

DOW JONES & COMPANY

PROPOSAL  
for a new collective bargaining agreement with

IAPE/CWA LOCAL 1096

June 14, 2016

The Company looks forward to reaching an agreement on a successor to the current collective bargaining agreement, and proposes to extend the current agreement except as modified by this Proposal.<sup>1</sup> The Company offers this proposal in a challenging economic environment for our industry. The Company seeks to ensure that we continue to offer outstanding benefits and working conditions for all Dow Jones employees. At the same time, the Company must maintain flexibility in order to respond to a dynamically changing business environment and to remain competitive in a challenging marketplace in which many news organizations have been forced to make massive cuts in staffing, pay and benefits.

**1. Wages & Hours**

A. Wage increases to be negotiated.

**Company Explanation:** *We anticipate that there will be appropriate wage increases negotiated as part of an overall contract settlement. We will bargain in good faith concerning the amount of wage increases within the context of the Company's business plans and its need for flexibility.*

B. Overtime Flexibility. The Company proposes to negotiate for increased flexibility to permit overtime-eligible employees to work beyond the current 35-hour work week in ways that maximize productivity while minimizing overtime expenses.

**Company Explanation:** *We currently have a contractual 35-hour workweek and pay overtime (time and one-half pay) for hours worked in excess of 35 by overtime-eligible employees. Last year we paid out \$1.25 million in overtime to 406 union-represented employees. Under federal and state wage & hour law, time-and-a-half is required only after 40 hours of work in a week*

---

<sup>1</sup> The Company reserves the right to modify or withdraw any of the following proposals during bargaining. These proposals are made without prejudice to the Company's position regarding the proper interpretation of the existing contract language or existing practices or policies. All proposals are part of a complete package, and no agreements reached during bargaining are final until agreement has been reached on all issues. *Note that these proposals are general principles to govern the new contract, and are not necessarily presented as specific modifications of particular sections of the existing contract. It is understood between the parties that the contract language will be revised to conform to Agreements made and that wherever there is conflict between the current contract language and any future agreement, the most recent agreement shall prevail, even if the specific language in the former contract is not modified in the drafting process due to oversight.*

*We propose to negotiate with the goal of permitting employees to work beyond the current 35-hour threshold without incurring overtime, but without necessarily scheduling all employees to work 40 hours per week every week Details to be discussed at the bargaining table.*

C. Pay Equity. As part of the effort to address issues of pay equity raised by the union, the Company proposes that any employee (of any sex or race) whose compensation level is both (a) above the minimum union scale by 50% or more, and (b) in the top 10% of employees in his or her job classification, Department, and location should be subject to discretionary wage increases that may be less than the otherwise contractually required minimums, provided that all budget savings realized by such variances be used to fund higher than required increases to employees outside the “top 10% group.”

***Company Explanation:*** *This proposal is one way that the Company is seeking to address the pay equity issue raised by the union. The Company takes seriously the issue of pay equity. As Will Lewis has said: “Any pay disparity relating to an employee's race or gender is troubling and inconsistent with the standards I strive to maintain at Dow Jones.” The Company is conducting a comprehensive review of our current hiring, development and compensation programs to ensure diversity and equality are prioritized. Should that review reveal any race or gender based disparities, the Company, among other efforts, will require greater flexibility in allocating available funds to address such disparities. Granting compensatory increases to employees making well above their co-workers and the contractual minimums would perpetuate any such disparities and divert funds from any remedial measures that the Company may consider.*

D. COLA. Eliminate the cost-of-living clause from the contract.

***Company Explanation:*** *It is time to eliminate the automatic cost-of-living safety net which is triggered based on an increase in the CPI and which has come into play only a few times in the last twenty years. The underpinnings for the COLA clause and the potential disruption to our business in the event of a future trigger make it not only obsolete but potentially difficult to deal with from a budgetary perspective. The Company does not want to be in a situation where unexpected increases to pay rates caused by CPI increases results in a need to cut staff in order to stay within budget.*

E. Comp Time for Travel. The Company proposes to modify the contract to make clear that, for overtime exempt employees, time spent traveling on business, even on an employee's normal day off, does not trigger the payment of premium pay or the granting of Comp Time.

