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Title: **Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers (IBEW), AFL-CIO Local 723 (2003)**

K#: **5799**

Employer Name: **Verizon North Inc., (Indiana)**

Location: **IN**

Union: **International Brotherhood of Electrical Workers (IBEW), AFL-CIO**

Local: **723**

SIC: **4813**

NAICS: **517110**

Sector: **P**

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K# 5799

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AGREEMENT

between

VERIZON NORTH INC., (INDIANA)

(Construction, Service,
Supply, Traffic, Accounting,
+ Info. Mgt. Depts)



3/25/04

And

**LOCAL UNION NO. 723
OF THE
INTERNATIONAL BROTHERHOOD
OF
ELECTRICAL WORKERS, AFL-CIO**

32300

**EFFECTIVE
NOVEMBER 9, 2003
THROUGH
NOVEMBER 4, 2006**

12# 5799

3,000 ea

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Please note that all paragraphs with "...R" refer to revisions in contract language only. All former references of Verizon North Incorporated, Indiana Operations which were changed to Verizon North, Inc., (Indiana) are not marked with "...R".

1. AGREEMENT

1.1 This document consists of two collective bargaining Agreements, as identified in Sections 1.2 and 1.3 below. Except as otherwise specified to the contrary herein, both Agreements contain the same terms and conditions. These Agreements involve the same employer, and local unions of the same International union. Earlier Agreements between the same parties were printed together in one document with their separate provisions identified by a "W" or a "G". During collective bargaining for the present Agreements, the parties agreed to remove the "G" and "W" from the one document and that the terms and conditions of both Agreements should be the same unless otherwise identified. The parties also agreed to continue to combine both Agreements into a single document for convenience and economy. Any reference to one or more of the departments of the Company shall be a reference to the bargaining unit in which that department is contained, and such section shall apply only to that department as specified therein. The separate identity of the two respective bargaining units covered by the two Agreements shall be retained, provided that the continuing separate identity of the bargaining units shall not be so interrupted as to have the effect of restricting the transfer

of qualified employees between units.

- 1.2 Verizon North Inc., (Indiana) successor to General Telephone Company of Indiana, Inc., hereinafter referred to as the "Company", and Local Union No. 723 of the International Brotherhood of Electrical Workers, AFL-CIO (the "Local" or, in context, the "Union") enter into the Agreement herein contained, covering only those employees within the bargaining unit represented by the said Local as described in Paragraph 3.1 below, effective as of December 14, 1997.

- 1.3 Verizon North Inc., (Indiana), successor to General Telephone Company of Indiana, Inc. hereinafter referred to as the "Company", and Local Union No. 723 of the International Brotherhood of Electrical Workers, AFL-CIO ("the Local" or, in context, the "Union") enter into the Agreement herein contained, covering only those employees in the bargaining unit represented by Local 723, as described in Sections 3.3 and 3.4 below, effective as of December 14, 1997.

1.4 Sections and Paragraphs of this document which do not refer to a particular department so as to limit their application to one or the other or a portion of the two bargaining units covered by these Agreements shall apply to both Agreements identified in the two preceding sections.

2. DURATION OF AGREEMENTS

2.1 Upon signature by authorized representatives of the Company and the Union, these Agreements shall become effective as of November 9, 2003 for an initial term continuing to and including November 4, 2006, and if not terminated as below provided, shall remain effective for additional renewal terms from year to year thereafter until terminated as next provided. Either party may terminate these Agreements as of the end of their initial term or of any renewal term, by giving notice in writing of intent to so terminate, to the other party, not less than sixty (60) days prior to the end of said initial term or of any such renewal term.

...R

2.1-1 The Company and the Union shall begin collective bargaining with respect to new Agreements within fifteen (15) calendar days or by mutual agreement after receipt of the written notice.

2.1-2 These Agreements may be extended beyond the termination date by mutual agreement of the parties if new Agreements are not reached by the parties before the termination date.

3. UNION RECOGNITION

3.1 As to Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers Local Union No. 723 bargaining unit, the Company recognizes the Union as the sole bargaining agent of the regular and temporary employees of its Construction, Service, Supply, Traffic, Accounting, and Information Management Departments, except for (a) supervisors as defined in Section 2 (11) of the Labor Management Relations Act of 1947; (b) administrative employee; and (c) State Headquarter employees; for the purpose of collective bargaining in respect to rates of pay, wages, hours of work, and other conditions of employment.

3.1-1 It is understood that this Agreement covers only:

3.1-1.1 Its Craft (Construction, Service, Supply), Clerical (Service and Supply), Business Office (Service), and Directory Assistance (Traffic) employees at the exchanges of Albion, Churubusco, Clay City, Cory,

Fort Wayne, Garrett, Harlan, Hoagland, Hometown, Kimmel, Leo, Lewis, Monroeville, New Haven, Poe, Prairie Creek, Riley, Roanoke, Terre Haute, Wawaka, Woodburn; and Craft (Construction, Service, Supply), and Clerical (Service and Supply) employees at Cambridge City, Centerville, Dunkirk, Economy, Farmland, Fountain City, Greensfork, Hagerstown, Losantville, Lynn, Modoc, Parker, Redkey, Ridgeville, Saratoga, Williamsburg, and Winchester.

3.1-1.2 Its Craft (Construction, Service, Supply, Clerical (Service and Supply), Business Office (Service), and Traffic employees in the Sullivan, Paxton, and Graysville exchanges as certified in the National Labor Relations Board Election, Case No. 25-RC-2221.

3.1-1.3 Its Craft (Construction, Service, Supply), Clerical (Service and Supply), and Business Office (Service) employees at Brazil.

3.1-1.4 Its Toll and Directory Assistance (Traffic) employees at Elkhart and LaPorte, as certified in the National Labor Relations Board Election, Case No. 13-RC-3196.

3.1-1.5 All Switchmen (Customer Zone Technicians I) and Customer Zone Technicians II employed by the employer at its Ossian, Zanesville, Uniondale, Markle, and Reservoir exchanges in Indiana, as certified in the National Labor Relations Board Election, Case No. 25-RC-9443.

3.2 The term "employee(s)" as used in these Agreements means regular or temporary employee(s) of the Company at the exchanges named in Paragraph 3.1-1, who are eligible for union membership and whose authorized job titles are listed in Exhibit 1 of these Agreements.

- 3.3 The Company recognizes Local 723 as the sole bargaining agent of the regular and temporary employees of its Accounting Department and Information Systems Department as specified below for the purpose of collective bargaining in respect to rates of pay, wages, hours of work, and other conditions of employment.**
- 3.4 It is understood that this Agreement covers only the Accounting Clerks, Data Clerks, Accounting Control Clerks, Data Entry Operators, Data Stock Clerks, Accounting Analysis Clerks, Senior Accounting Clerks, Senior Data Clerks, Mail Machine Operators, Information Control Clerks, and Table Analysis Clerks whose defined headquarters are at Fort Wayne, Indiana, as certified in the NLRB election, Case No. 25-RC-3630; BUT EXCLUDING the special studies employees, budget department employees, plant results section of cost accounting employees, all other General Office clerical employees, confidential employees, professional employees, guards and supervisors as defined in the Act, and all other employees.**

- 3.5 The Union and the Company agree to keep each other currently advised of the names of their respective officers and representatives who are authorized to represent the parties.**
- 3.6 These Agreements shall be binding upon the successors and assigns of the Company and no provisions, terms, or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, reorganization, or assignment of the Company or by any change in the legal status, ownership, or management thereof.**
- 3.7 The Company and the Union will strive at all times to promote harmony and efficiency to the end that the Public, the Company, and the Union may be benefited.**
- 3.8 The Company will advise all new employees that there are collective bargaining Agreements between the Union and the Company and will furnish each such employee with a copy.**

3.9 Neither the Company nor the Union shall in any manner discriminate against, interfere with, restrain, or coerce employees because of sex, race, creed, color, age, religion, national origin, qualified handicap, being Vietnam era veterans or disabled veterans, Union membership or non-membership or because of participation or non-participation in activities on behalf of the Union.

4. DISTRIBUTION OF AGREEMENTS

- 4.1 The Company agrees to have sufficient copies of these Agreements printed to provide a copy for each present and future employee in the bargaining unit and to distribute a copy to each such employee. Additional copies will be printed for the Union.
- 4.2 The Company and the Union will jointly bear the cost of having the Agreements printed.

5. MANAGEMENT RESPONSIBILITY

- 5.1 Except as specifically limited by these Agreements, the Union recognizes that the Company has the sole right, authority, and responsibility to direct the business including,

but not limited to, directing the work force consistent with safe working practices; determining size of work force; determining qualifications for jobs; creating, eliminating, and combining jobs; hiring; training; promoting; disciplining or terminating employees, recognizing that all employees are to be treated with equal fairness and justice; determining products and services offered to customers and establishing reasonable work rules, working hours, regulations, and standards. Matters pertaining to the management of the business or direction of the work force not contained in these Agreements are to be handled in the manner determined solely by the Company.

5.2 With respect to the assignment of work common to one or more classifications, either party may request that the other meet and discuss the creation of a new job classification and/or wage adjustment.

5.2-1 If the Union protests a Company-proposed wage schedule, negotiation shall be entered into for the purpose of establishing an appropriate wage schedule. In the interim period, employees affected shall be paid according to the proposed schedule. Upon adoption of a proper schedule by mutual agreement, the affected

employees' rates of pay will be revised upwards or downwards as required at the time and in the manner mutually agreed upon.

5.2-1.1 Should agreement not be reached within 60 days from the commencement of such negotiations, the matter will be elevated to arbitration.

6. STRIKES OR WORK STOPPAGES

- 6.1 The Company and the Union are in agreement that the only way to maintain job stability and improve the welfare of the employees is to preserve the goodwill and prosperity of the business and that this is accomplished in large part through prompt, courteous, interested, loyal and complete service to the Public on the part of the employees and the Company. Therefore, it is to the mutual interest of the Company and the Union that the business of the Company shall continue without interruption or inconvenience to the Public.
- 6.2 The Union agrees that its representatives and its members are bound not to engage in any strike, sympathetic strike, refusal to work, slowdown, or work stoppage against the

Company for the term of these Agreements.

- 6.3 The Company agrees not to lock out any employee nor discipline any employee for his/her refusal to cross a legal picket line providing the employee has made every reasonable effort to report to his/her work assignment.

7. UNION SECURITY

- 7.1 Under Federal Labor Laws and obligations under this Agreement, the Union is required to represent all of the employees in the bargaining unit fairly and equally without regard to whether the employee is a member of the Union. In consideration thereof, Agency Shop provisions will prevail during the term of this Agreement.

- 7.1-1 Membership in the Union is not compulsory. Employees in job classifications within the collective bargaining unit are free to accept or to decline membership in the Union.

- 7.1-1.1 Any employee who is a member of the Union may, upon proper notice, voluntarily withdraw from such membership but may not, thereby, be relieved of Agency

Shop requirements herein.

7.1-2 Subject to conditions set forth within this Article 7, all full-time, part-time, and temporary employees within 31 days of hire shall as a condition of employment and at their option either: (1) apply for membership in the Union and, if accepted, maintain membership in good standing thereafter during the term of this Agreement or (2) alternatively arrange to pay to the Union a service fee equal in amount to the membership dues uniformly required for all members of the same class.

7.1-3 For purposes of Article 7, the following definitions will apply.

7.1-3.1 **In Good Standing** - Means that the employee pays, or tenders payment of, initiation fee and periodic dues in amount and frequency regularly required by the Union as a condition of acquiring and retaining membership.

7.1-3.2 **Service Fee Employee** - Means an employee who elects not to become a member of the Union,

or who withdraws membership from the Union, and is required in lieu of membership to pay a service fee to the Union.

7.1-3.3 Proper Notice - Means that the employee will notify both the Company and the Union by regular first class mail. Notice to the Company will be directed to the Labor Relations Section, and notice to the Union will be to the Business Manager of the Union.

7.1-4 Service Fee employees are in no manner members of the Union and possess no membership rights, privileges, or responsibilities that accrue to members of the Union.

7.1-5 No Service Fee employee shall be required to pay the service fee during any period that, by Union rules or actions, dues payments are suspended or not enforced for regular members of the Union.

- 7.1-6 Nothing herein shall be construed to limit the Union's lawful rights to determine and enforce regulations regarding acquisition of, and retention of, membership of the Union.
- 7.1-7 The Company shall incur no liability in the enforcement of this Article.
- 7.2 The Company shall make collection of union dues or service fees through payroll deduction upon an order in writing, signed by the employee, and shall pay monthly to the designated representative of the Union the total amount thus deducted from all employees. Authorizations by employees for such deduction shall be on a form, a sample of which is attached to these Agreements as Exhibit 2. All deductions shall be made from the wages paid to employees in the first payroll period in the current month.
- 7.3 Cancellation by an employee of such written authorization for payroll deduction shall be in writing signed by such employee; and, upon receipt thereof, the Company shall honor any such cancellation. An employee's authorization shall be deemed automatically cancelled if the employee leaves the employ of the Company or is transferred, or promoted, out of the bargaining unit.

7.4 Deductions of dues or services fees shall be suspended during the period of an employee's leave of absence. No dues or service fees shall be deducted when sufficient pay is not available. The Company agrees in the event of inability or failure to make an authorized deduction in any month, to make such deduction during the following month. Under no circumstances, however, will deductions be made for more than one month's dues or service fees in arrears.

7.5 Each month the Company will furnish the authorized representatives of the Union with a list of all employees for whom payroll deduction has been made, showing the amount of each such deduction, a list of names of employees cancelling their dues or service fees, and a list of names of those who had insufficient pay and for whom no dues or service fees were deducted. The list will also show name changes, new employees hired, and employees who have left the service of the Company. It is understood that the Company will not be liable or assume any responsibility except to deduct and forward such deductions to the Financial Secretary of the Union.

7.5-1 The cost to the Company of furnishing such information shall be paid by the Union.

7.6 If an employee fails to comply with the preceding provisions, the Union shall advise that employee, by certified letter with a copy to the Labor Relations Manager, that, if the employee does not pay or arrange to pay the arrears within 30 calendar days after receiving the letter, the Union will request the Company to terminate that employee. If the employee has not complied by the end of the aforesaid 30 days, the Union will notify the Labor Relations Manager who shall give the employee a further 15 calendar days notice. If at the end of the aforesaid 15 days the employee has still not complied, the Union shall advise the Labor Relations Manager in writing and that employee shall be terminated.

8. BULLETIN BOARDS

8.1 Union bulletin boards of a size and type mutually agreed to by the Company and Union, and in locations approved by the Company, may be installed and maintained by the Union. The use of these bulletin boards shall be confined to factual notices and announcements of Union activities such as:

8.1-1 Meetings;

8.1-2 Results of nominations and elections;

- 8.1-3 Appointments to offices and committees;
 - 8.1-4 Social affairs of the Union;
 - 8.1-5 Agreements concluded by the Union and the Company;
 - 8.1-6 Only names and titles of political offices sought of political candidates enforced by the IBEW Local Union Political Action Committee; and
 - 8.1-7 Other official Union business.
- 8.2 Material posted shall not contain anything political or controversial, anything derogatory to the Company or any of its employees, or anything derogatory to any labor organization. The Union assumes complete responsibility for compliance with the provisions of this Section.
- 8.3 Should any material other than the type described above be posted, the Union agrees that such material will be removed upon request by the Company to an official or steward of the Union.
- 8.4 No material shall be placed on Union bulletin boards except by designated Union representatives.

9. DEFINITIONS

- 9.1 **Accredited Service** - The term accredited service shall mean the aggregate of the years and months of active employment in the service of the Company, its predecessors, its associated companies or companies affiliated with the Corporation that is recognized for service purposes. Accredited service shall include all active employment for which a wage or salary was paid, and any additional excused absent time or leave of absence time that was specifically approved for service credit purposes in accordance with the published statements of Company policy.
- 9.1-1 Accredited service for part-time employees will be based on the accumulation of hours worked. For this purpose, forty hours shall be considered to constitute one week except that not more than forty hours shall be counted for any one week.
- 9.2 **Basic Wages, Pay** - The rates of pay exclusive of all differentials, premiums, or other extra payments.
- 9.3 **Calendar Week** - A consecutive period of seven

days, the first day of which is Sunday.

- 9.4 **Differential Pay** - An additional payment given for certain responsibilities of positions assigned by management.
- 9.5 **Employee, Full-Time** - Regular and temporary employees who are normally scheduled to work at least five full tours each week.
- 9.6 **Employee, Part-Time** - Regular and temporary employees who are normally scheduled to work less than five full tours each week or employees who can't work full time.
- 9.7 **Employee, Regular** - One whose employment is reasonably expected to continue for more than one year.
- 9.8 **Employee, Temporary** - One whose employment is ordinarily expected to continue for not more than one year.
- 9.9 **Employee, Probationary** - A person who has not accumulated 180 days of accredited service prior to assignment as a regular employee.
- 9.10 **Furlough** - Absence without pay for thirty calendar days or less.
- 9.11 **Headquarters** - A town designated by the

Company as being the place of employment for a particular employee(s) and on which location the employee's basic wage rate is established.

9.11-1 Fort Wayne which shall include Albion, Churubusco, Hoagland, Huntertown, Kimmel, Leo, Monroeville, New Haven, Poe, Roanoke, Wawaka, Woodburn, Harlan, Garrett, Ossian, Zanesville, Uniondale, Markle, and Reservoir.

9.11-2 Terre Haute which shall include Brazil, Clay City, Cory, Lewis, Graysville, Paxton, Prairie Creek, Riley, and Sullivan.

9.11-3 Winchester which shall include Cambridge City, Centerville, Dunkirk, Economy, Farmland, Fountain City, Greensfork, Hagerstown, Losantville, Lynn, Modoc, Parker, Redkey, Ridgeville, Saratoga, and Williamsburg.

9.11-4 Elkhart.

9.11-5 LaPorte.

9.12 **Holiday Work** - Any work or tour which begins on an authorized holiday.

9.13 **Layoff** - Reduction in the work force which

protects, for up to two years, the laid off individual's length of seniority and accredited service held at the time of the layoff.

- 9.14 **Premium Pay** - Is the amount in addition to basic rates which an employee is paid for working less desirable hours (night or evening). Holiday premium pay shall be considered to be the pay an employee will receive for the holiday if the employee did not work, or the amount in excess of the employee's regular rate if the employee does work on the holiday.
- 9.15 **Regular Pay** - Basic pay plus any differential pay.
- 9.16 **Reporting Location** - Designated as a building or place therein, as determined by the Company, where employees begin and end their assigned tours of duty.
- 9.17 **Scheduled Day Off** - Means the day or days that are designated as "off" on the officially posted schedules.
- 9.18 **Scheduled Hours** - Hours falling within an employee's scheduled tour. Any of the hours which are officially posted on the weekly work schedule for a particular employee to work.
- 9.19 **Seniority** - See Article 15.

