MEMORANDUM OF AGREEMENT BETWEEN LOCAL LODGE 2297, IAM&AW AND FLEET READINESS CENTER EAST

This Memorandum of Agreement (MOA) is a supplement to the existing Agreement and is entered into by the Parties, Local Lodge 2297, International Association of Machinists and Aerospace Workers (IAM&AW), hereinafter referred to as the "Union" and the Fleet Readiness Center (FRC East), Cherry Point, NC, hereinafter referred to as the "Employer."

The Parties enter into this MOA to address the FRC East reorganization of production and support operations into a competency aligned organization. The new structure may or may not allow adherence with some conditions set forth in the current Collective Bargaining Agreement (CBA) between the Parties dated 11 March 2011. This reorganization of 6.2 is the last link to the facility realignment of the Low Six competencies structures.

The Low Six Reorganization was a local Command initiative designed to more predictably meet our customer mandated on-time-delivery and cost goals. The reorganization was one part of a three part effort to redesign our production management system, redesign how we are organized to best support the new production system and to reduce the rate we charge our customers. By doing so we shall meet and exceed our goal to provide streamlined production operations that result in a more effective and efficient organization. Since the incorporation of this reorganization 6.2 has been redesigned and some of the previous production support functions have now been realigned locally under the 6.3 Competency.

This MOA updates the Parties signed MOA dated 4 January 2012 which primarily addressed the changes within the 6.2 Competency which has now been realigned to include Bargaining Unit Employees (BUEs) from Competencies outside of 6.2 and reassigning other Bargaining Unit Employees (BUEs) that were previously realigned to 6.2 to 6.3. This update explains changes to the roles and responsibility of the first and second level of supervision and that relationship to his or her subordinates within the Bargaining Unit. The affected employees include Production Controllers, Task Managers, Maintenance Workers, Hazardous Material Handlers and Planners and Estimators within the 6.2 and 6.3 Competencies. There will also be 9 trade based competencies that make up the Production Floor Trades Division (6.2.1). The following paragraphs either describe how existing language contained in the Negotiated Agreement between the Parties dated 11 March 2011 shall be applied under the new structure or represent mutually agreed upon newly established conditions of work arising from the reorganizational changes previously made by the Employer.

The following paragraphs reference existing Articles and Sections in the Collective Bargaining Agreement and the proposed changes that are needed to effectively execute the agreed upon conditions of work under the new structure. Whenever there is a reference to the "immediate supervisor" the Parties agree that this is the BUEs "supervisor of record". He or she is the management official who is primarily responsible for the assignment of work within the shop,

the assignment of overtime, the execution and disposition of leave, recommending and taking actions, both non-disciplinary and disciplinary, determining job performance and ensuring the BUE has the tools, parts and equipment required for work assigned each day. The competency/branch or second level supervisor referred to as the "competency lead" is responsible for certain administrative duties such as scheduling training, making sure medical requirements are met, determining overall job performance, the maintenance of personnel records as well as determination of shift assignment, and ensuring BUEs have the necessary training, tools, processes and equipment required for his/her respective trade.

All supervisors, regardless if immediate or competency shall be responsible for the administration and execution of the conditions of work described in the Negotiated Agreement such as Union notifications, postings and safety related matters.

- (1) Article 7. Union representatives shall retain their titles and their representational duties shall not change. Under this MOA, it is understood the six chief stewards identified in Section 2 of Article 7 will be increased to seven chief stewards. The chief stewards will no longer be assigned representational duties by "divisions"; but rather, they will continue representing Bargaining Unit Employee's (BUE's) who are assigned to one or more "trade competencies" as determined by the Union and agreed to by the Parties.
- Section 3: Note: Stewards shall continue to represent BUE's within a geographical area/shop regardless of the competency in which the BUE in need of representation would normally reside. The immediate supervisor will notify all BUE's under their supervision the name of the cognate shop steward. In this regard, shop stewards shall not have their geographical area/shop, shift or workweek changed unless no other employees in the competency possess the skills or knowledge necessary to accomplish the mission.
- (2) Article 8. Assignment to a night shift tour shall be facilitated in the geographical area/shop where BUEs regularly perform work. The responsibility for the proper execution of the terms and conditions as it pertains to night shift assignment as they appear in the current Collective Bargaining Agreement rest with the immediate supervisor.
- (3) Article 9. Anywhere "supervisor" appears throughout this article, it shall mean the responsible immediate supervisor. Where the word "branch" appears it shall the mean either the competency level or competency lead/second level supervisor.
- Section 3: Note: The Parties agree to change the second sentence to read: Second consideration for assignment of overtime shall be given to <u>Competency Resource Pool Volunteers</u> and third consideration is other competency employees that have been moved into the shop where the overtime need exist.
- Section 5: Note: The Parties agree to change the second sentence to read: Before assigning employees to an overtime assignment the immediate supervisor shall make every reasonable effort to seek qualified volunteers within the same trade/competency performing similar work or trade related duties in other locations/shops within the FRC East for all employees that have declined.