## 2. Benefits

A. Flexibility on Health Benefit Plan Design and Premiums. IAPE-represented employees will have access to and be covered by the same plans and plan terms, including

premiums, as are applicable to non-union and management employees. The Company will have the flexibility to set plan terms each year according to market conditions and business needs.

**Company Explanation:** *We are working to harmonize health benefits across all News Corporation companies. The goal of our Benefits Department is to provide first class benefits, at the top end of our industry, while at the same time controlling costs and complying with governmental mandates, including the Affordable Care Act. Because the next few years include a good deal of uncertainty about the ACA's effects and terms, the Company needs flexibility to modify its plan designs and premium structures. The objective here is to maintain the employee's contribution toward these benefits at competitive levels, while guaranteeing that the plans for union-represented employees will be the same as for management.*

B. **Canadian Health Plan.** The Company proposes to harmonize the health insurance plan(s) for our Canadian employees with those of Harper Collins, which has a substantial presence in Canada.

C. **Coordination of benefits.** Other than Health Insurance (covered above), TAPE-represented employees shall participate in the same corporate benefits plans as non-union, non-management employees. References in the contract to specific plans applicable only to IAPE-represented employees will be removed.

**Company Explanation:** *For many years, the benefits plans applicable to union and non-union employees have been the same. This proposal makes it clear going forward that IAPE-represented employees participate in such plans on the same terms as non-union employees and that any changes in the plans will be applied to the bargaining unit without further bargaining including, without limitation: Short-Term and Long-Term Disability, Life Insurance, Business Travel Accident Insurance, Educational Assistance Plan, Employee Assistance Plan, Severance Pay Plan, and the Dependent Care Program.*

D. **Coordination of leave entitlements.** Eliminate specific references to leave entitlements for bargaining unit members. IAPE-represented employees shall be entitled to the same types of paid and unpaid leaves of absence as non-union employees and on the same terms. Specifically: Maternity/Paternity Leave, Bereavement Leave, Military Leave, Jury Duty and Education Leave. Eliminate Contractual Union Leave of Absence (employees would be permitted to use Personal Leave of Absence available to all employees).

E. **Sick Leave Law Compliance.** Add to the contract a clause under sick leave as follows: “The Company's Sick Leave policy, which applies to members of the bargaining unit, is intended to comply with state and local earned sick time laws, including the New York Earned Sick Time Act and the Washington D.C. Earned Sick Time Act. Where such local or state sick leave laws apply, the Company will comply with at least the minimum requirements of the laws in effect at the place where each employee works.”

### **3. Procedures for Reductions in Force**

A. Merit as first criterion. The Company proposes that in the event of a reduction in force, within each Department, Location, and Job Classification, the Company will lay off first the employee who is lowest in seniority (length of company service) whenever all other relevant factors are equal, including skill, ability, and past job performance.

***Company Explanation:** In order to have the right to retain employees whose skills, abilities, and job performance are exceptional and necessary for the success of our business, the Company will use merit-based criteria to determine layoffs, provided that when all merit-based factors are equal, seniority will be the deciding factor. This proposal gives the Company needed flexibility while recognizing the importance of seniority.*

B. Volunteers. Eliminate the obligation to notify and accept volunteers for layoffs.  
Company Explanation: The Company often solicits volunteers who may be willing to accept a layoff package before imposing involuntary layoffs, but the current contract process that requires formal notice letters to all employees in the same job family even when volunteers are unlikely and even if the Company would not accept a volunteer if offered. This formal process has become both unnecessary and burdensome on both the Company and on the employees who receive the volunteer letters and we propose to delete this contract section, but the Company will still solicit volunteers where appropriate before processing involuntary layoffs.