9.20 **Service Emergencies** - That period of time or condition when service or business essential to the Public or functioning of the company's responsibilities is or would be impaired unless temporary measures are applied in an expedient manner.

9.21 **Service Requirements** - Means the requirements as determined by the Company that are necessary to provide adequate and satisfactory telecommunications service or business directly or indirectly related to the Company's responsibilities.

9.22 **Sunday Work** - Any work or tour which begins on Sunday.

9.23 **Workday** - The period of time between 12:00 midnight preceding and 12:00 midnight ending any day. Any tour or call-out is part of the workday on which such tour or call-out begins.

9.24 **Work Group** - A group of employees in the same job classification who report to the same supervisor(s).

10. PRODUCTIVE WORK BY MANAGEMENT

10.1 The Company agrees that it will not, as a

matter of policy, use supervisory employees who are excluded from the bargaining unit on work performed by members of the bargaining unit. The Union agrees, however, that management employees shall have the right to do productive work as follows:

- 10.1-1 To meet service emergencies.
- 10.1-2 Work incidental to the training of employees. Such training includes the training of employees not covered under this Agreement to do work covered by the Agreement for a period of not more than three months for any one individual. They will not be used to replace regular employees or, in any way, to cause part-time and/or layoffs of employees covered under this Agreement.
- 10.1-3 Work incidental to the enforcement of safety practices.
- 10.1-4 Operator switchboard work as may be required to meet service requirements.
- 10.1-5 When an appropriate employee is not available or cannot be reached for any assignment, productive work may be done by management personnel.

10.1-6 In the Accounting and Information Management areas, complete projects requiring specialized knowledge or judgment and special projects as requested by management that are one-time in nature, and not specifically established in design, thereby, requiring excessive training and time to complete by hourly personnel. The time required for such projects will normally not exceed one week.

10.1-7 In the Accounting and Information Management areas, new work of a repetitive nature until a procedure is developed to permit preparation by an employee within the unit.

11. GRIEVANCE PROCEDURE

11.1 A grievance is a complaint by an employee or group of employees, for whom the Union is the bargaining agent, involving an alleged violation or interpretation of any provision of these Agreements. All grievances shall be submitted in writing and contain a clear, concise statement of the alleged violation, refer to the Contract provision allegedly

violated, and identify and be signed by the aggrieved employee or employees.

11.2 Grievances shall be submitted by an authorized Union representative to the immediate supervisor and a meeting will be held within seven (7) calendar days. The Company shall give a written answer within seven (7) calendar days of this meeting.

11.2-1 Meeting(s) may be waived by mutual consent of both parties.

11.3 If the grievance is not satisfactorily adjusted under the provisions of Section 11.2, the Union, through its Business Manager, may appeal the decision to the Regional Director-Human Resources or a designated representative within ten (10) calendar days of the date of the Company's first written answer. Upon presentation of the grievance to this level, the Company shall arrange a meeting within fourteen (14) calendar days with the Union for the discussion of the grievance. The Company will, within fourteen (14) calendar days of this meeting, forward to the Union its written answer based upon the meeting and discussion therein.

11.4 Nothing in this Article shall prevent an

employee or group of employees from presenting grievances directly to the Company. If, however, any grievance presented by an employee or group of employees involves a question of interpretation or application of these Agreements, which upon determination may establish a precedent, or a question involving a matter appropriate for collective bargaining, the Company shall immediately notify the Business Manager of the Union, and he/she shall be entitled to be present and participate in the discussions and disposition of such grievance.

- 11.5 Once a grievance has been presented by the Union to the Company, representatives of the Company shall not discuss the grievance with the aggrieved employee or employees except in the presence of an authorized representative of the Union.
- 11.6 The time period specified in this Article may be extended or modified by mutual consent.
- 11.7 No grievance shall be eligible for handling hereunder unless proceedings to that end shall be begun within thirty (30) days after the event out of which such grievance shall have arisen, with the exception of disciplinary action including termination.

Grievances involving disciplinary action including termination shall not be eligible for handling hereunder unless proceedings to that end shall be begun within fifteen (15) days after the event out of which such grievance shall have arisen.

11.7-1 In the case of a grievance involving an error in an employee's pay which resulted from incorrect application of the wage schedule or basis of compensation Articles of these Agreements, and which neither the Union nor the employee became aware of until a date within thirty days of the filing of the grievance, any wage adjustment to be made shall be governed by the following:

11.7-1.1 If the error involved an error in the employee's hourly rate which continued in effect until a date within thirty days of the filing of the written grievance, adjustment shall be made for the entire continuous period during which the incorrect rate was in effect.

11.7-1.2 In any case other than described in Paragraph 11.7-1.1 above, no adjustment in wages shall be made.

11.8 The Company shall not initiate any disciplinary action against any employee for whom the Union is the bargaining agent after the expiration of thirty days (a) after the act was committed, or (b) after the date on which the Company became aware of the act.

11.9 For the purpose of counting days or time periods within the grievance article and the following article concerning arbitration, the first day counted shall be the first calendar day following the day upon which the event occurred which is the basis of taking such action.

11.10 Should it be necessary for an employee to be temporarily relieved of duties in connection with grievance processing, the immediate supervisor shall be notified as to the nature of business to be transacted and the approximate time necessary. Since certain schedule problems may exist, as much advance notice as possible should be given. Said employee shall suffer no loss of pay.

An employee may be excused for other union business at the request of the Union Business Manager or the Union Business Representative, should the needs of the Company permit. Such requests will normally be made to the Company seven (7) calendar days prior to the day(s) for which the employee would be excused. Such time off would not be paid for by the Company.

12. ARBITRATION

- 12.1 Only grievances which resulted from an alleged violation of the provisions of these Agreements which the parties are unable to settle by the use of the grievance procedure herein contained may be submitted to arbitration. Request for arbitration to the American Arbitration Association (with a copy to the Company) must be made in writing within thirty days after the date of the Company's final answer on the grievance.
- 12.2 Selection of the arbitrator and conduct of the arbitration shall be conducted under the existing rules of the American Arbitration Association unless mutually waived by the parties.

- 12.3 All proceedings under this Article shall be started and carried to conclusion as expeditiously as possible.**
- 12.4 Each party shall bear the expense of preparing and presenting its own case. The compensation and expenses of the arbitrator and the incidental expenses of the arbitration proceeding mutually agreed to in advance shall be borne equally by the Company and the Union.**
- 12.5 The decision of the arbitrator shall be binding upon both parties and shall conclusively determine the dispute being arbitrated.**
- 12.6 The arbitrator shall not have authority to add to, subtract from, or modify any provision of these Agreements, nor to rule on any question except the ones submitted for arbitration.**

13. CONTRACTING WORK

13.1 Nothing in this Agreement shall be construed to limit the Company in the employment of such contract labor as in the discretion of the Company may become necessary for the proper construction, installation, maintaining and support of communication facilities owned, served and/or operated by the Company for the rendition of proper and adequate communication service to the Public. The Company shall not, however, enter into any contractual arrangement for the construction, installation, and current maintaining and support of communications facilities as may result in the layoff and/or part-timing of its employees customarily performing work of the same nature as that to be provided under the contractual arrangement.

13.1-1 If an employee is on layoff status, the Company will not contract out that employee's normal work functions in their headquarters, e.g., if a CZT II is on layoff in Fort Wayne, the Company could not contract out work functions normally performed by CZT II's in the Fort Wayne headquarters.

13.2 It is understood that nothing in this Article shall be construed to obligate the Company to have any employee work more than the normal workweek because of the use of contract labor in any exchange or area.

14. DISCIPLINE OR DISCHARGE FOR CAUSE

14.1 It is mutually agreed by the parties hereto that nothing in this Agreement shall restrict the right of the company to discipline or discharge an employee where such employee's efficiency, conduct, attendance, application or discharge of assigned duties are below the required standard; provided, however, that cases involving discipline or discharge from the Company may, at the request of the Union, be subject to review under the procedure set forth for the handling of such differences as provided under the Grievance Procedure and Arbitration Articles of this Agreement, except that cases involving employees of less than one hundred eighty (180) days accredited service may not be submitted to arbitration.

14.2 The Company shall give the Business Manager of the Union written notification of the name of each discharged employee within five working days after discharge.

15. SENIORITY

15.1 Employees shall have Bargaining Unit seniority based on the most recent date of employment by Verizon North Incorporated or its predecessors, less deductions for leaves of absence.

15.1-1 Bargaining unit seniority reconciliation for employees with the same employment date shall be determined by the birth date of the employees, the oldest being the more senior.

15.1-2 Where bargaining units within IBEW Local 723 have mutual reciprocity, Bargaining Unit seniority will be portable.

15.1-3 Effective January 21, 2001, employees of Verizon North Inc., (Indiana) within the bargaining unit, will be grandfathered with their existing seniority date as their bargaining unit seniority.

15.1-4 Employees who leave the bargaining unit and return, and have no break in their employment with a Verizon Company of Indiana, will have the seniority held at the time they left the bargaining unit, immediately added when they return to the bargaining unit.

15.2 The extent to which Bargaining Unit seniority shall govern in the case of assignment of vacations, promotion, or reclassification within work groups, assignment of hours, layoffs, and recall after layoffs shall be in accordance with the Articles covering these matters.

16. SELECTION OF WORK SCHEDULES - CRAFT (CONSTRUCTION, SERVICE, SUPPLY), CLERICAL (SERVICE)

16.1 Seniority in the assignment of Hours-Days Schedule and reporting locations shall apply as follows:

16.1-1 When the Company determines that a reporting location position needs to be filled within a specific job classification in a headquarters, it will be filled using an internal job posting system. The position will be posted at all reporting locations within the job classification

and headquarters for a period of fourteen (14) days and will be filled by the most senior employee (except Switching Services) in the job classification who has submitted written notification to supervision.

- 16.1-1.1 If no employee submits written notification, the Company may move the least senior employee in the job classification and headquarters not presently at the location or leave the position vacant.

- 16.1-1.2 When a job posting is required for the position of Customer Zone Technician I, the words "most senior" or "least senior" shall always be followed by the word "qualified." A Customer Zone Technician I who moves to a new reporting location will be expected to remain at the new location for a period of eighteen (18) months unless the time requirement is waived by mutual consent.

16.1-2 Every thirteen (13) weeks, the Company shall provide an Hours-Days Schedule showing work schedules for each job classification at each reporting location for employees with more than 24 months of seniority. Such Hours-Days Schedule will be prepared for each reporting location and show the hours and days applicable to individual work schedules at that location.

16.1-2.1 Only employees with more than 24 months of seniority will be accorded a choice of Hours-Days Schedule in order of seniority. If Company requirements for maintaining experience and qualifications are not met, the least senior qualified employee will be assigned prior to the effective date for posting the new schedule. The employees' bid of Hours-Days Schedule will be completed seven (7) calendar days prior to the effective date for posting of the new schedule.

16.1-3 Schedules vacated on the Hours-Days Schedule as a result of termination, promotion, reclassification, retirement, or sickness will be posted within seven (7) calendar days so that employees in the affected job classification and reporting location, with more than 24 months of seniority may indicate within seven (7) calendar days their preference for such schedule. Assignments shall be made in accordance with Paragraph 16.1-1. If the experience and qualifications balance cannot be achieved within the reporting location, Paragraph 16.1-1.1 will apply.

16.2 The Company shall prepare weekly schedules showing hours and days by reporting location for all employees in a single job classification for the next week. The weekly schedule will be posted no later than 4:00 p.m. Thursday of the preceding week. The schedule shall indicate the hours and days which constitute the normal workweek. However, with forty-eight (48) hours notice, the posted weekly Hours-Days Schedule may reflect without premium penalty changes in the thirteen week Hours-Days Schedule to provide for employees' floating holidays, vacation, schooling, and those schedules temporarily vacated under

16.1-3. When a schedule change is necessary, the schedule to be changed will be that of the least senior, qualified employee which does not require backfilling. Other changes in the thirteen week Hours-Days Schedule can be made without premium penalty by mutual consent of both parties.

16.2-1 Should the weekly Hours-Days Schedule be changed without forty-eight (48) hours notice, the affected employees shall be paid for the hours or days worked before or after the regular work schedule at a premium of one half the regular rate.

16.2-2 After weekly Hours-Days Schedules have been prepared and employees notified, an employee may exchange one or more work schedules with another employee within the same work group and reporting location, provided such an arrangement is made for compelling personal reasons and approved by the immediate supervisor(s) involved. The schedule thereby agreed upon to be worked by the employee(s) involved, shall be considered as scheduled for the purpose of determining payment for the hours worked. Total payment made by the Company shall not be increased as the result of changing the schedule.

16.2-3 An employee may request changes in a previously assigned Hours-Days Schedule to attend to matters of a personal nature provided approval is obtained before the day on which a change is desired. When such time off is made up during the same workweek, such time off will not be considered an occurrence of absence. Hours of make up time worked in the same workweek as the allowed time off will not be paid at the overtime rate and when the change is made at the employee's request, the premium penalty indicated in Section 16.2-1 is not paid.

16.2-3.1 With management's approval, if an employee elects to make up time during what would normally be Sunday or night premium time, the employee may do so, however, the normal Sunday or night premium payment would be waived.

16.3 The Company and Union agree that 16.2 and 16.2-1 apply only to changes in the weekly work schedule as posted. Working additional hours

and/or days out of the basic schedule does not constitute a schedule change and premium referred to in 16.2-1 does not apply.

- 16.4 When a Craft (Construction, Service, Supply) or Clerical (Service, Supply) employee is reclassified to a different job classification, the employee shall be assigned to a reporting location and granted a choice on the thirteen week Hours-Days Schedule in accordance with the employee's seniority at the next posting of that Hours-Days Schedule at that reporting location, such choice being subject to the employee's ability to adequately handle the work requirements of the particular tour selected.
- 16.5 Return to Work - Employees returning from leaves of absence and furloughs, and employees coming in by transfer without a change in job classification, shall be assigned to a reporting location and granted a choice on the thirteen week Hours-Days Schedule in accordance with their seniority at the next posting of that Hours-Days Schedule at that location, subject to the employee's ability to adequately handle the work requirements of the particular tour selected.
- 16.6 Employees who work 16 hours or more in a 24 hour period, prior to the start of their regularly scheduled tour, shall be allowed a rest period of eight (8) hours before returning to work. This

rest period will not be considered an occurrence of absence.

17. SELECTION OF TOURS-DIRECTORY ASSISTANCE AND TOLL (TRAFFIC)

17.1 Normal Selections - Subject to service requirements and the conditions following, tours of specific work schedules shall be assigned or selected in accordance with the seniority of the employees who are designated to be working within the group for which the schedule is applicable.

17.1-1 All tours on Good Friday and the day after Thanksgiving will be assigned by the Company to employees as nearly as possible to the hours selected by them on the weekday schedule. Employees may select their own tours on each of the other eight holidays.

17.1-2 Effective with each posting of the master schedule (at least once each three months), each employee will indicate a first, second, and third choice of tours to be worked, separately, for Saturdays and Sundays. Insofar as service requirements permit, Saturday and Sunday tours will be assigned on a

seniority basis in accordance with the preferences so expressed for the entire period during the time the master schedule is in effect.

- 17.1-3 For employees with job titles other than Operator, the length of continuous service with the job title in the particular working group shall control. However, in the event two or more persons are appointed to the same job title on the same date, the earliest accredited service date shall determine the order of precedence.
- 17.1-4 When a Traffic Clerk is reclassified to Operator, the employee shall be granted choice of tours in accordance with total seniority at the next posting of the master schedule for selection of tours.
- 17.1-5 In assigning part-time operators on the schedule which is posted for the following week, the employees' first, second, and third choices of hours will be taken into consideration on a seniority basis subject to service requirements. It is understood that this would not apply when an employee is called in on a daily basis.

- 17.2 Return to Work - Employees returning from leaves of absence and sickness cases, and employees coming in by transfer shall be granted choice of tours in accordance with their seniority at the next posting of the master schedule for selection of tours.
- 17.3 Sunday and Holiday Rotation - Sunday and holiday schedules shall be rotated among the employees who are designated to be working within the group for which the schedule is applicable in such a manner as to provide for the approximate equalization of both premium pay work opportunity and the privilege of securing Sundays and holidays as days off.
- 17.4 Posting Work Schedules - The Company shall post weekly work schedules of assigned tours for each employee not later than 4:00 p.m. on Friday of the preceding week. After that time, the Company can make the following changes:
- 17.4-1 The Company may assign additional full or part-time tours to meet service requirements.
- 17.4-2 The Company may make exchanges of tours requested by employees and approved by the Operator Services Manager. When tours are exchanged by mutual consent of the employees

involved, with the approval of the Operator Services Manager, no payments will be made in excess of those required had no change been made.

17.4-3 The Company may make changes in the starting or ending time of an assigned tour. In the event of such change, the employee shall be paid for those hours worked before or after the regular scheduled tour at a premium of one-half the regular rate.

17.4-4 An employee may request changes in a previously assigned Hours-Days Schedule to attend to matters of a personal nature provided approval is obtained before the day on which a change is desired. When such time off is made up during the same work week, such time off will not be considered an occurrence of absence. Hours of make up time worked in the same workweek as the allowed time off will not be paid at the overtime rate and when the change is made at the employee's request, the premium penalty indicated in Section 17.4-3 is not paid.

17.4-4.1 With management's approval, if an employee elects to make up time during what would normally be Sunday or night premium time, the employee may do so, however, the normal Sunday or night premium payment would be waived.

17.5 Posting Work Schedules - Holidays - Sundays -
The Company shall post Sunday and holiday schedules at least fourteen (14) calendar days before the holiday and the Sunday.

17.6 Miscellaneous - Subject to service requirements, the Company shall determine work-schedule requirements and shall put into effect such schedules when it is deemed necessary.

17.6-1 An employee who desires to do so shall have the opportunity to exercise seniority or preference for choice of tours at least once each three months.

17.6-2 When a tour becomes vacant, any employee may be assigned temporarily to the tour until the next posting of the master schedule for selection of tours.

17.6-3 An Operator who, because of a change

in schedule, transfers from a night to a day shift, shall be scheduled a minimum of ten hours off after the last night tour worked. It is understood that the employee may be asked to work overtime during the ten hour period.

17.6-3.1 With the mutual agreement of the employee and the Traffic Management, this period of time may be reduced to eight (8) hours.

17.6-4 No split tour shall be scheduled more than twelve (12) hours between the starting and ending time of the tour. It is understood that the employee may be assigned overtime in the same manner as other employees despite the aforesaid restriction.

