for recording employee work time.

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. The employer will not normally assign split shifts. 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 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 15 days in advance. The Employer recognizes that changes of individual assignments to the watch schedule are undesirable. Unless

exceptional circumstances exist, an employee's shift will not normally be changed. An employees' 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.

Section 6. The exchange of shifts and/or days off between equally qualified employees is authorized, provided it does not result in overtime or violation of law, regulation or the terms of this Agreement. The Air Traffic Manager will be informed of the exchange.

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

ARTICLE 15

LAYOFF AND RECALL

Section 1. In the event of a lay-off, 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 lay off.

Section 2. An employee affected by a lay-off will have the following options:

a. Accept an offer of employment at another of the Employer's facilities where a vacancy exists.

b. Be placed in a lay-off 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 14 days advance notice of recall, however, in those cases where the Employer cannot, due to operational needs, provide 14 days' notice of recall, a minimum of seven 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 intent to return to duty. Notice of recall will be confirmed in writing by the Employer. Such confirmation will be by registered letter, return receipt requested or by personal delivery to the employee.

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, upon request, cash in all accrued vacation at their current rate of pay and/or all funds associated with a 401(k) or other such retirement account.

Section 6. Employees shall be responsible for providing the Company with their current address and telephone numbers. The Company point of contact for the provision of data under this section shall be the Operations Manager.

ARTICLE 16

HOLIDAYS

Section 1. Legal holidays are determined by the current US Department of Labor (DOL) wage determination and shall be posted in each facility. These holidays are normally:

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 2. Employees who work on a holiday will receive their normal pay for that day plus holiday pay in accordance with Department of Labor requirements.

Section 3. In the event a holiday falls on an employee's regularly scheduled day off, the employee will receive holiday pay in accordance with Department of Labor requirements.

Section 4. Employees requesting time off for a holiday or day in lieu of a holiday will be selected by seniority prior to publishing shift assignments to the watch schedule. If requested time off is denied, and later becomes available, it will be made available on a seniority basis. Employees who take a holiday off will receive holiday pay for that day.

Section 5. The Employer shall not reduce staffing on holidays solely for the purpose of avoiding holiday pay.

ARTICLE 17

WAGES

Section 1. A controller's rate of pay shall be in accordance with applicable wage determination as published by the Department of Labor.

Section 2. Bargaining unit employees who work between the hours of six o'clock pm and six o'clock am shall receive 1.1 times the employee's hourly rate of pay for each hour worked after six o'clock pm and before six o'clock am as required by the Department of Labor.

Section 3. Bargaining unit employees who work in excess of 40 hours in a work week shall receive 1.5 times the employee's basic rate of pay for all hours worked in excess of 40 hours.

Section 4. 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 and work the Manager's normal work hours during this assignment. Based on availability and qualifications, every effort will be made to rotate the assignment on a fair and equitable basis.

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.

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 cost; however, employees are expected to use some 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. The employee is expected to utilize some sense of economy in the selection of lodgings.

Section 8. Normally, the use of single rooms will be authorized; however, the Company may require that rooms be shared by occupants of the same sex.

Section 9. Employees may make their own lodging arrangements. Arrangements necessary to accommodate the smoking habits of employees is an employee responsibility and will not be of concern to the Company. The Employer reserves the right to make all travel arrangements including, but not limited to, air fare, lodgings, etc.

Section 10. Business expense reports must be completed, supported by receipts for all expenses which are reimbursable, and presented to the Air Traffic Manager. Reimbursement will be made not later than 15 days following receipt by the Company's Accounting department.

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 30 days or more, the employee shall be granted sufficient training time 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 and/or training 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 provided that such programs have no adverse effect upon the facility operation.

Section 5. Employer required training normally should take place during the employee's normal duty hours. When operational requirements do not permit, the employee shall receive, when appropriate, overtime pay and other premium pay to which the employee would be entitled.

Section 6. Operational requirements and staffing permitting, the employer will allow employees duty time to visit other ATC facilities to familiarize employees with the operations of other facilities.

ARTICLE 20

OPERATIONAL ERROR/DEVIATION

Section 1. In accordance with FAA Order 7210.3, employees believed to be involved shall be relieved from position as soon as operationally possible when the occurrence of an operational error/deviation is known or suspected. If the Employer determines that an operational error/deviation (OE/OD) may have occurred and any unit employee is to be interviewed, the Union representative or designee may be present. In the event of any operational error/deviation, the Union representative shall be promptly notified.

