



CWA-Avaya Final Bargaining Report 2009

Dear Brothers and Sisters:

Faced with the worst financial realities since the Great Depression, your CWA bargaining team started negotiations on May 5, 2009 with a determination not to allow Avaya to place unprecedented concessionary demands on our members and retirees.

It was clear to our team on the first day of bargaining that Avaya came with a goal of shifting health care cost to our members and retirees. Avaya's first proposal would have placed a monthly cost to a retiree at \$190 for an individual and \$549 for a family. For our active employees with a family plan, the monthly premium would have been \$120 in 2012 with a 15% co-insurance. This along with huge increases in the drug plan, your bargaining team knew they were in for a long and contentious battle with Avaya.

The contract expired on May 23, 2009 and your bargaining team pressed on. With the mobilization efforts of our members, the company knew that our resolve for a fair contract was strong. Our commitment never wavered and our focus remained clear.

With our members support, we were able to announce on June 3, 2009 that a tentative agreement with Avaya had been reached - an agreement that achieved the goals set by CWA's rank-and-file Bargaining Council and the CWA Executive Board. Some of the highlights of the agreement include wage and pension improvements, no premiums, deductibles or co-insurance for active or retiree healthcare, no layoffs for all titles for nine months, reducing the "save" language in Article 16 to once for the life of the agreement. Please take the time to review the entire final bargaining report before casting your vote.

Your bargaining team unanimously recommends ratification of this agreement.

In Unity,

The Avaya Bargaining Team

Bill Bates
Chair

Art Frindt
CWA Local 4340

Kevin Kimber
CWA Local 6016

Richie Meringolo
CWA Local 1101

Phil Pennington
CWA Local 4320

Wage Package

- The wage package that includes \$1250 lump sum payment on the first year will be paid to each employee that is active on the effective date of agreement.
- Effective May 30, 2010 wage schedules will be increased by 2.75%;
- Effective May 29, 2011 wage schedules will be increased by 2.75%.

Pension

- The 4% pension band increase becomes effective for those that retire after July 1, 2009.
- Effective July 1, 2009, *the lump sum optional form of payment is changed to reflect payment at the present value of age 63 single life annuity benefit for those who retire on or after July 1, 2009. That chart is released by the Federal Government in August of each year and becomes effective in January of the following year.*

Active and Retiree Health Care

Active health care as well as retiree health care will remain in its present form for the remainder of the year.

- In each of the Contract years of 2010, 2011, 2012, POS in-network, the deductible remains Zero Dollars (\$0.00). No coinsurance or premiums will be required for the life of the agreement.
- In 2010, office visits for PCP will increase by Five Dollars (\$5.00) for the life of the agreement. Office visits to a Specialist will increase by Five Dollars (\$5.00) for the life of the agreement.
- Emergency room visits will be increased by Ten Dollars (\$10.00), beginning 2010, for a one-time increase during the life of the agreement.
- POS Option Out of Network will have hospital admission of \$200, coinsurance of 25%, Annual out of pocket \$3,000/\$6,000 individual/family for the life of the agreement. Emergency room visits increase \$5.00 in 2010, for the life of the agreement.
- Mental health and chemical dependency co-payment in-network will increase by Ten Dollars (\$10.00) one time only in 2010. Out of network deductible will be included with medical with a 25% coinsurance beginning in 2010.
- Prescription Drugs Retail will increase by Five Dollars (\$5.00), for generic, brand preferred and brand non-preferred respectively, one time only in 2010. Chemotherapy drugs will begin to incur a Fifteen Dollar (\$15.00) charge; co-insurance increases to 30% in 2010.
- Mail order prescription drugs will increase Ten Dollars (\$10.00) for generic, brand preferred and brand non-preferred respectively, one time only in 2010.

Joint Health Care Containment Committee, retirees' healthcare will now be discussed in this forum.

If at any time the federal government implements any plan, program, law, regulation or order that results in cost reductions and/or savings related to retiree healthcare, the parties agree that such savings will be allocated equitably between the retirees and the company.

VEBA

During the term of this Agreement, for 2010, 2011 and 2012, the Company will contribute to a Voluntary Employee Beneficiary Association (VEBA) an amount based on the retiree health care caps. All retiree medical and dental claims (including the cost of administration) paid by the Company shall be paid by the VEBA.