C. Rehire List. Eliminate the “rehire list” in cases of layoff.

***Company Explanation:** The rehire list is seldom used and generally creates an administrative burden regarding the postings for open jobs. All laid off employees are encouraged to apply for open positions anywhere in the company, but the formalistic application of recalling laid off employees in reverse seniority order has little application.*

D. Service Bridge. Eliminate the requirement that employees rehired within 9 months of their termination date are bridged back to their original hire date for purposes of seniority, benefits eligibility and paid leave. Service bridging, if any, will be governed by general Company policies as they apply to each type of benefit.

### **4. Arbitration Process**

A. Time for Filing. Shorten the time for the Union to submit a grievance for arbitration from six months to three months after the Company has formally denied the grievance.

B. Mandatory Arbitration of Non-Contractual Disputes. All employment-related disputes shall be subject to arbitration, including non-contractual disputes such as discrimination or wage & hour claims based on state or federal statute, whether or not a parallel contract

grievance is filed. Employees will have the right to bring an arbitration action even without the support of the union.

**Company Explanation:** *This will consolidate all contract and non-contract claims into one arbitration procedure. The parties will negotiate over the specifics of how the process will work if the union is not involved.*

C. Arbitrator's Authority. Expressly permit arbitrators selected to resolve disputes to address and decide any related unfair labor practice issues raised in grievances. (This is intended to comply with new deferral requirements announced by the National Labor Relations Board in Babcock & Wilcox Construction Co.)

## 5. Contract Administration Issues

A. Work Anywhere Agreement. Dow Jones encourages working from home in appropriate circumstances, but all employees working from home shall be subject to the Dow Jones Work Anywhere Policy. Any legacy agreements signed by employees when employed by FACTIVEA will be updated to reference the Dow Jones Work Anywhere Policy.

B. Relocation benefits. Eliminate special relocation benefits for transfers from Princeton to New York and clarify that transfers to/from New York and Princeton do not qualify for relocation benefits regardless of the home address of the employee.

C. Off Hours Taxi Policy. Eliminate references to the taxi policy.

**Company Explanation:** *The off-hours taxi policy was created when many employees worked in lower Manhattan and Jersey City, where public transportation was not always available or necessarily safe. In current work locations, the policy is no longer necessary. Individual departments may create tailored policies and practices regarding transportation for staff working particularly late hours, but no Company-wide policy will govern.*

D. Time Clocks. Remove restrictions on future use of time clocks or similar time-recording systems, which we may need in the future depending on the final contours of changes to the federal wage/hour laws.

E. Educational Assistance payback obligation. Require employees who receive Educational Assistance benefits to pay back the money if they voluntarily leave the company within some period of time after receiving benefits.

F. Dues Obligation. Amend the Union Security clause to allow an employee who has a conscientious objection to union dues payment to make a contribution to a designated charity in lieu of remitting union dues to IAPE.

G. General Contract Clean-Up. Revise contract to delete outdated or unnecessary provisions such as the duplicate sections for US and Canadian holidays and the reference to the disbanded Incentive Committee.

H. Probation Period. Increase probationary period to one year (currently 9 months).

I. Unused Vacation Time. Clarify payment of unused vacation time: Employees whose employment terminates during the first half of a month do not accrue unused vacation pay for that month.

J. Reporter Scale Steps. Eliminate automatic scale steps for Reporters from Tier 7 to Tier 8 (will make promotion to Sr. Reporter discretionary).

K. Definition of a “day” for part-time employees. Clarify the calculation of single days of time off for part-time employees to factor in the number of days worked in a week in addition to the average hours per week to make a “day” a more accurate calculation. (E.g., current contract requires that an employee who works 4 days per week for a total of 20 hours to receive 4 hours of pay when taking a day off (20 hours divided by five), but this proposal would pay the employee for 5 hours of pay when taking a “day” off, which more accurately reflects how much a “day” is worth.)

L. California paid time off accrual. Impose a cap on the accrual of unused paid time off for employees in California (only affects employees in California).

M. Delete from the contract the obligation for the Company to pay salary to the Union’s President when the President does not work full-time for the Company.