17.6-4.1 A split tour may be scheduled for more than twelve (12) hours between the starting and ending time of a tour when mutually agreed between the affected employee and Traffic Management.

17.7 Minors - The number of Operators under seventeen years of age shall be kept at a minimum.

17.7-1 Four assignments for minors under seventeen years of age shall be subject to the requirements of the Indiana law governing the employment of minors.

18. SELECTION OF WORK SCHEDULES - ACCOUNTING AND INFORMATION MANAGEMENT

18.1 Seniority shall be the governing factor in the assignment of hours and days, in accordance with the following:

18.1-1 Every thirteen (13) weeks, the Company shall prepare the schedule reflecting hours and days available for bid by employees in that work group.

18.1-1.1 The employee's bid of the Hours-Days Schedule will be done by seniority, and shall be completed seven (7) calendar days prior to the effective date for posting of the new schedule.

18.1-1.2 If Company requirements for maintaining experience and qualifications are not met, the least senior qualified employee in the work group will be assigned the schedule.

18.1-2 Schedules vacated on the Hours-Days Schedule as a result of termination, promotion, reclassification, retirement, or sickness will be posted within seven (7) calendar days so that employees in the affected work group may indicate within seven (7) calendar days their preference for such schedule. Assignments shall be made in accordance with Paragraph 18.1-1. If the experience and qualifications balance cannot be achieved within the work group, Paragraph 18.1-1.2 will apply.

18.2 The Company shall prepare weekly schedules showing hours and days by reporting location for all employees in a single job classification for the next week. The weekly schedule will be posted no later than 4:00 p.m. Thursday of the preceding week. The schedule shall indicate the hours and days which constitute the normal workweek. However, with forty-eight (48) hours notice, the posted weekly Hours-Days Schedule may reflect without premium penalty changes in the thirteen

week Hours-Days Schedule to provide for employees' floating holidays, vacation, schooling, and those schedules temporarily vacated under 18.1-2. Other changes in the thirteen week Hours-Days Schedule can be made without premium penalty by mutual consent of both parties.

18.2-1 Should the assignment of hours or days posted be changed without forty-eight (48) hours notice, the affected employees shall be paid for the hours or days worked before or after the originally posted work schedule at a premium of one-half of the regular rate.

18.3 An employee may request changes in a previously assigned Hours-Days Schedule to attend to matters of a personal nature provided approval is obtained before the day on which a change is desired. When such time off is made up during the same workweek, such time off will not be considered an occurrence of absence. Hours of make up time worked in the same workweek as the allowed time off will not be paid at the overtime rate and when the change is made at the employee's request, the premium penalty indicated in Section 18.2-1 is not paid.

18.3-1 With management's approval, if an employee elects to make up time during what would normally be Sunday or night premium time, the employee may do so, however, the normal Sunday or night premium payment would be waived.

18.4 A full-time employee will normally be scheduled to work five workdays in a calendar week although this shall not be considered to guarantee a minimum of 40 hours work per week.

18.5 Employees will utilize the established internal posting system (lateral board) for lateral job openings.

18.6 Employees who work 16 hours or more in a 24 hour period, prior to the start of their regularly scheduled tour, shall be allowed a rest period of eight (8) hours before returning to work. This rest period will not be considered an occurrence of absence.

19. FORCE ADJUSTMENTS

19.1 If the Company determines that part-timing or layoffs, or both are necessary due to adverse economic conditions or other reasons, it may carry out a reduction of the work force among

its employees within their respective job classifications and within their respective headquarters locations in accordance with the following conditions and in order of seniority, shortest to longest. The Union will be notified prior to the effective date of the layoffs or part-timing.

19.1-1 First temporary, then part-time employees with less than one year of seniority will be laid off by seniority, shortest to longest.

19.1-2 Full-time employees with less than one year of seniority will be laid off or part-timed by seniority, shortest to longest.

19.1-3 After layoffs are made in accordance with Paragraphs 19.1-1 and 19.1-2 and additional layoffs or part-timing is still required, employees with more than one year of seniority will be laid off or part-timed by seniority, shortest to longest. The company must notify the Union at least 15 days prior to any layoff or part-timing under this paragraph.

19.2 Employees who are identified under the provisions of Paragraph 19.1-3 as being

individuals who will be laid off shall have the right to claim a job in a position filled by an employee having less seniority. The method of claiming other jobs and any restrictions to claiming them are specified in Paragraphs 19.3, 19.4, and 19.5.

- 19.3 Any employee who is to be laid off shall have the right to (a) claim a job in a classification in which that employee formally worked in this bargaining unit, or (b) claim another job in his/her department which is of essentially the same type of work he/she is performing provided; however, in the judgement of management, the employee is immediately capable of performing the new job and also provided the employee to be bumped has less seniority. An employee who is bumped from a position under the aforementioned provisions also may, if eligible, bump under the provisions of this paragraph.

19.4 If an employee is unable to claim a job under Paragraph 19.3, the following shall apply: Employees with more than one year of seniority shall be able to claim jobs which require less than one week of formal training except that the numbers of positions available in each classification will be established by the Company. Classifications which contain positions requiring less than one week of formal training are: Housekeeper, Building Custodian, Cable Splicer's Helper, Garage Attendant, Service Clerk, Coin Telephone Representative, Frame Attendant, Accounting Clerk, Data Clerk, Utility Worker, Customer Representative, Operator, and Traffic Clerk. The Company will indicate the numbers of positions within each classification into which the employee may bump. The employees eligible to bump will do so in order of seniority provided they have the necessary qualifications to perform the job.

19.4-1 Employees with more than one (1) year of seniority who are bumped out of jobs under this paragraph may bump into jobs (in this bargaining unit) in which they formerly worked provided the employee is immediately capable of performing that job and the employee to be bumped has less seniority.

19.5 Employees who bump into jobs under Sections 19.3, 19.4, and 19.4-1 who are not immediately capable of performing the job will be laid off, with recall rights only for the job the employee held when the layoff occurred.

19.6 An employee who is reduced two or more wage schedules will have his/her present wage rate frozen for a period of six (6) weeks. At the end of the six (6) week period, the employee's rate of pay shall be reduced to the next lower wage rate of the new wage schedule.

20. RECALL AFTER LAYOFFS

20.1 Employees who are laid off will be recalled in the same jobs or in other jobs which they are qualified to perform in order of seniority, highest to lowest.

20.2 The Company shall not hire any new employees until it has offered recall by a registered letter, mailed to the last mailing address known to the Company, to all employees laid off during the last two years in the same headquarters, provided that, in the judgment of management, the laid off employees have sufficient qualifications to fill the jobs the Company has open and provided that they have incurred no physical impairment

that would prevent their performing the work.

20.2-1 If the Company elects to offer a job as a regular employee (in the same headquarters location) which is within or outside the bargaining unit to an IBEW represented employee, that employee must accept the job offered or be terminated.

20.3 It will be the responsibility of the laid off employees, who desire reemployment, to keep the Company informed as to their correct address and to advise the Company, within one week after the letter is sent by registered mail, of his/her acceptance of the job. The Company will assume that failure on the part of the laid off employee to notify the Company within the aforesaid week concerning acceptance of an offer of employment, or to report for duty within two weeks after accepting the job, constitutes a rejection.

20.4 Upon recall by the Company, laid off employees who are recalled within two years from the date of their layoff and who return to the Company shall be returned to the same seniority and accredited service status as held at the time of layoff. After two years, a laid off employee will be terminated and will not have any recall rights.

21. PROMOTIONS AND RECLASSIFICATIONS

21.1 Seniority shall be given first consideration in a reclassification to a different job when the individuals being considered have substantially the same qualifications to efficiently and effectively perform the work.

21.1-1 An employee accepting a reclassification is required to work in the new classification for a period of time noted below, unless waived by management:

Wage Schedule

A, 1, 2, 3	- 9 months
4, 5, 5A, 6, 7, U	-18 months
8, 9, 10, 11, 12	-30 months

21.1-1.1 The above time limits shall be waived for employees who are reclassified due to force adjustments to a lower wage schedule or from full-time to part-time.

21.2 In Accounting and Information Management, seniority shall be given

consideration in promotions or reclassifications to a different job when the individual has the qualifications, including formal education (or its equivalent) and training to efficiently and effectively perform the work.

- 21.3 The Company reserves the exclusive right to make selections of employees for promotion to positions not covered by the Agreement.

22. TRANSFERS

22.1 If an employee is transferred to another headquarters location either (a) at the request of the employee, or (b) at the request of the Company, and the new headquarters location is in a different wage group, the employee will receive wage treatment as follows:

22.1-1 If there is no change in job title, the wage rate will be adjusted to the wage rate for the same interval on the schedule of the new headquarters location.

22.1-2 If there is a change in job title, the title change is made at the old headquarters location and the wage rate is adjusted

accordingly. Then the wage rate will be adjusted to the wage rate for the same interval on the wage schedule of the new headquarters location.

22.2 An employee may be transferred from one headquarters location to another if the transfer will not result in the demotion, layoff, or *part-timing of employees* in the headquarters location to which the employee is being transferred.

22.2-1 In the case of Company-initiated transfers, the Company first will give preference in order of seniority to qualified employees who are willing to accept the transfer. If no employee is willing to accept the transfer, the least senior qualified employee in the headquarters location who has the necessary qualifications will be transferred.

22.2-2 In the case of employee-requested transfers, where two or more employees request the transfer, the most senior employee who has the necessary qualifications will be selected for the transfer.

22.2-3 Employees who are transferred at their own request or who transfer to avoid layoff, will pay their own moving expenses. The Company will pay the moving expenses of an employee who transfers at the Company's request.

22.2-4 The decision of the Company in any of the foregoing factors will be controlling unless the Company is shown to have acted in bad faith.

23. EQUALIZATION OF OVERTIME

23.1 It is recognized that employees may, on occasion, be required to work overtime unless prevented from doing so by compelling, personal reasons.

23.1-1 All employees will be given the opportunity to place their name on an active overtime list or an inactive overtime list.

23.2 The Company will make every reasonable effort to equalize overtime opportunities for employees on the active overtime list in one job classification and reporting location. When an employee refuses overtime work, the employee will be credited with the same number of hours as the employee(s) who did work.

23.2-1 An employee who refuses an overtime opportunity three consecutive times shall be removed from the active overtime list. The employee may be returned to the active overtime list by written request to his/her supervisor after a seven day waiting period.

23.2-1.1 An employee may also be removed from the active overtime list by written request to his/her supervisor and a one working day waiting period. Such request may be withdrawn at any time by written request to his/her supervisor and placed back on the overtime active list after a seven day waiting period.

23.2-2 It is recognized that employees on the inactive overtime list may, on occasion, be required to work overtime when there are insufficient numbers to work from the active overtime list, unless prevented from doing so by compelling, personal reasons.

23.3 In Accounting and Information Management, Section 23.2 will apply by work group.

23.4 Overtime records shall be posted on bulletin boards no later than the fifteenth of the month following the month to which the record applies.

24. TOOLS

24.1 The Company will furnish, without cost to the employees, all tools necessary for the safe performance of their duties.

24.2 Employees will be responsible for the proper use and care of tools furnished by the Company and will be held accountable for tools assigned to them. Employees will not be held accountable if lost or stolen due to Company's failure to provide *a secure place for storage.*

24.2-1 Tools furnished to employees by the Company which become broken or worn out will be replaced by the Company upon presentation of the broken or worn out tools.

24.2-2 The Company may inspect tools at any time, and shall condemn from further use any tool which is found to be unsafe, and will arrange for repairs to any tool which

is inoperable or malfunctioning.

24.3 For Fleet Technicians, Fleet Mechanics and Garage Attendants only, the company will furnish, without cost to the employees, all the tools necessary for the performance of their duties. Employees who are furnished tools will be held responsible for them.

24.3-1 Tool replacements will be made in accordance with the following:

24.3-1.1 Tools lost or stolen due to the employee's carelessness or neglect will be replaced at the employee's expense.

24.3-1.2 Tools that become broken or worn out will be replaced by the Company upon presentation of the broken or worn out tools.

25. EXPENSE ALLOWANCE

25.1 Employees covered by this Agreement will be subject to work assignments at other than their normally assigned locations. These work assignments may be outside the jurisdiction of

this Agreement and may be outside the operating area of Verizon North Inc., (Indiana). The assignments will be for the following reasons: (a) service requirements; (b) work of a project nature that exceeds the working capacity of the resident forces which necessitates such temporary shifts of personnel; and (c) for installation and/or maintenance of equipment outside the Verizon North Inc., (Indiana) service area.

25.1-1 The selection of employees for such temporary reassignment of work location shall be at the discretion of management, except that such assignments shall be rotated to the greatest extent possible among volunteers from the affected job classification. If the number of volunteers is insufficient, management will assign the least senior qualified employee(s).

25.2 By mutual consent of the employee and the supervisor, an employee may use his/her personal vehicle in lieu of Company paid travel time when assigned to work temporarily at another job location more than fifteen (15) but less than sixty (60) miles from his/her normal reporting location. Round trip mileage will be paid between the normal reporting location to

the temporary job location.

25.2-1 When travel time is provided in Company vehicles, such mileage allowance does not apply.

25.2-2 For assignments zero (0) to fifteen (15) miles - no allowance for travel time or mileage.

25.3 An employee assigned to work sixty (60) miles or more away from his/her normal headquarters location will be allowed to travel on Company time and expense on the first trip to and the last trip from the assignment and be paid as follows:

First Sunday following ratification:

Meal Allowance: \$29.00 per day ...R

Lodging Allowance: \$50.00 per day

25.3-1 An employee who departs and returns to his/her normal headquarters location the same day in a Company vehicle will not receive mileage or allowances.

25.3-2 An employee who departs and returns to his/her normal headquarters location the same day in his/her personal vehicle will receive mileage but not allowances.

is provided.

25.5 If the work/school assignment continues into a second consecutive week or more, the following rules apply:

25.5-1 If the assignment is less than 300 miles from the normal headquarters location, the employee will be paid under 25.3 or 25.4 for any nonscheduled days or may elect to return to his/her normal headquarters location on his/her own time in lieu of 25.3 or 25.4. The employee may utilize a Company vehicle or receive mileage for use of a personal vehicle.

25.5-2 For assignments of 300 miles or more, the employee will be paid under 25.3 or 25.4 for any nonscheduled days. In addition, the employee will be allowed to return to his/her normal headquarters location on Company time and at Company expense at the end of each four-week period in lieu of 25.3 or 25.4.

25.6 Whenever an employee is authorized by the Company to use his/her personal vehicle, the mileage allowance shall be paid in accordance with Company policy, but no less than 31.5

cents per mile.

25.6-1 When a mileage allowance is paid for the use of an employee's personal vehicle, it is intended to cover all the expenses incurred for operating the vehicle such as, but not limited to: gasoline, oil, and repairs.

25.6-2 When a mileage allowance is paid for the use of an employee's vehicle, the employee must have the minimum necessary liability limits on the vehicle used as required to comply with the Financial Responsibilities of the State.

25.7 When employee(s) are required to work continuously (overtime) three hours or more beyond the employee's normal tour ending, a meal period will be allowed. As work continuity requires, the meal period will be treated as paid work time whenever (a) the employee is requested to limit his/her meal period to thirty minutes or less, or (b) at the supervisor's direction, the employee is furnished a meal at the job site.

25.7-1 Whenever an employee requests and is granted permission to return home for a meal, the meal period will be taken on the employee's own time. Even though

for other purposes, the overtime may be considered as being continuous with the ending of the normal tour.

26. BRIDGING OF SERVICE

26.1 When an employee's employment has been terminated and thereafter the employee is reemployed and accumulates six (6) months of accredited service, then the break in the employee's employment shall be bridged and there shall be added to the six (6) months of accredited service, which has accumulated since the employee's reemployment, the period of all accredited service which the employee has previously accumulated, provided each such prior accredited service equaled or exceeded six (6) months. Official Company records shall be used for the verification of all prior service.

27. LEAVES OF ABSENCE

27.1 Authorized informal leaves of absence (furloughs) shall not be deducted from an employee's accredited service.

27.2 Absence beyond the first thirty calendar days of

an authorized leave of absence will be deducted in computing an employee's accredited service.

- 27.3 Employees who are granted a leave of absence because of physical disability will be reemployed after they have recovered to the extent that they are able to resume full-time duties.
- 27.4 An employee who is granted a leave of absence for a reason other than physical disability will be reemployed at the termination of the leave (although not necessarily in the same job) if an opening exists and the employee has the necessary physical and mental qualifications to perform the job except as set forth in Section 27.5.
- 27.5 Any employee who accepts as primary employment a full-time paid position in Local 723 or the International IBEW Union (for a total of no more than fifteen (15) years) shall, at the expiration date of the term(s) in office, be reinstated to the employee's former position including all seniority time and accredited service, provided the employee is qualified and able to perform the work. It is understood that in case of return(s) of such an employee, other employees below him/her on the seniority list will be demoted or laid off if necessary. No

more than four employees (total - White Book, Blue Book, and South/Corydon Book) receiving a leave of absence for this purpose may obtain such leave of absence at one time. ...R

27.6 Any full-time employee of a Verizon/GTE company in an IBEW bargaining unit who becomes a full-time employee of either IBEW or an IBEW local affiliate (a "Verizon/GTE-Union employee") shall be entitled to be on leave of absence status from Verizon/GTE. While on such leave status, the Verizon/GTE-Union employees shall continue to accumulate seniority and shall retain return rights to the bargain unit. ...N

27.6-1 While on leave of absence status, a Verizon/GTE-Union employee shall accrue Accredited Service under the Verizon/GTE Pension Plan in which the employee actively participated while a bargaining unit employee until either:
...N

a. The Verizon/GTE -Union employee ends his/her full-time employment with the IBEW; or a local affiliate: or

- b. The Verizon/GTE -Union employee retires from GTE or otherwise affirmatively relinquishes his/her leave of absence: or
- c. The aggregate length of all such leaves of absence equals fifteen (15) years.
- d. Effective January 1, 2004, the aggregate length of all such leaves of absence equals eighteen (18) years.
- e. Effective January 1, 2006, the aggregate length of all such leaves of absence equals twenty (20) years.