Section 2. In accordance with FAA Order 7210.3, the employee and their Union representative shall be permitted to review relevant recordings available within the facility before submitting a final statement concerning an operational error/deviation.

Section 3. The determination that an employee has been identified as the primary cause of the operational error ("Controller A") shall be made after consideration of the factors listed in FAA Order 7210.3. In the event an operational error/deviation resulted from action taken by a pilot solely in response to a TCAS event, the controller will be considered to have been uninvolved and otherwise held harmless for the error/deviation in accordance with FAA Order 7210.3.

Section 4. The employee and the Union representative shall be given an entire copy of the Air Traffic Manager's report prior to it's submission to an appropriate authority. If the employee or Union representative does not feel the findings of the report are correct, they may submit their comments, in writing, to the Air Traffic Manager. The Air Traffic Manager shall attach any such comments to the facility final report.

Section 5. Any employment action taken against any employee because of any operational error(s)/deviation(s) will be accomplished in accordance with FAA Order 7210 and FAA Order 3120.4. Upon request, the employee shall have the right to review the information used by the employer's determination for such action, and obtain copies of same.

ARTICLE 21

INJURY COMPENSATION

Section 1. 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 to file a claim for benefits. The Employer shall make workers' compensation claim forms available at all facilities.

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 have 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. Participation in the Employee Assistance Program shall be voluntary.

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

ARTICLE 25

OVERTIME

Section 1. Overtime will be paid in accordance with Department of Labor regulations and other applicable laws.

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.

ARTICLE 26

MEDICAL QUALIFICATIONS

Section 1. A Class II medical certificate, at the employee's expense, is required for initial employment pursuant to Federal Aviation Administration rules and regulations. The Employer will pay for required subsequent routine annual Class II physical examinations up to one hundred dollars or as provided by the Company pre-paid medical plan. Employees participating in the Company pre-paid medical plan will be required to receive examinations from participating doctors. Class II examinations are only authorized by a certified Aviation Medical Examiner (AME).

Section 2. To the maximum extent possible, all medical examinations required by the Employer shall be scheduled on duty time unless an employee requests otherwise. The manager and employee shall coordinate to ensure a Class II Medical examination is scheduled prior to the last day of the month in which an employee's medical certificate expires.

Section 3. Waivers (special considerations) to the medical certificate will be accepted if approved by the Federal Aviation Administration.

Section 4. 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.

Section 5. 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. If the appeal is successful, before a new employee is hired, the Employer will offer the employee the first available controller vacancy for which qualified.

Section 6. No overtime will be used to cover the provisions of this Article.

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 break away from operational positions for meals. To the extent practicable, meal periods 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.

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 Public Law 91-596 concerning occupational safety and health; regulations of the Assistant Secretary of Labor for Occupational Safety and Health; and such other orders, laws and regulations promulgated by any appropriate authority. 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.

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 which absence is not available on any other basis.

Section 2. No leave of absence, or extension thereof, shall be for a period of more than 30 calendar days unless the Company shall agree that a longer leave of absence period is consistent with the best interests of the Company.

Section 3. The Company may grant an employee 30 calendar days leave of absence extensions for a total leave period of up to one year without pay provided that staffing needs will allow an extended absence.

Section 4. An employee on leave of absence for 30 calendar days or more shall not accumulate seniority. His seniority shall be adjusted correspondingly.

Section 5. Insurance coverage(s) for an employee while on authorized leave of absence shall be provided as may be required by the Corporate Omnibus Reconciliation Act (COBRA).

Section 6. In the event that an employee desires to retain dependent insurance coverage while on leave of absence, the provisions of COBRA shall apply.

Section 7. In the event that an employee wishes to apply for a leave of absence, the employee shall provide a written request to the Company. The request shall provide the reason for the request, the desired effective date, and the anticipated length of the requested leave of absence.

Section 8. The written request shall be provided to the Company at least 15 working days before the requested start date of leave unless the Company, because of extenuating circumstances, agrees to accept a shorter period of notice.

Section 9. When considering a request for a leave of absence, the employee's record, including length of service, experience, the requirements of the Company and the ability to arrange reinstatement shall be factors included in the deliberation process.

Section 10. Any extension of a leave of absence shall be requested at least 10 days prior to expiration of the leave of absence.

Section 11. Return to work after a leave of absence shall be subject to the availability of work unless existing law requires otherwise. There shall be no bumping of a seniority employee upon return to work. To avoid reinstatement problems, the Company may hire a temporary employee for up to one year who will be replaced upon the reinstatement of the employee from leave of absence.