Any unused VEBA balance will be carried forward to offset the subsequent years' retiree medical and dental costs, if any, which would otherwise be the obligation of the retirees.

The Company will contribute an additional \$15 million total to the VEBA to be funded in equal annual installments on January 1, 2010, January 1, 2011 and January 1, 2012.

Domestic Partner Benefits

Domestic partner eligibility to recognize government registration in lieu of requiring a notarized affidavit.

Avaya Savings Plan

To help offset healthcare costs Avaya savings plan, the company match to employee contributions will be suspended from January 1, 2010 - December 31, 2010. The company match will be reinstated January 1, 2011.

Voluntary Excused Work Week

A voluntary unpaid excused week will be permitted to be taken by December 30, 2009. With mutual agreement of the company, this could be extended annually if agreed to by the Company and the Union.

Avaya Award

The minimum award payment for FY 2010 will be \$290, FY 2011 and FY 2012 will be \$580.

Certification Program

To help offset healthcare costs the Certification Bonus will be suspended for the period of October 2009 - March 2010. The Certification Bonus will be reinstated for the remainder of the agreement.

Job Security

No layoff for nine months *for all represented titles* beginning date of agreement, except for refusal to transfer under Article 16.

Alliance Funding

Alliance to be funded at \$1200 per year per active employee for FY 2010, FY 2011 & FY 2012; funding based on June 30 headcount of prior FY.

Coordinators

CWA to retain three (3) Coordinators (ERC, Health and Certification) for the life of the agreement.

Sales Referral Program

Sales referral program is suspended. *The sales referral programs will resume when mutually agreed upon by CWA and Avaya.*

Joint Job Evaluation for the Service Coordinators to be mutually agreed in 2009.

Duration of Agreement

Agreement will terminate at 11:59 P.M., Saturday June 9, 2012

CWA Local Items

ARTICLE 8 – DISCRIMINATION

- add language to include “any military conflict as determined by the Department of Veteran Affairs”.

ARTICLE 14 – SAFETY

- add Paragraph 6:

Recuperation-For the safety and well being of the employees, the employee should generally have 8 hours of rest in each 24-hour period. The Company and the employees shall normally limit continuous periods of work to 16 hours or less in a 24-hour period.

When an employee completes a period of work of unusually long duration, the employee shall be excused for part or all of his next scheduled tour with pay if, in the judgment of the Company with the input of the employee, the employee has had insufficient rest to enable him to safely work part or all of the scheduled tour.

ARTICLE 16 – TRANSFERS, TRAVEL ALLOWANCES AND MOVING EXPENSES

- 16.2 (c) increase payments as follows:

Over 1 mile but not over 3 miles	\$ 8.50
Over 3 miles but not over 5 miles	\$ 9.50
Over 5 miles but not over 15 miles	\$ 11.50
Over 15 miles but not over 25 miles	\$ 13.50
Over 25 miles but not over 35 miles	\$ 16.50

- 16.7 (a) increase minimum lump sum for relocation from to \$7,500 to \$8,500.

ARTICLE 20 - ABSENCE

- 20.3 (f) add stepchildren and registered domestic partner.

ARTICLE 24 – FORCE ADJUSTMENT

- 24.1 (c) change last sentence to read “an individual may only be protected once during the life of the Agreement.”
- 24.5 Increase minimum relocation allowance from \$5,000 to \$6,000.

ARTICLE 31 – SUPPORT

Upgrade all employees currently in title/wage rate schedule of Customer Software Administrator-C to the title/wage rate of Customer Care Representative.

Add Letter on GPS:

GPS technology is a tool primarily for improved customer service, efficiencies in dispatching, employee turn by turn directions and for employee and motor vehicle safety and protection. Although this tool has the ability to be used for surveillance purposes, GPS data will not be used as the sole source of information for discipline of a represented employee, when using a Company vehicle within communicated guidelines. GPS information may be used to confirm or deny other corroborating information of a situation.

It is agreed within 45 days following contract ratification, the parties agree to meet and discuss the use of GPS tracking information being used exclusively for disciplinary action.

Joint Job Evaluation:

Parties agree to a joint job evaluation of the Service Coordinator job, to be undertaken at a time that is mutually agreeable to the Union and the Company job evaluators.