27.6-2 In the event that any court of competent jurisdiction finds Article 27.6 to be unlawful, it shall be null and void as of the date of its execution, but Verizon/GTE and the IBEW will immediately negotiate in good faith to provide the most equivalent lawful benefit for Verizon/GTE-Union employees. ...N

28. TEMPORARY EMPLOYEES

- 28.1** Employees may be engaged on a temporary basis from time to time for a specific project or need (arising, for example, because of a resort season, technological change, etc.) or for the purpose of relieving regular employees who are absent due to sickness, leaves of absence, furloughs, or vacations. They may also be engaged for the purpose of augmenting the regular force to meet the requirements of the service that may be occasioned by resignations, dismissals, increased traffic loads, or any other condition which may bring about a force shortage. It is definitely understood that the employment of temporary employees is to terminate upon completion of the project or fulfillment of need.
- 28.2** After being classified as temporary for twelve months, an employee will be reclassified as a regular employee.
- 28.3** Temporary employees shall receive the same wage treatment and consideration as regular employees covered hereby with the exception of Articles 16, 17, 18, 27, 31, 32, 33, 38, 40, and Life Insurance (Scheduling, Leaves of Absence, Holiday, Vacation, Sickness Disability, Pension, and Insurance). After six

(6) calendar months as a temporary employee, the aforesaid exceptions shall not apply.

28.4 It is not the intent of the Company to lay off regular full-time employees and return them to temporary status for the purpose of avoiding payment of benefits.

29. INCLEMENT WEATHER

29.1 The Company recognizes that the nature of the work and the safety of the employees are *important factors when assigning work during inclement weather*. Continuous exposure to the elements during severe weather will not be required except in service emergencies such as to protect life, health, or property. Normal work assignments which require continuous exposure to the elements thus creating an unusual safety risk to the employee will not be required.

29.2 When the Company determines that a classification within a headquarters location is unable to effectively perform their work due to inclement weather and other productive work cannot be assigned, they will be paid in accordance with the following:

29.2-1 If employees report in person at their

assigned reporting center, they will be paid a minimum of 4 hours.

- 29.2-2 If employees are sent out on the job and forced to discontinue their work, they will receive compensation for all hours worked, but not less than 4 hours.
- 29.2-3 If employees work into the second session, they will be paid for a full day.
- 29.2-4 The determinations listed in 29.2-1, 29.2-2, and 29.2-3 can be used by the Company only three (3) times in a calendar year.
- 29.2-5 The employee will be granted AT0 time for hours not paid under the above paragraphs or in lieu of the 4 hours minimum, the employee may elect to receive a day-at-a-time vacation or a floating holiday.

30. BASIS OF COMPENSATION

- 30.1 **Normal Workweek - Part-Time Employees:** Up to eight hours per day and forty hours per week. Part-time employees must be

scheduled one day off each week.

30.2 Normal Workweek - Full-Time Employees:

30.2-1 Traffic Department Employees: Five full tours as scheduled.

30.2-2 Building Custodian: Five full tours as scheduled.

30.2-3 All Other Employees: Five eight-hour tours as scheduled on five consecutive days in one week (this includes Cable Splicers and Construction Installer Maintainers); however, it is recognized that schedules for installation, maintenance, and switchroom and NOMC employees cannot always be five consecutive days.

A maximum of 20% of each job classification within the NOMC may be scheduled non-consecutive days.

30.3 Normal Workweek and Day - Business Office (Service) Employees: A normal workweek consists of not more than forty hours within a calendar workweek, normally Monday through Friday inclusive. This shall not be construed to constitute a guarantee of a minimum of forty hours of work per week. The schedule of

hours and tours to be worked by employees shall be determined by the management of the Company, and changed from time to time to meet the requirements. A tour of duty is a period of not more than eight hours divided into two parts, not necessarily the same length, normally separated by not more than one hour. A normal daily tour shall be from 8 a.m. to 5 p.m., but may fall within the period from 7 a.m. to 10 p.m. The work to be performed by clerical employees may be at such other eight-hour periods as the necessity of the work may from time to time require, except that such other periods shall be discussed with the Union.

30.4 **Normal Workday - Part-Time Employees:** Up to eight hours in any one day.

30.5 **Normal Workday - Full-Time Employees:** From 8 a.m. to noon and 1 to 5 p.m., except for those employees for whom a different eight-hour schedule is posted.

30.6 There are two rates of pay for hours worked as follows:

30.6-1 **Regular Rate -** Basic rate plus differential, if any.

30.6-2 **Overtime Rate -** One and one-half times the regular rate.

30.7 The overtime rate is paid under either of the following conditions. (Any hours for which the overtime rate is paid shall not be considered to constitute a part of the normal workday or normal workweek except that work scheduled on Sunday will be considered part of the normal workweek.):

30.7-1 Hours worked in excess of eight in one day.

30.7-2 Hours worked in excess of forty in one calendar week provided the overtime rate has not already been paid under Paragraph 30.7-1 for the same hours.

30.8 Appropriate call-out pay to an employee will be determined by the following:

30.8-1 A full-time or part-time employee who has completed an eight-hour tour of duty and has left the Company premises may be called back to work. When this occurs, the employee shall receive a minimum of two (2) hours pay at the overtime rate for the call-out.

30.8-2 A full-time employee who is called out

on a nonscheduled day shall receive a minimum of two (2) hours pay at the overtime rate for the first call-out. Should an employee be called out again, the employee will be paid a minimum of two (2) hours pay at the overtime rate for this and each succeeding call-out on the same day.

30.9 Call-out pay and overtime pay are not paid concurrently.

30.10 A premium consisting of one-half the regular rate of pay will be paid for Sunday work.

30.11 Regular rates will be paid for all other hours worked except holiday time worked.

30.11-1 The following paid time items as referenced in the contract shall be considered as hours worked in determining overtime computations:

Holiday time (31.1); paid vacation time (32.2-1 through 32.2-5); death in the immediate family (35.2); time off for visit to company doctor (35.3); jury duty (35.4); witness time (35.5); time spent with representatives of management to discuss grievances and complaints (35.6); and voting

time (35.7).

Otherwise, only hours actually worked shall be counted in determining when overtime shall apply.

- 30.12 An employee who is scheduled consecutive Sundays shall be paid on the second Sunday and each subsequent consecutive Sunday a special premium payment consisting of the hourly basic wage rate for the Sunday work. This premium is in lieu of any and all other premiums including overtime premiums. This premium will not, however, be paid where Sunday assignments were exchanged by two employees or an employee who asks to work a consecutive Sunday.

31. HOLIDAYS AND HOLIDAY PREMIUMS

- 31.1 The following days shall be observed as authorized holidays for the year 2003:

New Year's Day	Day after Thanksgiving
Memorial Day	Day
Independence Day	Christmas Day
Labor Day	Floating Holiday (5)
Thanksgiving Day	

Verizon Plus associates will receive a sixth (6th) floating holiday in lieu of the Day after Thanksgiving.

The Company will allow as many employees as possible, while still maintaining appropriate service levels, to schedule floating holidays on Christmas Eve (December 24) and New Year's Eve (December 31).

Effective January 1, 2004, the following days shall be observed as authorized holidays:

...R

New Year's Day	Day after Thanksgiving
Memorial Day	Day
Independence Day	Christmas Day
Labor Day	Floating Holiday (6)
Thanksgiving Day	

Verizon Plus associates will recognize a seventh (7th) floating holiday in lieu of the Day after Thanksgiving. ...R

The Company will allow as many employees as possible, while still maintaining appropriate service levels, to schedule floating holidays on Christmas Eve (December 24) and New Year's Eve (December 31).

Employees may take one floating holiday in

two (2) hour increments with supervisory approval. ...N

- 31.2 When an authorized holiday falls on Sunday, it shall be observed on the following Monday, and in such a case the Sunday work shall be paid for at a premium of one-half the regular rate, and the holiday premium shall be paid for the following Monday.

When an authorized holiday falls on a Saturday, it shall be observed on the prior Friday, and in such a case the holiday premium shall be paid on the prior Friday.

- 31.3 Employees who have accumulated six months of seniority are eligible for five (5) (six (6), effective January 1, 2004), floating holidays six (6) (seven (7), effective January 1, 2004), floating holidays for the Verizon Plus associates) to be selected in the same manner as vacation prior to December 31. ...R

- 31.3-1 Employees who become eligible for floating holidays after the vacation schedule has been bid, will be allowed to select floating holidays based on days available and supervisory approval. ...R

If a requested floating holiday is denied, the employee will receive a written response explaining the reason for denial.

31.3-2 Changes to previously scheduled floating holiday(s) will be made on a first come first serve basis, subject to supervisory approval. Employees must provide notice to their supervisor of the day on which they wish to observe the floating holiday by 5 p.m. Monday of the preceding week (supervisor has the discretion to waive the 5 p.m. Monday deadline). At the time the supervisor approves the floating holiday change, the employee must stipulate which previously scheduled floating holiday(s) are to be eliminated.

31.3-3 If, by October 15, there are employees who have still not selected their floating holidays, management will provide a list of the available days remaining, and the affected employees must choose a day on that list. The choice must be made before October 22 or the employee will forfeit their floating holiday.

31.4 Employees who have accumulated six months of seniority may select a scheduled workday to observe as the floating holiday provided they observe the following conditions:

31.4-1 Employees will give notice to their supervisor of the day on which they wish to observe the holiday by 5 p.m. Monday of the preceding week so that management may review work requirements to determine whether the day requested is available and so that the schedule may be properly posted. (The supervisor has the discretion to waive the 5 p.m. Monday deadline.)

31.4-2 When two or more employees in the same work group select the same day, and because of the work requirements all requests cannot be approved, the less senior employee(s) will choose alternate days in order of seniority.

31.4-3 If, by October 15, there are employees who have still not selected their floating holidays, management will provide a list of the available days remaining, and the affected employees must choose a day on that list. The choice must be made before .

October 22 or the employee will forfeit their floating holiday.

31.5 Full-time employees, whether or not they are required to work on an authorized holiday, shall be paid the regular rate for the normal workday, provided, however, that when a holiday falls on the employee's regularly scheduled day off, such employee shall be scheduled one other day off in the same workweek.

31.5-1 In addition to the above payment, full-time employees working on an authorized holiday shall be paid one and one-half times the regular rate for each hour actually worked up to eight hours. This payment shall be in lieu of any and all other premiums including overtime premiums.

31.5-2 Hours worked in addition to eight will be compensated for at the rate of two and one-half times the regular rate.

31.5-3 Call-out time worked on a holiday will be compensated for at two and one-half times the regular rate for a minimum of two hours.

31.5-4 In no event will any payment made on a holiday exceed two and one-half times the regular rate.

31.6 The holiday premium payments to part-time employees whether or not they are required to work on a holiday will be computed by dividing the total number of hours worked by each such employee during the week in which the holiday falls by five minus the number of holidays in any such week. The result will be the number of hours of holiday premium pay at the regular rate that each such employee shall receive for the holiday, not to exceed eight. (If a holiday falls within an employee's scheduled vacation, the prior week worked will be utilized to determine the amount of holiday premium pay.)

31.6-1 In addition to the above payment, part-time employees required to work on a holiday shall be paid one and one-half times the regular rate for each hour actually worked up to eight hours. This payment shall be in lieu of any and all other premiums including overtime premiums.

31.7 Some employees will be required to work regular hours on holidays. In each such case, the holiday hours will be considered to be a

part of the normal workweek.

- 31.8** No holiday premium payment will be made when an employee is absent without permission any part of the employee's last scheduled workday before the holiday or the employee's first scheduled workday following the holiday.
- 31.9** An employee who is scheduled to work on a holiday, but who is absent without permission for any part of his/her tour, will receive a holiday premium computed by multiplying the number of hours paid for within the scheduled tour by the employee's regular rate.
- 31.10** Payment to an employee on furlough, leave of absence, or absent because of accident or sickness immediately prior to the holiday will be governed by the following:
- 31.10-1** Furlough, leave of absence, or accident disability - no holiday premium.
- 31.10-2** Sickness disability - an employee absent before a holiday because of sickness disability will receive holiday premium pay if the following three conditions apply:

- (a) Employee will not receive sick pay for the holiday.
- (b) Employee works at least one full tour during the calendar week in which the holiday falls, and
- (c) Upon request employee presents a physician's report, prepared on a form prescribed by the Company, describing the nature of employee's illness as detailed in Paragraph 33.9.

32. VACATIONS

32.1 Vacations will be scheduled throughout the year in such a manner that standards of service may be maintained.

32.1-1 The Company and Union agree that employees on the same vacation bid schedule may trade vacations with the concurrence of management.

32.1-2 The Company and the Union agree that employees on vacation or floating holidays will not be called out for routine overtime assignments. For the purpose of this agreement,

vacation is determined to be from 12:01 a.m. Sunday to 11:59 p.m. the following Saturday. Employees may be called for overtime but will not be charged for any hours turned down on a non-scheduled day immediately prior to or immediately following an employees vacation or floating holiday.

32.2 Vacations will be granted to regular full-time and regular part-time employees in accordance with the following schedule. Subject to service requirements, seniority shall be the governing factor in choice of vacation time for employees in each job classification and reporting location. Vacations for the following year will be bid prior to December 31 of the prior year.

32.2-1 Employees who have twelve months' accredited service with the Company (including bridged service) will be granted one week's vacation with pay during the calendar year under consideration or within four months after their first anniversary date.

32.2-2 Employees who have twenty-four

months' accredited service with the Company (including bridged service) will be granted two weeks' vacation with pay during the calendar year under consideration. Where that is impractical, the second week will be granted within four months of their anniversary date.

Effective January 1, 2001, employees who have twelve months' accredited service with the Company (including bridged service) will be granted two weeks' vacation with pay during the calendar year under consideration or within four months after their first anniversary date.

- 32.2-3** Employees who have eight years' accredited service with the Company (including bridged service) will be granted three weeks' vacation with pay at any time during the calendar year under consideration.

Effective January 1, 2001, employees who have five years' accredited service with the Company (including bridged service) will be granted three weeks' vacation with pay at any time during the calendar year under

consideration.

32.2-4 Employees with fifteen years' of accredited service with the Company (including bridged service) will be granted four weeks' vacation at any time during the calendar year under consideration.

32.2-5 Employees with 25 years' accredited service with the Company (including bridged service) will be granted five weeks' vacation at any time during the calendar year under consideration.

32.3 In Accounting and Information Management, vacations will be granted to regular full-time and regular part-time employees in accordance with Article 32. Subject to service requirements, seniority shall be the governing factor in the choice of vacation time for employees in each work group.

32.4 Regular full-time and part-time employees may take, on a half-day or day-at-a-time basis, vacation time already bid, provided the employee notifies his/her supervisor by 5 p.m. Monday of the week preceding the week in which the employee wants the day(s) off and approval is granted. The supervisor has the discretion to waive the 5 p.m. Monday

deadline provided service is not affected or overtime created. At the time the supervisor approves a half-day or day-at-a-time vacation, the employee must stipulate which day or days, in an already bid vacation week, are to be eliminated as vacation day(s). Any half-days or full vacation day(s) remaining on a bid vacation schedule by 5 p.m. Monday of the preceding week must be taken as scheduled.

32.4-1 Employees requesting a half-day or day of vacation in writing who include their reason for requesting the day will receive a written response either allowing the day or explaining the reason for refusal.

32.4-2 Employees may use the half-day-at-a-time vacation benefit a maximum of one (1) week, i.e., ten (10) half-days.

32.4-3 Employees working a 10 hour/4 day workweek shall be paid four (4) hours for each half-day-at-a-time vacation taken.

32.5 Vacations cannot be allowed to accumulate from year to year, but shall be completed each year.

- 32.5-1 Regular employees who are eligible for three (3) weeks or more of vacation shall be allowed to carry over a maximum of one (1) week to be taken during the first three (3) months of the following year. Any carryover vacation will be scheduled according to Article 32.2 and will be bid as part of the normal vacation schedule process. Carryover vacation must be taken as a full week.
- 32.6 Employees cannot waive their vacations and draw double pay for working during the time allowed.
- 32.7 An employee who voluntarily resigns with proper notice, is laid off, or terminated will be paid for any unused vacation.
- 32.8 When a holiday falls in an employee's paid vacation, the Company shall, in such cases, grant an additional day off with pay. Such day will be either the first scheduled workday following or last scheduled workday preceding that vacation period, at the employee's option.
- 32.9 Payment for vacations granted regular employees shall be determined as set forth below:

- 32.9-1** All vacation allowances shall be calculated at regular rates of pay. When employees receive a supervisory differential the first full workweek preceding and the first full workweek following their vacation, they shall be paid the differential for their vacation at the same rate as they received the last day of the workweek prior to their vacation.
- 32.9-2** Payment to full-time employees shall be calculated upon the normal workweek.
- 32.9-3** Payment to part-time employees, but not time off, shall be calculated based on the average number of hours worked per week during the twelve (12) month period preceding the vacation time off. In no case shall vacation payment exceed forty (40) hours per week.
- 32.10** Time off for part-time employees (without pay) will be based on continuous service dates according to the following schedule with such time off to be taken as determined by the Company during the calendar year under consideration:

32.10-1 Part-time employees with 12 months' continuous service with the Company will be granted one week's time off without pay during the calendar year under consideration or within four months after their first anniversary date.

32.10-2 Part-time employees with 24 months' continuous service with the Company will be granted two weeks' time off without pay during the calendar year under consideration. Where that is impractical, the second week will be granted within four months of their anniversary date.

Effective January 1, 2001, part-time employees with 12 months' continuous service with the Company will be granted two weeks' time off without pay during the calendar year under consideration. Where that is impractical, the second week will be granted within four months of their anniversary date.

32.10-3 Part-time employees with eight years' continuous service with the Company (including bridged service) will be granted three weeks' time off without pay at any time during the calendar year under consideration.

Effective January 1, 2001, part-time employees with five years' continuous service with the Company (including bridged service) will be granted three weeks' time off without pay at any time during the calendar year under consideration.

32.10-4 Part-time employees with fifteen years of continuous service with the Company (including bridged service) will be granted four weeks' time off without pay at any time during the calendar year under consideration.

32.10-5 Part-time employees with twenty-five years of continuous service with the Company (including bridged service) will be granted five weeks' time off without pay at any time during the calendar year under consideration.

32.11 Employees who are reemployed at the termination of approved leaves of absence in

excess of 30 days or recalled from layoffs shall not be eligible for a vacation under the provisions of Article 32.2 until they have completed three months of accredited service following such reemployment and subject also to the provisions of 32.4.

Note: The first thirty days of an authorized leave of absence are not deducted from an employee's accredited service.

33. SHORT TERM DISABILITY .

33.1 Employees shall be paid at regular rates, not to exceed 40 hours per week, for scheduled working days when incapacitated by physical illness or physical injury (ruled not compensable by the Industrial Board of Indiana).

Work time lost when hospitalized or participating in intense out-patient therapy approved in advance by the Company (by a qualified physician for drug addiction and alcoholism and by a licensed psychiatrist for mental and emotional illness) is included provided the hospital (or intense out-patient therapy) is recognized as qualified under the Company's basic hospitalization insurance

plan. (Exceptions such as hospitalization in a Veteran's hospital will be decided by the Company in line with the aforesaid intention.)