Section 12. 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, the employee shall give the Company at least 15 working days notice and have the approval of the Company, unless the Company, because of extenuating circumstances, agrees to accept a shorter period of notice.

Section 13. Any employee who fails to return to work on the expiration date of the leave of absence, after having been assured by the Company of the availability of work, without notifying the Company and making arrangements satisfactory to the Company, shall be deemed to have resigned without notice effective on his last day worked.

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 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, nor 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. The posting of scurrilous, inflammatory material is prohibited.

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.

Section 3. The Union may distribute materials to employees in the Employer's facilities in non-work areas during non-work times. If suitable space exists, the Union may place a file cabinet in an Employer's facility where bargaining unit members are employed. The location of the file cabinet will be determined by the Air Traffic Manager.

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.

Section 6. The Employer shall provide bargaining unit employees with a mail box/slot in each facility where bargaining unit members are employed. The Union may place materials in employee mail boxes/slots.

Section 8. The Air Traffic Manager will, upon the Union Representative's request, provide space for Union meetings as space and scheduling permit.

Section 9. The Employer will make every effort, where available, to provide for the use of personal lockers 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") to conduct periodic Air Traffic Control Facility evaluations and follow-ups in accordance with the FAA's rules, regulations and procedures.

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

Section 3. The Employer shall provide the employees with a copy of the final report of an evaluation and/or follow-up.

ARTICLE 35

LEAVE

Section 1. Employees shall accrue vacation leave as determined by the Department of Labor (DOL) or as established in the contract between the Employer and the Federal Aviation Administration (FAA), whichever is greater. All employees shall accrue vacation leave regardless of number of hours paid.

Section 2. If employees are unable to use vacation prior to their anniversary date due to the Employer's inability to grant leave, the employee will have a choice of being paid in cash for unused vacation hours or carrying over the vacation hours for 90 days. Employees that have been unable to use the carryover vacation hours within 90 days will be paid in cash for those hours.

Section 3. Normally, employees are guaranteed the opportunity to take at least two consecutive weeks of vacation leave during the year.

Section 4. Vacation leave shall be charged in one hour increments.

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. An employee on vacation leave who becomes sick shall have the right to convert vacation leave to sick leave, provided the employee has available sick leave.

Section 7. In those cases where an employee resigns or is otherwise terminated, the Employer shall pay out all 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 otherwise designated, to the employee's estate.

Section 8. 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, mother, father, grandparent, sibling, child (either natural or through adoption), step parent, step child, step sibling, foster child, common law spouse or ward of the employee.

Section 9. 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 rate of pay including any premium 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 shall immediately report to work.

Section 10. When an employee is summoned to appear as a witness in a judicial proceeding to testify on behalf of any party where the United States, the District of Columbia, any state or local government, or the Employer is a party, he will be excused from duty and shall be entitled to all pay, differentials and benefits to which he would otherwise be entitled.

Section 11. Where an employee's court appearance is required as a result of alleged violation of law by the employee, or involving litigation in which the employee is a principal, except as provided by Section 10 of this Article, the employee shall be authorized the use of all accrued vacation leave.

Section 12. For the purposed of Section 9 through 11 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 13. Employees will be permitted to use accrued vacation leave for military leave not to exceed 17 days in a calendar year. An employee called to active duty by the National Guard or the Armed Forces of the United States shall have the right to return to work upon return from active duty without loss of seniority. If no vacancy exists at the employee's original duty facility, the Parties agree to meet to determine a return to duty location.

Section 14. Employees will receive paid time off during periods of emergencies which officially close the Employer's facility in accordance with Article 40 of this Agreement.

Section 15. 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 16. 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. An employee will not be required to furnish a medical certificate for absences of three consecutive days or less.

Section 17. Any benefit plan(s) and/or accrual of leave shall continue in force during any period an employee is on paid leave.

Section 18. The Air Traffic Manager may approve up to two hours of duty time for the purpose of voting. This may be granted to employees whose work schedules prevent them from voting during the time the polls are open.

Section 19. The Air Traffic Manager may grant an employee a short period of leave without pay.

Section 20. The Employer shall continue to provide leave pursuant to the Family and Medical Leave Act if applicable.