Note: The Parties agree that this obligation may limit such consideration based on expertise by component type or aircraft type model series (TMS).

Section 6: "The Employer agrees to maintain accurate records of earned overtime, loans, details and transfers at the shop level. . . ."

Note: The Parties by this MOA agree that the responsibility to maintain the described record keeping or documentation rest upon the immediate supervisor.

(4) Article 10. In this article the word "supervisor" means the "immediate supervisor" or "supervisor of record".

Note: Under this agreement if the immediate supervisor is not in a work status the day that the requested leave is to be taken and the leave has to be taken right away, the BUE should submit the request for leave to the Competency Lead via the relief supervisor who shall indicate concurrence by initialing. Final disposition of such request shall be made by the immediate supervisor upon return or the competency lead should the immediate supervisor be out for an extended period of a week or more.

Section 2: Any requests for incidental annual leave shall be made by submitting an OPM-71 to their immediate supervisor for final approval/disapproval in accordance to the terms and conditions described in this section.

Note: BUEs assigned to any shift other than the first, shall submit their request for annual leave to the supervisor of record, in compliance with the terms and conditions stated in Article 10 section 2.

- Section 3: In addition it is agreed that BUEs who cannot anticipate their absence due to unforeseen circumstances (emergency leave) shall notify the "Employer" meaning his or her immediate supervisor as soon as practical after the beginning of the shift, normally within the first three hours unless there are extenuating circumstances. If no contact can be made, BUEs will make every reasonable effort to notify their respective competency lead /branch supervisor.
- Section 4: When BUEs are submitting request for annual leave for vacation purposes of one week or more continuous duration, such requests to the extent possible shall be made to the immediate supervisor.
- (5) Article 11. In this article the word "supervisor" means the immediate supervisor or supervisor of record. Any requests for sick leave shall be made when practical in advance on an OPM-71, and shall be submitted to the immediate supervisor for approval/disapproval.
- Section 2: In addition it is agreed BUEs not reporting to work because of incapacitation for duty shall furnish notice to the "Employer" meaning (immediate supervisor), if unable to contact, they will make every reasonable attempt to contact the competency lead /branch supervisor. In

either case such notification will be made in accordance with the terms and conditions in the current CBA.

Note: BUEs assigned to any shift other than the first, shall submit their request for sick leave to the supervisor they report to for job assignments if that supervisor is not their supervisor of record in compliance with the terms and conditions stated in Article 11 section 2. If unable to contact, they will make every reasonable attempt to contact the competency lead /branch supervisor or general foreman assigned to that shift.

(6) Article 14. Anywhere "supervisor" appears it shall mean the Field Service Team Supervisor. Where the word "branch" appears it shall have the meaning of the "Trade Competency Level".

Note: The Parties agree that all rosters shall reflect the change from "branch composition" to "competency composition" as maintained in the electronic database. The rosters, with the exception of "Rapid Response Team" rosters, shall be separate and appear by trade and grade.

The positions of names on such rosters must be consistent with rotations occurring as a result of actions or activity since April 1, 2011 and shall not be put in alphabetical order on the effective date of this MOA.

- (7) Article 15. In this article the term "supervisor of record" or "supervisor" means the immediate supervisor.
- (8) Article 16. Anywhere "supervisor" appears it shall either mean the immediate supervisor or competency lead depending on the nature of the matter of concern. The terms "second level supervisor/branch head" shall have the meaning of "trade or series competency lead".
- (9) Article 18. Anywhere "supervisor" appears it shall either mean the immediate supervisor or competency lead depending on the nature of the concern.