Any questions as to whether an employee is in fact incapacitated by physical illness or physical injury, or should be hospitalized or allowed a recuperative period for mental or emotional illness, shall be subject to concurrence by physicians, psychiatrists, psychologists, or other qualified specialists duly appointed by the Company. Disability payments will be according to the following schedule and shall terminate when disability ceases and shall in no case extend beyond the periods hereinafter mentioned:

- 33.1-1 One to five years of accredited service – full pay four (4) weeks, half pay nine (9) weeks. Benefits begin on the fourth scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has a perfect attendance record for the previous six (6) months.)

- 33.1-2** Five to ten years of accredited service – full pay thirteen (13) weeks, half pay thirteen (13) weeks. Benefits begin on the third scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has a perfect attendance record for the previous six (6) months.)
- 33.1-3** Ten to twenty years of accredited service – full pay thirteen (13) weeks, half pay thirty-nine (39) weeks. Benefits begin on the second scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has a perfect attendance record for the previous six (6) months).
- 33.1-4** Over twenty years of accredited service – full pay thirteen (13) weeks, half pay thirty-nine (39) weeks. Benefits begin on the first scheduled workday of absence.

Effective January 1, 2004

33.1-1 One but less than five years of accredited service – full pay four (4) weeks, half pay thirteen (13) weeks. Benefits begin on the fourth scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has no absence for personal illness or injury for the previous six (6) months.) ...R

33.1-2 Five but less than ten years of accredited service – full pay thirteen (13) weeks, half pay thirteen (13) weeks. Benefits begin on the third scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has no absence for personal illness or injury for the previous six (6) months.) ...R

- 33.1-3 Ten but less than fifteen years of accredited service - full pay thirteen (13) weeks, half pay thirty-nine (39) weeks. Benefits begin on the second scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has no absence for personal illness or injury for the previous six (6) months). ... R**
- 33.1-4 Fifteen but less than twenty years of accredited service - full pay twenty (20) weeks, half pay thirty-two (32) weeks. Benefits begin on the second scheduled workday of absence. (The waiting period will be waived if the employee is hospitalized on the first scheduled workday of absence or has no absence for personal illness or injury for the previous six (6) months). ...N**
- 33.1-5 Over twenty years of accredited service – full pay twenty-six (26) weeks, half pay twenty-six (26) weeks. Benefits begin on the first scheduled workday of absence. ...R**

- 33.1-6** An employee, with management's approval, may have the option of utilizing a vacation day or floating holiday to satisfy the above waiting periods. This option is not designed to circumvent normal vacation or floating holiday selection procedures.
- 33.1-7** An employee with a waiting day may have the waiting period waived and be paid under Sections 33.1-2, 33.1-3, 33.1-4, and 33.1-5 for a surgical procedure performed in an outpatient surgical facility or hospital when the employee provides documentation of the surgical procedure performed.
- 33.2** Payment to part-time employees shall be computed by dividing the number of hours actually worked during the four full calendar weeks prior to the beginning of the absence by twenty. The result will represent the number of hours of full basic pay to be received per day.
- 33.3** Employees absent due to illness within fourteen calendar days of their return to work from a previous illness, for which sickness disability benefits were paid, will not be required to undergo an additional waiting period in connection with the subsequent illness

33.4 Successive periods of Short Term Disability shall be subject to the waiting days outlined above and shall be counted together as one period in computing the period during which the employee shall be entitled to benefits. Any reported absent sick or off-the-job injury would interrupt the thirteen (13) week restoration period. Any sickness occurring after an employee has been continuously engaged in the performance of duty for thirteen (13) weeks shall be considered as a new sickness or injury and not as part of any disability which preceded such period of thirteen weeks. ...R

33.5 An employee's length of service as of the first day of absence determines the length of time for which benefits will be paid during that absence.

33.6 An employee who is required to be absent from work or who finds it necessary to leave work due to illness will be required to report to his/her immediate supervisor at the beginning of such absence. (Also see 35.1.)

33.6-1 If employees wish to leave town during a period when they are receiving sickness disability benefits, they will notify their supervisor of their intentions in advance. Failure to do so may result in the denial of benefits.

33.7 Benefits will not be granted to an employee after the employee has commenced a vacation or a leave of absence (and for this purpose, a vacation or a leave of absence will be considered to have commenced immediately after the termination of the employee's last tour of duty worked), except for an eligible employee on a predisability leave of absence.

33.7-1 Employees on a predisability leave of absence, who become disabled by the condition for which the predisability leave of absence was given will be granted Short Term Disability subject to the provisions of Article 33.

33.7-2 An employee who becomes ill during a paid vacation period and is unable to return to work on the date scheduled may be entitled to benefits. In such a case, the date on which the employee was scheduled to return to work shall be considered as the first day of absence due to disability.

33.8 An employee with more than one year of service who is required to leave work due to illness during the first session will be paid full basic wages for that session and the second session will be subject to benefits or will

constitute the first half day of the waiting period. Such an employee who leaves work during the second session will be paid for the full day and the waiting period or benefits will begin on the following scheduled day.

- 33.9 Upon request, employees who are receiving Short Term Disability will have their physician complete and forward to the Company's STD Administrator a certificate outlining the nature of the illness. Payment of benefits in such cases will be contingent upon the receipt of a satisfactorily completed certificate. ...R

Employees should follow the instructions on filing for short term disability benefits given to them by the Company.

- 33.10 In the event a bargaining unit employee obtains a judgement against a third party, which judgement provides for lost wages, and said employee is able to recover said judgement, including said portion attributable to lost wages, the Company shall then have a lien on the proceeds of said recovery from the third party as to the portion attributable to lost wages only, after deductions for all costs, expenses and attorney fees. The Company's lien shall not exceed an amount or percentage equal to the amount or percentage of total lost wages only (in the event that all wages are not awarded)

awarded to and recovered by the employee. In no event shall the Company's lien exceed the total amount (less applicable federal, state and local taxes) of disability benefits paid to said employee by the Company's disability plan.

34. ACCIDENT DISABILITY

34.1 In cases of physical disability to work resulting from compensable accidental injuries while on the job, the Company will augment the payments the employee receives through Worker's Compensation in the following manner:

34.1-1 For a period of thirteen weeks' absence resulting from any one such accident, the Company shall pay the difference between the amount received from Worker's Compensation and 90% of his/her basic pay.

34.1-1.1 Under no circumstances shall the above language ever result in a reduction of the employee's basic weekly pay.

34.1-2 For the next thirty-nine weeks of absence due to the same accident, the

Company will pay the employee the difference between the amount received from Worker's Compensation and one-half of the employee's basic pay.

34.2 The payments mentioned in 34.1-1 and 34.1-2 shall be made on the employee's normal payday.

35. ABSENCE – MISCELLANEOUS

35.1 Employees who are absent from work, whether for personal reasons or when incapacitated, must so notify their immediate supervisor as soon as possible after they know that they will not report for work. Failure to do so is sufficient reason to withhold sickness-disability benefits.

35.2 **Death in the Family** - When an employee is absent due to a death in the employee's family, payment shall be made as follows:

35.2-1 Three consecutively scheduled working days for the death of an employee's spouse, mother, father, son, daughter, brother or sister.

35.2-1.1 The words father and mother listed in 35.2-1 may mean

stepfather or stepmother; however, an employee is limited to one paid absence for a father or one for a mother. For example, if the employee has used the option for a stepfather, the employee cannot later claim such benefits for the death of a natural father.

35.2-1.2 In extenuating circumstances, an employee may be allowed up to five (5) additional days off without pay with management's approval. Should this additional time be expected to be taken, the supervisor must be notified and approval must be granted prior to the employee leaving.

35.2-2 Two consecutively scheduled working days for the death of an employee's mother-in-law, father-in-law, stepchildren, grandmother, grandfather, grandchild, or other relative of the employee who lived in the employee's household at the time of death.

35.2-3 One scheduled working day for the death of an employee's sister-in-law or brother-in-law.

35.2-4 Death in the family benefits will not be paid for any "step" or "half" relationships except as detailed in 35.2-1.1 and 35.2-2.

35.3 Visit to Company Doctor - When the Company requires a visit to the Company doctor, an employee will be excused from regular duty without loss of basic pay.

35.4 Jury Duty - Employees absent from their duties with the Company because of jury duty shall receive their basic hourly wage rate for scheduled time lost. ...R

35.4-1 Employees engaged in jury duty shall, while temporarily excused from attendance in court, report and make themselves available for work during scheduled time of one-half day or more, as circumstances reasonably will permit.

35.5 Witness - Employees absent from their duties to appear in court as a witness, under subpoena, shall be allowed a maximum of one day's absence with pay if they are not involved

in the case in a manner discreditable to themselves or the Company. Payment shall be at the basic rate of pay for all hours the employee is required to be absent up to a maximum of eight (8) hours.

35.6 Union officers and representatives shall suffer no loss of basic pay for the time spent with representatives of management to discuss grievances and complaints. The company will pay up to three (3) Union representatives for reasonable time spent in bargaining a new labor agreement.

35.7 **Voting Time** - Upon arrangement for a time which will conflict the least with the requirements of the service, an employee entitled to vote shall suffer no loss of basic pay for reasonable time off to vote in any general, national, state, or county election. This will apply only to an employee who could not reasonably be expected to vote on the employee's own time.

35.8 **Military Reserve Training** - Regular full-time employees who attend military reserve training in the U.S. Armed Forces will be paid the difference, if any, between the total pay they receive from the government for the 14-day tour of duty and their basic wage rate for 10 workdays, provided the military pay is the lower

of the two. This payment will not exceed 10 days in any calendar year. For the purpose of this contract, "Armed Forces" shall include the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, and the National Guard. Proof of pay received for reserve training must be provided to the Company.

36. RELIEF PERIODS

36.1 A fifteen-minute relief period shall be granted or assigned to all inside employees for each scheduled four-hour tour worked; it shall be assigned not less than forty-five minutes from the start or end of each continuous period of work insofar as practicable.

36.1-1 It is recognized that the normal provisions for scheduled relief periods may not apply when only one person is on duty. In such instances, reliefs should be taken so as not to interfere with service requirements.

37. WAGE ADMINISTRATION

37.1 Exhibit 1 includes the wage schedules which indicate the intervals at which employees covered hereby will be considered for wage

increases and basic wage rates at given intervals. The basic hourly wage rate assigned to each employee shall be determined by the following:

37.1-1 Job classification.

37.1-2 Attendance, punctuality, ability, application, safety, and conduct, as well as quantity and quality of the employee's work.

37.1-3 Accredited service since the last merited progression increase.

37.2 It is recognized that cases may arise where it would be advisable for the Company to grant increases at intervals three months longer than shown on the guide for those employees who are not making satisfactory progress, or to grant increases at shorter intervals than shown on the guide for those employees who are making exceptional progress.

37.3 When an increase is granted or withheld, the employee's supervisor shall notify the employee of such action and in those cases where the increase is withheld, the supervisor shall inform the employee of the reason therefore prior to the date on which the increase would have been effective had it not

been withheld.

- 37.4** When an employee is needed to work out of classification (within a headquarters location) in the job classification and reporting location affected, management will first take qualified volunteers in order of seniority, highest to the lowest. The temporary assignment of work will be offered every 20 workdays. If the number of volunteers is insufficient, management will assign the least senior qualified employee(s).

In situations where management needs to send employees out of their headquarters location to work, management will take qualified volunteers in order of seniority from the entire headquarters location. Such assignments shall be offered every 20 workdays. If the number of volunteers is insufficient, management will assign the least senior qualified employee(s).

- 37.4-1** When an employee performs work in the higher classification for a minimum of one hour, the employee's rate of pay will be adjusted to the next higher wage rate in the higher rated classification.

- 37.5** When an employee is reclassified from a lower to a higher wage schedule, the employee's rate

of pay on the new wage schedule shall be adjusted to the next higher wage rate above the employee's present rate.

37.6 When an employee is reclassified from a higher to a lower wage schedule, such employee at the time of reclassification shall be reduced to the next lower wage rate on the new wage schedule.

37.6-1 When an employee, in lieu of layoff, is reduced to the next lower wage in a lower wage schedule and within three years returns to the wage classification from which he/she was laid off, the employee will be returned to the same step that he/she was on at the time of layoff.

37.7 All wage progressions shall be based on the intervals in the wage schedules applying to the particular work classification in which the employee is actually working. The wage schedules are set forth in Exhibit I attached hereto and made a part of these Agreements.

38. PENSION PLAN

38.1 During the term of this Agreement, the Company agrees to negotiate with the Union

any changes the Company proposes in the "Plan for Employees' Pensions" which would reduce the benefits.

38.2 During the term of this Agreement, the Company agrees to discuss with the Union any changes the Company proposes in the "Plan for Employees' Pensions" which would increase the benefits.

38.3 The "Plan for Employees' Pensions" and its administration shall not be subject to the arbitration procedures of this Agreement.

39. CONCESSION TELEPHONE SERVICE

39.1 Regular full-time and regular part-time employees with more than six months of accredited service and living in a Verizon North Inc., (Indiana) exchange shall be extended upon application 50 percent concession telephone service covering applicable service and equipment.

39.1-1 Regular full-time and regular part-time employees with more than six months of accredited service living in an exchange served by Verizon North Inc., (Indiana), or living in an exchange served by another telephone company

shall be extended on application 50 percent concession telephone service covering applicable service and equipment.

39.1-2 Subject to eligibility requirements, the Company will provide a maximum of two single line telephone instruments to employees living outside Verizon operating territory in lieu of the 50 percent instrument concession.

39.1-3 Two employees residing in the same household will be entitled to the applicable concession telephone service. Each employee must be a listed subscriber in accordance with the policy.

39.2 The employee will be required to be a listed subscriber in accordance with the policy.

39.3 Effective within 60 calendar days after the Public Service Commission of Indiana enters an order deregulating the provisions of (the embedded) single-line terminal equipment by the Company, the following concession service shall apply to regular employees residing within Verizon operating areas or living in an exchange served by another telephone company.

39.3-1 All regular employees with six or more months of accredited service are eligible for 50 percent concession rates for monthly recurring flat-rate local service network charges or USS basic local service and usage charges (local exchange and extended area service point), including touch calling charges and applicable state and federal excise taxes; but excluding access charges in connection with residence telephone service furnished to a regular employee of the Verizon North Inc., (Indiana). Regular rates are charged for all toll message service, foreign exchange service, non-recurring charges, installation, repair moves and changes, and all other services offered by the Company.

39.3-2 The Company shall transfer ownership of two in-place telephones to each regular employee with six or more months of accredited service residing within Verizon operating areas within said 60 days following entry of such Order by the Public Service Commission of Indiana deregulating the provision of (embedded) single-line terminal equipment. After the effective

date of such transfer of ownership and the conclusion of the warranty period applicable to single-line terminal equipment (30 days), the employees will be responsible for any and all ongoing maintenance and repairs of their equipment.

- 39.3-3 Concession rates shall be applicable to telephone service at the employee's place of residence with listing in the employee's name.
- 39.3-4 Employee concession rate service may be individual or party-line service as the employee may select. The Company, however, reserves the right of reassignment of individual line service to party-line service where regrading may be required in the interests of providing telephone service to other subscribers.
- 39.3-5 Two employees residing in the same household will be entitled to the applicable concession telephone service. Each employee must be a listed subscriber in accordance with the policy.

- 39.4 The above sections are subject to and governed by the provisions of the company's lawfully established tariffs and appropriate General Instructions as in effect and hereafter modified or amended from time to time.

40. HEALTH BENEFITS

- 40.1 During the term of this Agreement, the plans for employee's health, dental and life coverage will remain in full force and effect as amended. The Company agrees to negotiate with the Union any changes in such plans which would decrease the benefits therein. Coverage for these plans is effective 90 days from date of hire or when the employee enrolls, whichever is later and terminates 30 calendar days from the date the employee eligibility for coverage ends. ...R

- 40.1-1 During the term of this Agreement the Company will pay 100% of the single, employee plus one (1), or family medical premium for full-time employees. ...R

Effective January 1, 2004, the Company contribution for part-time employees is 100% of the single, 50% of employee plus 1 and 50% of family. ...N

40.1-1.1 During the life of this Agreement the Company will pay any increase in such premiums referenced in 40.1-1.

40.1-2 Dental Insurance will be an independent offering from Group Health Insurance. Coverage under the dental plan begins 90 days from date of hire or when the employee enrolls, whichever is later.

The Company will pay 100% of the single dental premium, 50% of the employee plus one (1) premium, and 50% of the family premium for the life of the contract.

Effective January 1, 2005 the Company will pay 100% of the single dental premium, 75% of the employee plus one (1) premium, and 75% of the family premium for participating full-time employees. ...N

Effective January 1, 2006 the Company will pay 100% of the single dental premium, 80% of the employee plus one (1) premium, and 80% of the family premium for participating full-time employees. ...N

Effective January 1, 2006 the Company will pay 100% of the single dental premium, 60% of the employee plus one (1) premium, and 60% of the family premium for participating part-time employees. ...N

40.1-3 Company authorized Health Maintenance Organizations (HMO's) will be offered as available throughout the life of the contract. Any premiums required over and above the Company's contribution to the Company's Plan will be paid by the employee.

41. MISCELLANEOUS

41.1 It is agreed by the parties hereto that the provisions herein contained shall constitute all conditions of employment of the employees covered hereby; and the parties hereto further agree that no issue involving conditions of employment not covered herein will be raised for arbitration by either of the parties hereto during the term of these Agreements.

41.2 It is recognized that the employees are obligated to adhere to written Company practices which are not in conflict with these

Agreements.

- 41.3** Nothing in these Agreements shall be construed to require either of the parties hereto to act contrary to any State or Federal law or regulation. In the event that any such condition arises, it is agreed that these Agreements shall be deemed to be modified in respect to either or both parties to the extent necessary to comply with such law or regulation.
- 41.4** *IN WITNESS WHEREOF*, these Agreements are entered into the day and year first mentioned herein.