ARTICLE 36

HEALTH AND WELFARE

Section 1. The Company will contribute the current DOL fringe benefit rate per hour worked, up to 40 hours per week and a maximum of 2080 hours per year, for the purpose of providing a flexible, pre-tax benefit plan for each employee as described in this Article. The short-term disability, long-term disability and life insurance policies are mandatory. Any unused portion of the Employer contribution shall be placed in the 401(k) Retirement Plan.

Section 2. Short Term Disability is effective the eighth day of disability and provides benefits as specified by the plan. Definitions and limitations are included in the plan.

Section 3. Long Term Disability is effective if an employee is disabled after 180 days and provides benefits as specified by the plan. Definitions and limitations are included in the plan.

Section 4. Bargaining unit employees will be provided with life insurance equal to one time their annual salary up to a maximum of $50,000.00 and no less than $20,000.00.

Section 5. 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.

Section 6. The following is a list of optional benefits which an employee may elect above and beyond those listed in Sections 2 through 4 above. If an employee elects optional benefits which, together with those listed in Section 2 through 4 above, exceed the Company contribution, the balance will be deducted from the employee's regular pay. Employees electing to enroll dependents in optional benefits must themselves be enrolled in that particular plan.

a. Vision Care. Limits and conditions are described in the current insurance policy.
b. Dental Insurance. Limits and conditions are described in the current insurance policy.
c. Employee Major Medical Insurance. Coverage and limits are described in the current insurance policy.
d. Dependent Major Medical Insurance. Coverage and limits are described in the current insurance policy.

Section 7. 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, the Company will provide five days, up to a maximum of 40 hours, of sick leave per calendar year for each bargaining unit employee. Sick leave is not accrued, and unused sick leave cannot be carried over the following year.

a. Eligibility. All employees upon completion of the 90 day probationary period are eligible for sick leave.
b. Pay. Sick leave shall be paid at the regular hourly rate.
c. Increments. Sick leave shall be used in 1 hour increments.
d. 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 three consecutive days or less.

Section 8. The Benefit Plan Administrator responsible for administering the terms of the insurance policy and 401(k) plan referred to above is the final authority on all aspects of the policy and plan definitions and limitations.

Section 9. The Company will notify the Union and bargain on proposed changes in the terms and conditions of the current insurance policy and 401(k) plan.

ARTICLE 37

DUES WITHHOLDING

Section 1. 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.

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, provided the employee has been on dues withholding for a period of at least one year. Upon receipt of the revocation form, NATCA will notify the Employer to discontinue withholding of dues from the employee's pay.

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

GENERAL PROVISIONS

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.

Section 2. Participation in surveys by bargaining unit employees shall be voluntary and done on duty time.

Section 3. 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.

Section 4. Controller in Charge (CIC) duties shall be in accordance with FAA Order 7210.3.

Section 5. For advanced Employer approved aviation/transportation related courses, an employee will be reimbursed for tuition not to exceed $250.00 per year, provided funding is available. The employee shall provide evidence of successful completion of the course work.

Section 6. The Parties agree that the Union shall not engage in a strike, nor shall the Company engage in a lock-out during the life of this Agreement.

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. It is the intent of the Parties to conduct such negotiations in a manner that, to the extent practicable, protects:

a) the employment status of employees who would otherwise be adversely affected;

b) the certified representational rights of the Union; and

c) the ability of the Employer to remain competitive.

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.

ARTICLE 42

EFFECT OF THE AGREEMENT

Section 1. 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, and directives and orders in a fair and equitable manner.

Section 2. The status of this Agreement and the Union's recognition will be governed by applicable law.

ARTICLE 43

DURATION

Section 1. This Agreement is subject to the approval of the National Air Traffic Controllers Association, the Company President and member ratification. This Agreement shall remain in effect for twenty-four (24) 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.

FOR THE UNION:

06/12/98

Robert D. Taylor (date)
Director of Labor Relations

6/12/98

David E. Sandbach (date)
Chief Negotiator

9/22/98

John C. Novak (date)
NATCA-IWA

9-11-98

Kevin J. Wagner (date)
Labor Relations Staff Representative

FOR THE EMPLOYER:

6/12/98

Stephen T. Christmas (date)
Vice President, Aviation
Serco Management Services, Inc.

6-28/98

Robert S. Bernstein (date)
FAA Contract Manager
Serco Management Services, Inc.

This Agreement was ratified by NATCA bargaining unit members on July 20, 1998.
This Agreement is effective on July 20, 1998.

8/10/98

Michael P. McNally (date)
NATCA
President

23 July 98

Edward H. Montgomery (date)
Serco Management Services, Inc.
President

APPENDIX 1

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

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

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