Section 4: Note: This section of Article 18 addresses movement of employees within the FRC East. The Parties agree that under the new competency structure BUEs are assigned to a competency versus shop and therefore such employees would be subject to movement within their competency. The Employer proposes to create a volunteer "resource pool" of employees by trade who would be utilized as a first source whenever the need arises to move human resources to wherever the particular workload need exist. The current past practice in such cases is to seek qualified volunteers first, prior to management exercising their right of assignment at the shop level. In the absence of sufficient volunteers the Employer had previously agreed to make such assignments based on appearance of names on the FRC East 5330/12.

By this agreement the Parties agree that the volunteer "resource pool" allows continuation of the use of volunteers first and the employer also agrees that in such cases that there are not enough resources available in the pool the appearance of names on the appropriate roster will continue to be the procedure for determining what order BUEs would be asked to volunteer or be "forced."

Whenever competency resource pool volunteers are moved outside their trade competency to assist other trades, it shall be considered a temporary transfer.

Whenever volunteers are sought and utilized for the purpose of performing Temporary Assigned Duty as part of a field service team, they shall be "loaned" to the Field Service Team office/shop responsible for facilitating such deployments.

- (10) Article 19 Section 9 a. Shop training plans will now be trade/competency training plans or trade specific formal or On the Job Training (OJT).
 - Section 11: The "supervisor" shall be the immediate supervisor or supervisor of record.
- (11) Article 20. The "immediate supervisor" currently addressed in the existing language shall be supervisor of record.
- (12) Article 21. The term "immediate supervisor" shall normally refer to the BUEs supervisor of record.
- (13) Article 23. These terms (immediate supervisor), first level supervisor are synonymous. The term "branch head" will have the meaning of competency or series lead. Additionally, the Parties agree that in the grievance procedure; First step The shop steward or chief steward if applicable, will initiate contact with the immediate supervisor if issue arises in the location/shop where BUEs perform work or the competency lead if the issue is related to such things as training, promotions or related matters normally addressed at a level above first line supervision. The chief steward at his discretion may also involve the competency lead at the informal step of this procedure. If there is no informal resolution reached, the written grievance will be delivered to the immediate supervisor.
- (14) Article 28. The "immediate supervisor" shall refer to supervisor of record and the competency supervisor whenever the reason for the concern is associated with environmental issues or general safety within FRC East.
- (15) Article 29. The notification or request shall be to the immediate supervisor of BUEs.
- (16) Article 31. Section 9: Unit employees shall be notified who their immediate supervisor is. They shall also be made aware of whom their competency lead /second level or branch supervisor is. Any changes in designation of either of the aforementioned supervisors shall be made known to the BUEs as soon as practical and in no case later the date the change is effective.
- Section 15: Requests for leave related to accrued compensatory travel overtime shall be made on an OPM-71 and shall be submitted to the "immediate supervisor" for approval/disapproval.
- (17) Article 32. The "immediate supervisor" shall be the supervisor or record.

(18) Article 34. Section 1: The Parties agree to the following change: A reserved parking space will be provided for up to ten (change 10 to eleven 11) Union officials including spaces for five (change five 5 to six 6) chief stewards. All other references to parking spaces for officers of the Union shall remain unchanged.

References to employees and/or supervisors assigned to perform specific tasks or duties, in this MOA, is directional in nature to facilitate clarity of the specific provision only. Management retains sole discretion to assign work.

The signing of this update to the previous MOA, dated 4 January 2012 having the mutual consent of both Parties represents the termination of that previous Agreement and the effective date of this MOA. The Parties agree that they understand and sign this Agreement, in its entirety, and affirm that this Agreement has been freely signed without reservation, duress or coercion. The terms of this MOA shall remain in effect until renegotiation of the Negotiated Agreement, or unless amended or cancelled by the Parties, whichever comes first. This MOA is effective and enforceable upon the execution of the below Parties.

Signed the 5th day of May

FOR THE UNION

Vice President LL2297

Three D. Ele RONALD D. SHAFER

DBR District Lodge 110

FOR THE EMPLOYER

Industrial Execution Head

LEANNA RADFORD 693 Industrial Operations Head

CO FRC East Cherry Point