VERIZON NORTH INC,
(INDIANA)

INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS

BARB SULLIVAN DATE
Sr. Staff Consultant - Labor
Relations

RONALD M. BAME DATE
Business Manager,
Local 723

MICHAEL FLYNN DATE
Dir. Customer Operations

THEODORE ROLF DATE
President, Local 723

**EXHIBIT 1
WAGE SCHEDULES**

SCHEDULE: A - Customer Assistant, Customer Assistant Clerk

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$5.87	\$6.10	\$6.34	\$6.59
2	\$6.73	\$7.00	\$7.28	\$7.57
3	\$7.17	\$7.46	\$7.76	\$8.07
4	\$7.62	\$7.92	\$8.24	\$8.57
5	\$8.15	\$8.48	\$8.82	\$9.17
6	\$8.78	\$9.13	\$9.50	\$9.88
7	\$9.49	\$9.87	\$10.26	\$10.67
8	\$10.35	\$10.76	\$11.19	\$11.64
9	\$11.36	\$11.81	\$12.28	\$12.77

SCHEDULE: 1 - Retail Sales Consultant

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$7.48	\$7.78	\$8.09	\$8.41
2	\$7.86	\$8.17	\$8.50	\$8.84
3	\$8.27	\$8.60	\$8.94	\$9.30
4	\$8.75	\$9.10	\$9.46	\$9.84
5	\$9.28	\$9.65	\$10.04	\$10.44
6	\$9.87	\$10.26	\$10.67	\$11.10
7	\$10.70	\$11.13	\$11.58	\$12.04

SCHEDULE: 2 - Housekeeper

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$7.05	\$7.33	\$7.62	\$7.92
2	\$7.33	\$7.62	\$7.92	\$8.24
3	\$7.66	\$7.97	\$8.29	\$8.62
4	\$8.00	\$8.32	\$8.65	\$9.00
5	\$8.39	\$8.73	\$9.08	\$9.44
6	\$8.83	\$9.18	\$9.55	\$9.93
7	\$9.27	\$9.64	\$10.03	\$10.43
8	\$9.81	\$10.20	\$10.61	\$11.03

**SCHEDULE: 3 - Building Custodian, Accounting Clerk,
Data Clerk, Customer Representative**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$9.04	\$9.40	\$9.78	\$10.17
2	\$9.43	\$9.81	\$10.20	\$10.61
3	\$9.84	\$10.23	\$10.64	\$11.07
4	\$10.28	\$10.69	\$11.12	\$11.56
5	\$10.78	\$11.21	\$11.66	\$12.13
6	\$11.31	\$11.76	\$12.23	\$12.72
7	\$11.92	\$12.40	\$12.90	\$13.42
8	\$12.54	\$13.04	\$13.56	\$14.10
9	\$13.30	\$13.83	\$14.38	\$14.96

SCHEDULE: 4 - Garage Attendant, Service Clerk, Cable Splicer's Helper, Operator, Traffic Clerk, Payroll Input clerk, Data Stock Clerk, Information Control Clerk, Accounting Control Clerk, Data Entry Operator, Reports and Records Representative

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$9.56	\$9.94	\$10.34	\$10.75
2	\$10.01	\$10.41	\$10.83	\$11.26
3	\$10.46	\$10.88	\$11.32	\$11.77
4	\$11.00	\$11.44	\$11.90	\$12.38
5	\$11.55	\$12.01	\$12.49	\$12.99
6	\$12.18	\$12.67	\$13.18	\$13.71
7	\$12.89	\$13.41	\$13.95	\$14.51
8	\$13.66	\$14.21	\$14.78	\$15.37
9	\$14.58	\$15.16	\$15.77	\$16.40

SCHEDULE: 5 - Cashier, Sales and Service Representative, CBC Representative, Mail Machine Operator, Directory Representative, Assignment Representative, Customer Contact Associate, BSOC Support Clerk, DAC Clerk

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$9.82	\$10.21	\$10.62	\$11.04
2	\$10.27	\$10.68	\$11.11	\$11.55
3	\$10.77	\$11.20	\$11.65	\$12.12
4	\$11.31	\$11.76	\$12.23	\$12.72
5	\$11.92	\$12.40	\$12.90	\$13.42
6	\$12.59	\$13.09	\$13.61	\$14.15
7	\$13.42	\$13.96	\$14.52	\$15.10
8	\$14.18	\$14.75	\$15.34	\$15.95
9	\$15.16	\$15.77	\$16.40	\$17.06

SCHEDULE: 5A -Customer Contact
Representative

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$8.21	\$8.54	\$8.88	\$9.24
2	\$8.97	\$9.33	\$9.70	\$10.09
3	\$9.79	\$10.18	\$10.59	\$11.01
4	\$10.70	\$11.13	\$11.58	\$12.04
5	\$11.69	\$12.16	\$12.65	\$13.16
6	\$12.76	\$13.27	\$13.80	\$14.35
7	\$13.94	\$14.50	\$15.08	\$15.68
8	\$15.23	\$15.84	\$16.47	\$17.13
9	\$16.64	\$17.31	\$18.00	\$18.72

SCHEDULE: 6 - Frame Attendant, Coin Telephone Representative, Garage Mechanic's Helper, Building Mechanic's Helper, Accounting Analysis Clerk, Senior Accounting Clerk, Senior Data Clerk, Table Analysis Clerk, Facility Assignment Representative, Business Response Representative, NOMC Associate II, Building Services Representative, Business Sales Support Representative, Customer Zone Technician III, **Switch Provisioning Specialist**, Vivid Advocate, NOMC Billing Associate, Lead Dispatch Clerk, Switching Services Support Representative

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$10.63	\$11.06	\$11.50	\$11.96
2	\$11.14	\$11.59	\$12.05	\$12.53
3	\$11.69	\$12.16	\$12.65	\$13.16
4	\$12.30	\$12.79	\$13.30	\$13.83
5	\$12.97	\$13.49	\$14.03	\$14.59
6	\$13.75	\$14.30	\$14.87	\$15.46
7	\$14.58	\$15.16	\$15.77	\$16.40
8	\$15.53	\$16.15	\$16.80	\$17.47
9	\$16.64	\$17.31	\$18.00	\$18.72

**SCHEDULE: 6A - Business Sales
Representative**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$10.24	\$10.65	\$11.08	\$11.52
2	\$10.73	\$11.16	\$11.61	\$12.07
3	\$11.24	\$11.69	\$12.16	\$12.65
4	\$11.80	\$12.27	\$12.76	\$13.27
5	\$12.43	\$12.93	\$13.45	\$13.99
6	\$13.13	\$13.66	\$14.21	\$14.78
7	\$14.01	\$14.57	\$15.15	\$15.76
8	\$14.79	\$15.38	\$16.00	\$16.64
9	\$15.82	\$16.45	\$17.11	\$17.79

**SCHEDULE: 6B - Business Sales Support
Specialist**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$11.21	\$11.66	\$12.13	\$12.62
2	\$11.75	\$12.22	\$12.71	\$13.22
3	\$12.35	\$12.84	\$13.35	\$13.88
4	\$13.01	\$13.53	\$14.07	\$14.63
5	\$13.76	\$14.31	\$14.88	\$15.48
6	\$14.58	\$15.16	\$15.77	\$16.40
7	\$15.51	\$16.13	\$16.78	\$17.45
8	\$16.58	\$17.24	\$17.93	\$18.65
9	\$17.80	\$18.51	\$19.25	\$20.02

**SCHEDULE: 7 - Collector Maintainer, Public Access
Sales Technician, Usage Validation
Associate**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$11.57	\$12.03	\$12.51	\$13.01
2	\$12.16	\$12.65	\$13.16	\$13.69
3	\$12.83	\$13.34	\$13.87	\$14.42
4	\$13.54	\$14.08	\$14.64	\$15.23
5	\$14.37	\$14.94	\$15.54	\$16.16
6	\$15.29	\$15.90	\$16.54	\$17.20
7	\$16.32	\$16.97	\$17.65	\$18.36
8	\$17.50	\$18.20	\$18.93	\$19.69
9	\$18.91	\$19.67	\$20.46	\$21.28

**SCHEDULE: 8 - Construction Installer Maintainer,
Station Installer Maintainer**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$12.47	\$12.97	\$13.49	\$14.03
2	\$13.12	\$13.64	\$14.19	\$14.76
3	\$13.88	\$14.44	\$15.02	\$15.62
4	\$14.70	\$15.29	\$15.90	\$16.54
5	\$15.64	\$16.27	\$16.92	\$17.60
6	\$16.69	\$17.36	\$18.05	\$18.77
7	\$17.93	\$18.65	\$19.40	\$20.18
8	\$19.30	\$20.07	\$20.87	\$21.70
9	\$20.98	\$21.82	\$22.69	\$23.60

**SCHEDULE: 9 - Building Services Mechanic,
Cable Splicer, Facility Assigner,
Facility Tester, **Vehicle**
Mechanic, Customer Zone
TechnicianII**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$12.53	\$13.03	\$13.55	\$14.09
2	\$13.21	\$13.74	\$14.29	\$14.86
3	\$13.98	\$14.54	\$15.12	\$15.72
4	\$14.85	\$15.44	\$16.06	\$16.70
5	\$15.83	\$16.46	\$17.12	\$17.80
6	\$16.92	\$17.60	\$18.30	\$19.03
7	\$18.20	\$18.93	\$19.69	\$20.48
8	\$19.65	\$20.44	\$21.26	\$22.11
9	\$21.42	\$22.28	\$23.17	\$24.10

**SCHEDULE: 10 - Building Services Technician,
Equipment Planner,
Vehicle Maintenance
Technician**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$12.81	\$13.32	\$13.85	\$14.40
2	\$13.51	\$14.05	\$14.61	\$15.19
3	\$14.31	\$14.88	\$15.48	\$16.10
4	\$15.20	\$15.81	\$16.44	\$17.10
5	\$16.20	\$16.85	\$17.52	\$18.22
6	\$17.38	\$18.08	\$18.80	\$19.55
7	\$18.71	\$19.46	\$20.24	\$21.05
8	\$20.23	\$21.04	\$21.88	\$22.76
9	\$22.09	\$22.97	\$23.89	\$24.85

**SCHEDULE: 11 - Business Zone Technician I,
Customer Zone Technician I,
Business
Response Technician**

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$13.27	\$13.80	\$14.35	\$14.92
2	\$14.01	\$14.57	\$15.15	\$15.76
3	\$14.85	\$15.44	\$16.06	\$16.70
4	\$15.79	\$16.42	\$17.08	\$17.76
5	\$16.86	\$17.53	\$18.23	\$18.96
6	\$18.09	\$18.81	\$19.56	\$20.34
7	\$19.52	\$20.30	\$21.11	\$21.95
8	\$21.15	\$22.00	\$22.88	\$23.80
9	\$23.14	\$24.07	\$25.03	\$26.03

SCHEDULE: 12 - Customer Engineer-Data Applications

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$13.29	\$13.82	\$14.37	\$14.94
2	\$14.15	\$14.72	\$15.31	\$15.92
3	\$15.11	\$15.71	\$16.34	\$16.99
4	\$16.24	\$16.89	\$17.57	\$18.27
5	\$17.54	\$18.24	\$18.97	\$19.73
6	\$19.04	\$19.80	\$20.59	\$21.41
7	\$20.86	\$21.69	\$22.56	\$23.46
8	\$23.05	\$23.97	\$24.93	\$25.93
9	\$25.75	\$26.78	\$27.85	\$28.96

SCHEDULE: U - Utility Worker

Step No.	Hourly Rate Current	Hourly Rate 11/09/03	Hourly Rate 11/07/04	Hourly Rate 11/06/05
1	\$10.46	\$10.88	\$11.32	\$11.77
2	\$11.00	\$11.44	\$11.90	\$12.38
3	\$11.55	\$12.01	\$12.49	\$12.99
4	\$12.18	\$12.67	\$13.18	\$13.71
5	\$12.89	\$13.41	\$13.95	\$14.51
6	\$13.66	\$14.21	\$14.78	\$15.37
7	\$14.58	\$15.16	\$15.77	\$16.40

2. APPLICATION OF WAGE GUIDES

2.1 New inexperienced employees shall be employed at the starting rate applying to the position title classification. New experienced employees may be employed at a rate commensurate with the employee's ability and experience in the position title being applied for, provided, however, that the rate determined is mutually agreeable to the Company and the Union.

2.2 Employees transferred into this contract from other employee units in the Company will be granted such credit as the Company deems equitable in each specific case.

3. PREMIUM PAYMENTS

3.1 A premium of \$1.00 per hour will be paid for any hour or portion thereof worked between 9:00 p.m. and 6:00 a.m. This premium does not apply when any other premium or overtime is applicable. ...R

4. IN-CHARGE DIFFERENTIAL

- 4.1 When an employee is assigned the duties of Senior Construction Installer Maintainer, for a minimum of one hour, the employee shall receive a differential of \$1.00 per hour above the employee's basic rate for all hours worked or fraction thereof during the period of the assignment. ...R
- 4.2 When an employee is assigned by management to be in charge of a work group of three (3) or more other employee's, for a minimum of one hour, the employee shall receive a differential of \$1.00 per hour above the employee's basic rate for all hours worked or fraction thereof during the period of the assignment. ...R
- 4.3 Assignments to in-charge will be on a voluntary basis.

5. EVENING PARKING ACCOMMODATIONS

- 5.1 The Company will provide parking facilities adjacent to or within the same block of the building for employees whose tour begins or ends between the hours of 7:01p.m and 6:59a.m.

6. POLITICAL ACTION COMMITTEE DEDUCTIONS

The Company shall make collection by payroll deduction, upon signed authorization by the employee, for IBEW Local Union 723's Political Action Committee and shall pay monthly to the designated representative of the Union the total amount thus deducted. Any cost incurred shall be paid by the Union.

MEMORANDUMS OF AGREEMENT

1. ADOPTION ASSISTANCE

1. Effective January 1, 2004, Verizon agrees to make available the opportunity for regular full or part time employees of the company who are covered by the collective bargaining agreement to participate in the Adoption Assistance Plan which allows employees to claim reimbursement of expenses up to \$10,000 per adopted child in accordance with existing Plan provisions.
2. The selection of the administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole

discretion of the Company. No matter concerning the Adoption Assistance Plan or any difference thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.

3. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

ADOPTION ASSISTANCE PLAN

- Regular active status full and part-time employees are eligible for this benefit
- Available from the first day of active employment
- Adopted child must be:
 - Under 18 years of age
 - Over 18 years of age and physically or mentally incapable of caring for him/herself
- Includes adoption of a step child

- Reimbursement must be submitted within 90 days of adoption finalization
- Only expenses incurred during active service are eligible for reimbursement
- Covered expenses:
 - Legal fees and court costs
 - Temporary childcare expenses prior to placement
 - Necessary medical expenses for child being adopted
 - Private or public adoption agency fees
 - Medical expenses for biological mother
 - Adoption-related transportation/travel expenses
- Expenses not covered:
 - Expenses for the biological parents other than medical expenses related to the birth of child
 - Voluntary donations/contributions to the agency
 - Guardianship or custody expenses unrelated to adoption
- Maximum Expenses
 - \$10,000 for each eligible employee (no duplicate of expenses for employees who are both employed by Verizon)

2. ALLTEL PENSION CONVERSION

Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers agree to modify the Plan for Hourly Employees' Pensions. Such modifications are subject to approvals by the Company's Board of Directors and the United States Department of the Treasury. Therefore, the effective date of January 1, 2001 for the modifications will be contingent upon receipt of all necessary approvals.

For employees whose coverage under the plan was effective November 1, 1993, the Plan will provide for recognition of accredited service for pension eligibility and calculation as outlined below.

GTE will provide a defined pension plan benefit based upon the greater of:

(a) an ALLTEL accrued defined pension plan benefit as of the Closing Date of the exchange of properties (without consideration of any ALLTEL profit sharing benefit, if applicable) based upon (i) ALLTEL and future GTE average annual compensation for the five consecutive highest paid years and ALLTEL service plus (ii) a future accrual under the GTE defined benefit pension plan commencing on the Closing Date based upon GTE (and not ALLTEL) average annual compensation for the five consecutive highest paid years and GTE service;

OR

(b) the accrued benefit under the GTE defined benefit pension plan as if all ALLTEL service was recognized under the GTE plan.

The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

This Agreement shall become effective upon ratification, and shall remain in effect until midnight, November 4, 2006 and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with the following procedure:

If this Agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

This Agreement may be amended or modified by

either party giving written notice to the other of such desire to so amend or modify at least sixty (60) days and not more than ninety (90) days prior to the termination date of November 4, 2006. The written notice shall contain a full statement as to the amendments or modifications desired.

The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

3. BUSINESS ZONE TECHNICIAN I

The parties agree to recognize a Business Zone Technician I with seniority, who either successfully completes a Verizon climbing course, or who has completion of a climbing course on record as of the effective date of this agreement, will have bumping rights to the job classification of Customer Zone Technician II. This agreement, however, will not reduce the affected employee's right to bump beyond what exists today.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of this Agreement unless agreed to by the parties in writing.

4. COMPENSATED AVAILABILITY

In selected classifications and locations, where business needs exist, Compensated Availability will be established.

1. The election to participate in Compensated Availability will normally be voluntary on the part of the employee. However, where business needs exist, management may rotate employees in inverse order of seniority on Compensated Availability.
2. Employees on Compensated Availability shall normally be excused from overtime assignments other than "call-outs" involving critical or emergency services.
3. Such "Compensated Availability" shall be rotated among those qualified employees in the selected classifications and locations by seniority. The parties agree that no employee will be assigned to Compensated Availability for more than one (1) time in a six (6) week period. Any assignment of compensated availability above one (1) time in a six (6) week period, will be done strictly on a volunteer basis.
4. Single assignment on a scheduled day, (8:00 a.m. to 7:59 a.m. the following day), shall be compensated at \$15 per day. In the case of a

non-scheduled day, (8:00 a.m. to 7:59 a.m. the following day), compensation will be \$25 per day and for Holidays (8:00 a.m. to 7:59 a.m. the following day), compensation will be \$30. In the case of a weekend only assignment coverage will be from 5:00 p.m. Friday to 8:00 a.m. the following Monday, and compensation shall be \$60. In the case of a week assignment, coverage will be from 8:00 a.m. Monday to 7:59 a.m. the following Monday, and compensation will be \$125 for the week.

5. Primary contact to the employee will be via the regular telephone switch network. In such areas where other technology may be available to supplement the contact (pagers, etc.) such will be used at Company discretion.
6. If work is performed, the employee shall receive the minimum compensation referenced in Article 30.8 for each instance that they are called from home. In addition, the employee shall be paid overtime computed from the time the employee leaves home until returning home.
7. This practice does not supersede normal call-out procedures if additional employees are required to work.
8. Employees assigned to such duty must be available and accessible during the term of

assignment in order to receive compensation.

9. When assigned "Compensated Availability" the employee may be granted permission where practical to take a Company vehicle home if not already participating in Home Dispatch. The employee shall exercise reasonable care for the security and safety of the vehicle and tools. It is understood the vehicle and tools are not available for personal use.
10. If "Compensated Availability" assignments conflict with the employee's personal calendar, he or she will be afforded the opportunity to trade days or weeks with supervisory approval. Solicitation of the trade will be the responsibility of the employee.
11. It is not the intent of this agreement to circumvent vacation or holiday scheduling, payment, premiums or overtime provisions.
12. When management is aware of a continuous need for "Compensated Availability" prior to the posting of the 13 weeks schedule, management will post a schedule allowing employees to voluntarily bid on available weeks of "Compensated Availability" in order of seniority.

5. COMPREHENSIVE MEDICAL PLAN

1. Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers Local 723 agree to continue the 80/20 Comprehensive Medical Plan now in effect through December 31, 2003 and to implement the provisions of the Comprehensive Medical Plan set forth in this Memorandum of Agreement effective January 1, 2004.
2. For a summary of details, refer to the attachment entitled, Comprehensive Medical Plan Highlights.
3. Some of the major provisions include:
 - A. Company premium contribution effective after ninety (90) days from date of hire or the date which the employee enrolls, whichever is later. Coverage shall end 30 calendar days from the date the employees' eligibility for coverage ceases. ...R
 - B. Maintenance of Benefits permitted to the level of benefits provided in the Medical Plan. ...R
 - C. The lifetime benefit limit is \$2,000,000. ...R

D. Continue Preferred Provider Organizations. If employee does not reside in a PPO service area, coverage will be provided at 80 per cent of Reasonable and Customary charges. Effective January 1, 2004, employees who elect not to enroll themselves or their eligible dependents in a company-sponsored medical plan or HMO will be eligible for an annual "opt out" credit of five hundred dollars (\$500). This credit will be given to the employee over twelve (12) months on his/her bi-weekly paycheck. In order to be eligible for this credit, the employee may be required to provide satisfactory evidence of medical coverage upon request. ...R

E. CARE COORDINATION.

Non-Notification Penalty: The lesser of the actual charge up to \$200. Penalty is a reduction to covered charges and is not applied to out-of-pocket. ...R

F. Effective January 1, 2004, a hearing aid benefit will be added to the Comprehensive Medical Plan. This benefit will provide coverage for expenses for a hearing examination by a licensed audiologist or physician, the hearing aid device, molds, repairs, hearing aid check and batteries. The maximum reimbursement under this benefit is \$1,000 per covered individual every twenty-four (24) months. The benefit is not subject to deductible, co-pays or R&C and there are no separate maximums for any in or out of network expenses. Hearing aids are covered for all hearing impairments that are a result of birth defect, illness, accident and/or injury and progressive loss of hearing. Replacement and repair of hearing aids are covered unless due to misuse or loss. ...N

4. In the event of death of an employee, medical coverage for surviving spouse and eligible dependents will be paid by the Company for a two (2) year period.
5. The Comprehensive Medical Plan will be administered solely in accordance with its provisions, and no matter concerning the Comprehensive Medical Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. ...R

6. The selection of the Health Care Plan Administrator, the administration of the Comprehensive Medical Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

7. This Memorandum of Agreement is effective on November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Comprehensive Medical Plan shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

EFFECTIVE JANUARY 1, 2004
COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS ...R

In Area and Out of Area Plans

BENEFITS	PPO Available and Used		PPO Available and Not Used	
	PPO Not Available			
<u>General</u>				
Lifetime Maximum (No automatic restoration)	\$2,000,000		\$2,000,000	
Calendar Year Deductible (No carry over)	Employee only	\$150	Employee only	\$150
	Employee + 1	\$300	Employee + 1	\$300
	Employee + 2 or more	\$450	Employee + 2 or more	\$450
Out of Pocket Maximum	Employee only	\$1,500	Employee only	\$1,500
	Employee + 1	\$3,000	Employee + 1	\$3,000
	Employee + 2 or more	\$4,500	Employee + 2 or more	\$4,500

Coordination of Benefits	Non-duplication of benefits. Cross coordination applies. Birthday rule applies	Non-duplication of benefits. Cross coordination applies. Birthday rule applies
Pre-existing Conditions	None	None

Hospital Services

Room and Board (Subject to Care Coordination)	80% of negotiated rate after deductible satisfied <ul style="list-style-type: none"> • Semi private room • Intensive and Cardiac Care Units 	70% of R&C after deductible satisfied <ul style="list-style-type: none"> • Semi private room • Intensive and Cardiac Care Units
Emergency Outpatient for Accidents	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied

BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
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Preadmission Tests:	100% of negotiated rate after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)	100% of R&C after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)
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Inpatient Services and Supplies	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied
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Professional Services

Doctor's Surgical Charges	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied
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BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
Outpatient Surgery	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied
Doctor's Office Visits	\$15 per visit	80% of R&C after deductible satisfied
Doctor's Home Visits	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied
Allergy Shots	\$5 copay for injection only if not billed for any other office visit services \$15 copay when billed with related charges.	80% of R&C after deductible satisfied.
Maternity	\$15 office visit copay, first visit only. Covered the same as any other illness or injury	80% of R&C after deductible satisfied



BENEFITS

**PPO Available and Used
PPO Not Available**

PPO Available and Not Used

High Risk Maternity (If Care Coordination recommends special care because pregnancy is considered high-risk pregnancy)

Physician and hospital charges are paid at 100% of negotiated rate, no deductible.

80% of R&C for physicians, 70% of R&C for hospital charges after deductible satisfied.

Nurse/Midwife

80% of negotiated rate after deductible satisfied

80% of R&C after deductible satisfied

Birthing Center

80% of negotiated rate after deductible satisfied

80% of R&C after deductible satisfied

Artificial Insemination & In Vitro Fertilization

(Subject to Care Coordination)

- Limited to 50% of negotiated rate to a maximum of \$15,000 per lifetime. (\$15,000 applies to combined overall lifetime max.)

- Limited to 50% of R&C to a maximum of \$15,000 per lifetime. (\$15,000 applies to combined overall lifetime max.)

Other Services

Acupuncture

80% of negotiated rate after deductible satisfied.

80% of R&C after deductible satisfied. (Limited to 20 visits)

<p>(Limited to 20 visits per year. Additional services are covered if approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.)</p>	<p>per year. Additional services are covered if approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.)</p>
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<p>Chiropractor Services</p>	<p>\$15 co-pay (12 visits per year threshold. Additional services are covered if approved by Care Coordination.)</p>	<p>80% of R&C after deductible satisfied. (12 visits per year threshold. Additional services are covered if approved by Care Coordination.)</p>
<p>Diagnostic X-Ray, Lab Tests</p>	<p>80% of negotiated rate after deductible satisfied.</p>	<p>80% of R&C after deductible satisfied.</p>
<p>Physical & Occupational Therapy</p>	<p>80% of negotiated rate after deductible satisfied.</p>	<p>80% of R&C after deductible satisfied.</p>
<p>Radiation Therapy</p>	<p>80% of negotiated rate after deductible satisfied</p>	<p>80% of R&C after deductible satisfied</p>

BENEFITS	PPO Available and Used	PPO Available and Not Used
Speech Therapy	PPO Not Available 80% of negotiated rate after deductible satisfied. Expanded speech therapy benefit for children under age 3 (20 visit limit per calendar year).	80% of R&C after deductible satisfied. Expanded speech therapy benefit for children under age 3 (20 visit limit per calendar year).
Medical and Surgical Treatment for Weight Loss	Covered at 80% for cases of morbid obesity or if weight is detrimental to health only.	Covered at 80% for cases of morbid obesity or if weight is detrimental to health only.
Transplants (Subject to Care Coordination)	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness.	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness.

BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
	<ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day. 	<ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day.
	Organ Search & Procurement when a designated facility is not used is payable up to medical plan max except bone marrow limited to \$25,000.	Organ Search & Procurement when a designated facility is not used is payable up to medical plan max except bone marrow limited to \$25,000.
Cosmetic Surgery	In-network: 80% negotiated fee for facility and physician charges when medically necessary:	In-network: 80% negotiated fee for facility and physician charges when medically necessary:
Corrective Appliances and Artificial Limbs	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied

BENEFITS	PPO Available and Used	PPO Available and Not Used
Home Rental of Durable Medical Equipment (Subject to Care Coordination if amounts exceeds \$1,000)	PPO Not Available 80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied
Oral Surgeries	80% of negotiated rate after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)	80% of R&C after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)
Voluntary Sterilization	80% of negotiated rate after deductible satisfied	80% of R&C after deductible satisfied

BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
Home Health Care (Subject to Care Coordination)	100% of negotiated rate not subject to deductible. (No deductible required up to 52 HHC visits in a calendar year.)	100% of negotiated rate not subject to deductible. (No deductible required up to 52 HHC visits in a calendar year.)
Skilled Nursing Facility (Subject to Care Coordination in lieu of hospitalization)	80% of negotiated rate after deductible satisfied (Semi-Private Rate – 120 days per calendar year.)	80% of R&C after deductible satisfied (up to 120 days per calendar year)
Hospice Care (Subject to Care Coordination)	Hospice Facility: 100% of negotiated rate, no deductible	80% of R&C after deductible satisfied
	At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C	At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C

	Bereavement Counseling: 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses of an unlimited number of counseling services for the patient and covered family members.)	Bereavement Counseling: 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses of an unlimited number of counseling services for the patient and covered family members.)
Second Surgical Opinion	100% of negotiated rate; no deductible, voluntary.	80% of R&C; no deductible, voluntary.
PREVENTIVE CARE:	In-network: 100% of negotiated fee (not subject to copay or deductible)	Out-of-network: 100% R&C, no deductible
Well Woman Exam	One annual well woman examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)	One annual well woman examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)

BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
Mammograms	One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional Mammograms covered at 80% of reasonable charges if medically necessary.)	One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional Mammograms covered at 80% of reasonable charges if medically necessary.)
Immunizations	One complete regimen of immunizations per lifetime for children and adults covered at 100% not subject to deductible.	One complete regimen of immunizations per lifetime for children and adults covered at 100% not subject to deductible.
Influenza Immunizations	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)

Prostate Specific Antigen	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)
Sigmoidoscopy	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with Sigmoidoscopy is a covered expense.)	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with Sigmoidoscopy is a covered expense.)
Fecal Occult Blood Test	One annual Fecal Occult Blood Test for men and women age 40 and over.	One annual Fecal Occult Blood Test for men and women age 40 and over.
Hearing Aid Benefit	\$1,000 maximum reimbursement every 24 months. Includes hearing exam, devices, molds and fittings. Not subject to deductible	\$1,000 maximum reimbursement every 24 months. Includes hearing exam, devices, molds and fittings. Not subject to deductible

BENEFITS	PPO Available and Used PPO Not Available	PPO Available and Not Used
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Care Coordination
(Pre-notification
Required)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Hospitalization • Admission to hospital through ER • In-patient services • Skilled Nursing Facility • Home Health Care • Hospice • Chiropractic services beyond 12th visit • Artificial Insemination • In-Vitro Fertilization • In & Out Patient surgery • Transplants • Durable Medical Equipment exceeding \$1000 • Continued stay for Maternity | <ul style="list-style-type: none"> • Hospitalization • Admission to hospital through ER • In-patient services • Skilled Nursing Facility • Home Health Care • Hospice • Chiropractic services beyond 12th visit • Artificial Insemination • In-Vitro Fertilization • In & Out Patient surgery • Transplants • Durable Medical Equipment exceeding \$1000 • Continued stay for Maternity |
|---|---|

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

PPO Not Available (i.e., employee does not reside in the PPO Service Area):

- For all benefits payable under this plan, coverage levels are based on R&C.
- If copay applies (e.g., Doctor's Office Visit, Chiropractor Services, Allergy Shots), benefits are paid at 80% R&C.

EFFECTIVE JANUARY 1, 2004

MENTAL HEALTH/SUBSTANCE ABUSE CARE ...R

BENEFITS	IN VERIZON Standard <u>MH/SA</u> NETWORK	OUTSIDE VERIZON Standard <u>MH/SA</u> NETWORK
• In-patient hospital --45 days per calendar year	100%	\$0
• Partial hospitalization --up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)	100%	\$0
• Out-patient --Up to 50 visits per calendar year	100% after \$15 co-payment per visit	\$0

**Supplemental
Benefit**

--Annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of \$2,000,000	\$0
--	--	------------

Note: Employees must call Managed Health Network (MHN) at 1-800-777-7991 prior to routine care and within 48 hours of emergency care.

OTHER BENEFITS

LIFE

The following information is in summary form.

Effective upon ratification, Group Universal Life will continue to be offered as follows:

Employee Coverage - 1 X annual earnings or \$10,000, whichever is greater, or 2, 3, 4, 5, X annual earnings (age-based rates).

Spouse Coverage - \$20,000 minimum up to \$100,000 in increments of \$20,000 (age-based rates).

Dependent Children's coverage - \$10,000 each eligible child, regardless of number. \$1.00 per month.

Cash Accumulation Account - Additional premiums can be accumulated to earn tax and deferred interest. The amount of the additional premium contributed depends on the number of \$1,000 units of Group Universal Life selected.

6. CONCESSION TELEPHONE SERVICE

- 1. The Company will grandfather all bargaining unit employees who are currently receiving 100 percent telephone concession.**
- 2. The Company agrees that employees with 25 or more years of accredited service prior to January 1, 1989, will be granted 100 percent concession telephone service covering applicable service and equipment.**

7. CUSTOMER ENGINEER-DATA APPLICATIONS

- 1. Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723, agree to the provisions concerning the established classification of Customer Engineer-Data Applications set forth in this Memorandum of Agreement.**
- 2. The Customer Engineer-Data Applications classification will be placed in an IBEW wage schedule 12.**
- 3. The Company may develop and implement incentive programs which will provide participating Customer Engineers-Data**

Applications the opportunity to earn cash, merchandise, and/or other awards based on performance in achieving objectives developed and administered solely by the Company. Employees will be responsible for any tax liability that arises out of participation in the incentive program.

The company shall have the responsibility to establish the standards of the program. This is not subject to the grievance and arbitration procedure of the Agreement. However, administration of the program and/or disputes arising from the payment in accordance with the terms of the incentive plan is subject to the grievance and arbitration procedures. It is understood by the parties that there is no guarantee of incentive earnings under this plan.

4. In an endeavor to meet customer demands for service and ensure our continued success, employees may be assigned to a specific customer service order or sales contract. Customers who stipulate a particular Customer Engineer-Data Applications as a condition of their contract with Verizon North, will be accommodated. Such accommodations may require call-outs, overtime, travel, etc. When an employee is required to travel, the Company will provide as much advance notice as possible.

5. **Customer Engineers-Data Applications shall work where assigned by the Company and may cross any and all jurisdictional boundaries covered by the CBA between Verizon North and all unions. However, it is agreed that Customer Engineers from other Bargaining Units may not work within the jurisdictional boundaries of Local 723 unless all Customer Engineers who are members of Local 723 are unavailable and the total number of hours worked by employees from other bargaining units will not exceed the following: 500 hours times the number of Local 723 Customer Engineers up to a maximum of 2,000 hours per calendar year. Should, for any reason, the number of hours exceed this number in a calendar year, the overrun would be deducted from the allowable number of hours for the next year. Hours of work, overtime, and premium pay and holidays will be in accordance with the provisions of the home CBA except that any provisions requiring equalization of overtime shall not apply to Customer Engineers-Data Applications. Customer Engineers-Data Applications will be offered travel expenses under the school or expense provisions outlined in Article 25 of the CBA.**
6. **Professional business attire is required for Customer Engineers-Data Applications.**

7. During the initial staffing of the Customer Engineer-Data Applications classification, IBEW bargaining members will be given consideration over non-bargaining unit employees. The parties agree that current employees who demonstrate the required job knowledge and aptitude through passing of the required tests will not be denied the position due to the lack of formal college degree.
8. Customer Engineers-Data Applications may be assigned to Home Dispatch.
9. This Memorandum of Agreement is effective upon ratification and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on November 4, 2006, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing. ...R

8. CUSTOMER ZONE TECHNICIAN III

Management stipulates that the implementation of the Customer Zone Technician III (CZT III) classification will not be the cause of related classifications, be reclassified to the Customer Zone Technician III (CZT III) classification.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of this Agreement unless agreed to by the parties in writing.
...R

9. DENTAL PLAN

1. Effective January 1, 2004, Verizon North Inc., (Indiana) –and International Brotherhood of Electrical Workers, Local 723 agree to the provisions of the Dental Plan set forth in this Memorandum of Agreement. ...R
2. For a summary of details, refer to the SPD, Your Dental benefits. The annual deductible will be \$25.00 per individual for all regular full-time and regular part-time employees. Effective January 1, 2004, the annual \$25.00 per individual deductible will be waived when an employee and/or his/her enrolled dependents use a Preferred Dental Provider (PDP). ...R
3. Coverage under the Plan begins ninety (90) days from the date of hire or the date which the employee enrolls, whichever is later. Coverage shall end 30 calendar days from the date the employees' eligibility for coverage ceases. ...N

4. Maintenance of Benefits (MOB) permitted to the level of benefits provided in the Dental Plan.

Effective January 1, 2004:

- Orthodontic Care: increase per covered person lifetime maximum from \$1,000 to \$1,500
 - TMJ Care: establish new per covered person lifetime maximum of \$500
 - Preventive General & Major Services: increase per covered personal annual maximum from \$1,000 to \$1,500 ...N
5. The monthly employee contribution shall be in accordance with Article 40.1-2 of the Collective Bargaining Agreement.
 6. The Plan will be administered solely in accordance with its provisions, and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Plan Administrator the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

7. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Dental Plan, shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

DENTAL PLAN HIGHLIGHTS

The following information is in summary form. Further information is provided in the "Dental Benefits" brochure.

1. Dental Insurance is an independent offering from Health Insurance. Coverage under the dental plan begins 90 days from date of hire or when the employee enrolls, whichever is later. ...R
 - a) Preventive and diagnostic services are covered at 100% Reasonable & Customary (R&C). "General Services" are covered at 80% R&C. Restorative and prosthetic services are covered at 50% R&C.
 - b) 1. Temporomandibular Joint Dysfunction (TMJ) is covered at 50% R&C (lifetime maximum of \$1,000). Effective January

- 1, 2004, lifetime maximum is \$500. ...R
 2. Orthodontia coverage shall be paid at 50% R&C (lifetime maximum of \$1,000). Effective January 1, 2004, lifetime maximum is \$1,500 ...R
 3. These benefits, 1 and 2 above, shall have a combined separate lifetime maximum of \$1,000 through December 31, 2003. ...R
- c) A \$25 deductible, per person, per calendar year, shall apply to this plan, excluding preventive and diagnostic care. Effective January 1, 2004, \$25 deductible waived if Preferred Dental Plan is used. ...R
 - d) Pit and Fissure 100% R&C after deductible for dependents up to 14 years of age. Effective January 1, 2004, covered at 80% R&C. ...R

10. DOMESTIC PARTNER BENEFITS

- 1. Effective November 9, 2003, Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree to extend benefits, as set forth below, to employees' domestic partners and children of domestic partners.**

- 2. Employees may elect health and welfare benefits coverage of domestic partners and children of domestic partners, as described below. Employees who have been (or will be) identified by the Company as employed in a property that is to be divested as part of Verizon's Network Services Repositioning program will be excluded from this offer. ...R**

- 3. The Company and the Union agree that eligibility of a domestic partner for health and welfare benefits shall be based on the following conditions:**
 - A. The employee and the domestic partner are same-sex, adult partners.**

 - B. Neither the employee nor the domestic partner is married or a domestic partner of a third party.**

- C. Both the employee and the domestic partner are at least eighteen (18) years of age and are mentally competent to contract.
 - D. The employee and the domestic partner are not related by blood to a degree of closeness that would prohibit legal marriage in their state of residence.
 - E. The employee and the domestic partner live together at the same permanent residence.
 - F. Employee and the domestic partner are jointly responsible for each other's welfare and basic living expenses.
 - G. The domestic partner is the employee's sole domestic partner and intends to remain so indefinitely.
 - H. The employee and the domestic partner agree to notify the Company and any other appropriate party of any changes in the above conditions.
4. The Company and the Union agree that eligibility of children of domestic partners for health and welfare benefits shall be based on the following conditions:

- A. An eligible domestic partner is the natural parent, adoptive parent or legal guardian of the child.
 - B. The child is unmarried and either under the age of nineteen (19), or under the age of twenty-five (25), attending an accredited secondary school, college, university or nursing school, and are dependent on the domestic partner for care and support.
5. An employee may elect coverage of a domestic partner and any children of a domestic partner for the following benefits. The amount and availability of benefits are governed by the provisions of the applicable plan and are subject to the Internal Revenue Code and related regulations.
- A. Medical
 - B. Dental
 - C. Health care continuation coverage
 - D. Flexible Reimbursement Plan Healthcare Reimbursement Account (for IRS Tax Dependents)
 - E. Dependent Care Reimbursement Account (for IRS Tax Dependants)

F. **Retiree Medical (limited to Domestic Partner and children of Domestic Partner who are covered by medical plan at time of employee's retirement)**

G. **Group Universal Life**

6. **Employees are entitled to Bereavement Leave in the event of the death of a domestic partner, children of the domestic partner and other domestic partner family members as specified in Article 35.2. ...R**

7. **Employees are entitled to Family and Medical Leave for the care of a seriously-ill domestic partner, or child of a domestic partner, subject to general eligibility requirements.**

8. **Other benefit programs are also available to domestic partners and/or their children, as applicable. Availability and amount of benefit is governed by the applicable plan or policy.**

A. **Event travel Expense (one guest accommodated)**

B. **Financial Counseling**

C. **Survivor Support**

- D. Dependent Scholarships (children of domestic partner only)
 - E. Adoption Assistance (employee must be adoptive parent)
 - F. Company Discounts (recipient is employee)
 - G. Childcare Discounts (recipient is employee)
 - H. Employee Assistance Program
9. In the event that any of the above Domestic Partner Benefits are found to be discriminatory against non-eligible, unmarried employees in any jurisdiction, then these Domestic Partner Benefits will not be available in that jurisdiction.
10. To the extent that the terms of any plan conflict with the provisions of this Memorandum of Agreement, the terms of such plan shall govern. Notwithstanding the foregoing, this Memorandum of Agreement shall constitute part of the plan to which it relates; provided, however, it may be elaborated upon in other plan materials, such as employee bulletins and enrollment materials, by the Company. To the extent that any provision of this Memorandum of Agreement conflicts with any state or local law, the parties agree to discuss the applicability of such state or local law.

11. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 6, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

11 DRUG AND ALCOHOL POLICY

Verizon North, Inc (Indiana) and the International Brotherhood of Electrical workers, Local 723 agree to the implementation of a Drug and Alcohol Policy. The Company and Union are committed to maintaining a work place that is safe and free from drugs or alcohol and the Company is obligated to comply with the requirements of federal, state and local laws. ...N

The following represents the understanding of the parties concerning the implementation of the Policy.
...R

1. When, in the opinion of a Verizon supervisor, good reason has been established that an employee may have violated any of the restrictions of the Policy, the Company will require that the observations that result in the

requirement for drug and/or alcohol screening be documented in writing by the management employee(s) who make(s) the observations. Good reason to pursue reasonable suspicion testing should be based on first-hand, specific, current observations concerning the appearance, behavior, speech or body odors of the employee. It is not the intent of the Policy to require a drug/alcohol screen as a result of a performance problem(s) in and of itself, without the presence of indicators that would cause a "reasonable person" to conclude that the individual could be under the influence of a drug or alcohol. This is to say that a single indicator that could be the result of many different conditions would not be the sole factor that would result in a requirement for a drug/alcohol screening. ...R

2. The Company acknowledges that employees will have the right to Union representation, as provided by the Weingarten decision, during the screening process. The Company has not agreed to representation that is beyond that provided in Weingarten. ...R
3. The Company agrees to delete the portion of the consent form that reads: "I hereby release Verizon, its employees, and any such designated institution or person from any liability resulting from the medical procedures

outlined above."

...R

4. At the time the specimen is collected, the employee will be provided the opportunity to provide two specimens in separate containers. The second specimen will be properly sealed and maintained so as to be available for re-test at the request of the employee and/or the Union as described below. ...R

5. The Company agrees that the employee who tests positive on both the screen and the confirmation test will have the option to request the additional specimen be released to a certified lab to be re-tested. If there is no second specimen, a portion of the remaining specimen will be made available for re-test. The Company responsibility for the chain of custody ends when the specimen is released at the direction of the second testing lab. The Union or the employee must make this request within ten (10) working days from the date the original test result is provided to the employee. It is understood that the employee and/or the Union are responsible to arrange for the test and all associated additional cost. The results of this re-test will be forwarded to the Company within ten (10) working days from the date the results are available for consideration by the Company. It is also understood that in some small percentage of the cases, it is possible

that there may not be enough of the specimen remaining to re-test. ...R

6. It is understood that a decision to discipline as a result of a positive test would depend on all circumstances surrounding the particular situation and would be based on established just cause standards. ...R
7. It is agreed that an employee who tests positive on the first occasion will not be terminated as a result of this first test, unless surrounding the incident that resulted in the requirement for the test there are other performance or behavior problems that warrant discharge. ...R
8. In the case of a positive test result, the employee will be so advised by Company's Medical Review Officer (MRO) on a confidential basis, prior to the reporting of the results so that the employee shall have the right to discuss and explain the results and to advise the MRO of any medication prescribed by the employee's physician that may have affected the results of the test. ...R
9. The Company agrees that the drug screen will be "forensic quality". ...R
10. The Company agrees to provide information to

employees concerning the Employee Assistance Program (EAP) and/or the availability of public and private drug treatment counseling, rehabilitation and other drug and alcohol abuse treatment programs. ...R

11. The Company agrees that an employee will not be subject to unannounced testing beyond one year as a result of the post treatment provisions of the policy. ...R
12. It is not the intent of the policy to require drug or alcohol screening after an accident (in which no death occurs) as a result of behavior that can clearly be attributed to the accident alone. ...N

This Memorandum of Agreement shall become effective on November 9, 2003 and shall automatically continue in full force and effect. ...N

12 EDUCATION AND LIFE LONG LEARNING

...R

Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 (IBEW) agree to continue joint efforts (including the 100% tuition reimbursement and the 100% prepaid feature), which allow employees additional opportunities to learn and enhance their knowledge of the jobs being performed. On an "as needed" basis as determined

jointly by the parties, a joint study team, consisting of management and union officials, will be created to explore opportunities for joint educational programs. Joint study teams will explore issues such as:

- The level of employee awareness of the Verizon North, Inc., tuition assistance program
- The role of education assistance in the attraction and retention of bargaining unit employees.
- The design and coordination of communication vehicles, in conjunction with NACTEL, to encourage employee and prospective employee participation in the AAS degree in Telecommunications, or other programs developed.
- The identification of certain non-degreed programs, which enhance or certify job knowledge.

Any joint study team formed by the parties will report its findings and make recommendations to the Joint Company/Union Steering Committee for review and final determination.

This Memorandum of Agreement is effective on November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall also terminate on November 4, 2006, and shall

not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

13. ENHANCED RETIREE MEDICAL ...N

THIS AGREEMENT is made and is effective November 9, 2003, by and between Verizon North, Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723, addressing certain issues involving Enhanced Retiree Medical Benefits, as follows:

The terms of this agreement shall be in effect from November 9, 2003 and terminate on December 31, 2003.

If the Company declares employees surplus during the period of this agreement in any department, location, classification or work group such reductions will only be made to the extent necessary to eliminate this declared surplus:

- (a) Any retirement eligible employee who is covered by an age based or fixed percentage retiree medical plan and who in connection with the declared surplus elects to voluntarily leave the service of the Company shall have the option of electing service linked retiree medical benefits, as set forth below:**

Years of Accredited Service @ Retirement	Company Contribution Percentage/Amount	Retiree Contribution Percentage/Amount
Less than 10	0%	100%
10 through 14	20%	80%
15 through 19	40%	60%
20 through 24	60%	40%
25 through 29	80%	20%
30 and over	90%	10%

- (b) Before any employee is involuntarily separated or displaced as a result of bumping, all retirement eligible employees within said employee's department, location, classification and workgroup will be offered a voluntary separation with the option of electing Service Linked Retiree Medical benefits. The number of employees separated under this provision will be selected by seniority and will not exceed the number of employees to be displaced or involuntarily separated.
- (c) Any retirement eligible employee who is covered by an age based or fixed percentage retiree medical plan and who is involuntarily separated by the Company in connection with a declared surplus force adjustment shall have the option of electing service linked retiree

medical benefits, as set forth in Paragraph (a).

14. FAMILY AND MEDICAL LEAVE OF ABSENCE

1. Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree to the provisions concerning Family and Medical Leave of Absence as set forth in this Memorandum of Agreement.

2. The purpose of the leave shall be as follows:
 - (a) for the birth and care of a newborn child of the employee, or the placement of a child with the employee for adoption or foster care.

 - (b) to care for a spouse, biological or adoptive parent, or person who has acted in role as parent with day-to-day responsibility, or child (biological, adopted, foster or stepchild or legal ward or child for whom the employee has day-to-day parental responsibility) who has a "serious health condition." ...R

 - (c) for a serious health condition of the employee which makes the employee unable to perform the functions of the position of such employee. As with any

absence for a serious health condition, the Company may require an employee to provide a "fitness for duty" certification to return to work after such leave.

3. The total period of this leave will be up to twelve (12) work weeks within a twelve (12) month period. Any leave of absence provided for in the Collective Bargaining Agreement (CBA), whether paid or without pay, that is qualified under the Family Medical Leave Act, shall run concurrently with the Family and Medical Leave of Absence under the Family and Medical Leave Act of 1993 (FMLA). ...R
4. Employees who have completed at least twelve (12) months of accredited service at the beginning of the leave and worked at least 1,250 hours during such period may be eligible for leave.
5. The FMLA excludes employees where there are less than fifty (50) employees within seventy-five (75) miles of the employee's work site. The Company will attempt to accommodate requests for FMLA leave for employees at remote locations, however, such requests may be denied based on business necessity. ...N

6. Leave may be taken on an intermittent or reduced schedule basis for reasons specified in paragraphs 2.b and 2.c if determined to be "medically necessary" as defined in the Departments of Labor Regulations 29 CFR Part 825. It may not be taken intermittently or on a reduced schedule basis for reasons specified in paragraph 2.a unless approved by the Company.
7. If an employee is granted intermittent or reduced schedule leave, the Company may require such employee to transfer temporarily to an available alternative, equivalent position that better accommodates recurring periods of leave than the employee's regular position.
8. The Company may elect to replace any employees on leave with temporary or contract workers for the duration of the leave without affecting or being affected by any provisions of the Collective Bargaining Agreement. ...R
9. Employees shall be required to present, to the satisfaction of the Company's Human Resources Department, documentation concerning the basis for the requested leave-of-absence. ...R
10. Employees shall provide the Company with at least thirty (30) days advance notice of intent to

take leave when foreseeable.

11. In cases where both spouses are employed by the Company, and both spouses are eligible for FMLA leave, they will be permitted to take a total of (12) weeks of FMLA leave during the applicable 12-month period for any one qualifying circumstance. Where the husband and wife both use a portion of the total 12 week FMLA leave entitlement for one qualifying circumstance, the husband and wife would each be entitled to the difference between the amount he or she took individually and 12 weeks for FMLA leave for a different purpose.

...R

12. While on FMLA leave, eligible employees are entitled to maintain company paid basic life insurance and medical and dental benefits to the extent provided to active employees. ...R
13. Upon return to work, employees granted FMLA leave shall receive accredited service for the period of the leave. There is no break in service for purposes of vesting, eligibility to participate in pension plans and other types of benefits, and seniority.
14. Subject to Item 15 below, at the end of the approved leave (or each segment of the leave, as applicable), employees shall be guaranteed

reinstatement to the same or equivalent job.

15. Reinstatement is subject to any contractual provisions of the Collective Bargaining Agreement which cover adjustments to the work force that may have occurred during the leave of affected employees.
16. Employees who wish to change their projected return date, may request the change, in advance, and the Company will endeavor to accommodate such requests. ...R
17. Employees, while on leave, shall be considered to have terminated employment if they accept employment with another employer, engage in business for profit, and/or apply for unemployment insurance benefits.
18. The provisions of this Memorandum of Agreement are not subject to the grievance or arbitration procedure of the Collective Bargaining Agreement except for the application for reinstatement by employees on leave.
19. All terms herein shall be defined as set forth in the Department of Labor Regulations, 29 CFR 825.

20. The Company has the right to act in accordance with the Family and Medical Leave Act of 1993 and to comply with the regulations provided by the Department of Labor.
21. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

15. FLEXIBLE REIMBURSEMENT PLAN (FRP)

1. Verizon North Inc., - (Indiana) agrees to continue the Flexible Reimbursement Plan (FRP). ...R
2. Effective January 1, 2004, eligibility for the Plan begins after ninety (90) days from the date of hire or the date which the employee enrolls, whichever is later. ...N
3. For a summary of details refer to the Flexible Reimbursement Plan Summary Plan description (SPD). ...N

4. The FRP will be administered solely in accordance with its provisions, and no matter concerning the FRP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the FRP Administrator, the administration of the FRP and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration or reimbursements shall be determined by and at the sole discretion of the Company.

5. This Memorandum of Agreement is effective on November 9, 2003. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the GTE Flexible Reimbursement Plan, shall also terminate on November 4, 2006, and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

16. FLOATING HOLIDAY GUIDELINES ...N

Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree to the provisions concerning Floating Holiday Guidelines, as set forth in this Memorandum of Agreement.

All employees must bid five (5) floating holidays as a full week. Floating holidays will be bid in the same manner and at the same time as vacations.

A minimum of 10% of the group's (classification within a reporting location) annual vacation hours, plus 5 floating holiday hours will be made available for bid. Hours will be converted to weeks by rounding up or down to the nearest whole number. If the equation results is a .5 number, the weeks will be alternated by week, e.g., 4.5 employees per week, would be 4 employees off the first week, 5 employees off the second week and so forth. If the above formula equates to 3 weeks or less, the Company agrees to allow a minimum of one (1) employee off per week.

Additional floating holiday(s) not bid as a week will be bid according to Article 31.4.

Employees may take one (1) floating holiday in two (2) hour increments.

This Memorandum of Agreement is effective on November 9, 2003. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, shall also terminate on November 4, 2006, and shall not survive the expiration of this Agreement unless agreed to by the parties in writing.

17. GRIEVANCE MEDIATION

Effective upon ratification, the Company and the Union agree to the following guidelines for a Grievance-Mediation process:

- 1. Upon mutual agreement between the Company and the Union, a grievance may be taken to mediation.**
- 2. The grievant shall have the right to be present at the mediation conference.**
- 3. Each party shall have one principal spokesperson and may have additional witnesses at the mediation conference.**
- 4. Any written material presented to the mediator shall be returned to the party presenting that material at the termination of the mediation conference. The mediator may, however, retain one copy of the written grievance, to be used solely for purposes of statistical analysis.**
- 5. Proceedings before the mediator shall be informal in nature and evidence is not limited to that presented during the grievance proceedings. The rules of evidence do not apply and no record of the mediation conference will be made.**

6. The mediator will have the authority to meet separately with either party, but will not have the authority to compel the resolution of a grievance.
7. If no settlement is reached during the mediation conference, the mediator shall provide the parties with an immediate advisory decision.
8. The mediator shall state the grounds of the advisory decision.
9. The advisory decision of the mediator, if accepted by the parties, shall not constitute a precedent, unless the parties otherwise agree.
10. If no settlement is reached at mediation, the Union can then proceed with the arbitration process.
11. The decision to arbitrate must be made within thirty (30) days following the mediation conference.
12. If a grievance, which has been mediated, subsequently goes to arbitration, the mediator cannot serve as arbitrator. Nothing said or done by the mediator or by either party (for the first time in the mediation conference) may be used in the arbitration.

13. The mediator shall conduct no more than three (3) mediation conferences per day.
14. The Company and the Union will each pay one-half (1/2) of the mediator's fee and expenses.
15. The Company will pay one-half (1/2) the wages of the grievant or the Steward for time spent participating in the mediation conference.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including grievance mediation, shall also terminate on November 4, 2006 and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

18. GROUP UNIVERSAL LIFE (GUL) INSURANCE

1. Effective upon ratification, Verizon North Inc., (Indiana) agrees to extend, without endorsement, the opportunity for employees to enroll in Group Universal Life (GUL) Insurance.
2. GUL will be administered solely in accordance with its provisions, and no matter concerning GUL or any difference arising thereunder shall

be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of GUL and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Group Universal Life shall also terminate on November 4, 2006, and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

19. HOME DISPATCH

Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723, agree to continue the Home Dispatch Program which will operate under the following provisions.

...R

This Agreement is subject to the following provisions:

1. The Company shall determine the eligible job classifications and reporting location. The

Company may establish eligibility criteria for participation in the Home Dispatch Program. The Home Dispatch Program may be presented to groups of employees, at the Company's discretion.

2. Participation in the Home Dispatch Program will be voluntary; however, employees who elect to participate will be required to remain in the program for a minimum of 90 days. ...R
3. Under this program, employees will report directly to a work site or sites and will travel on their own time. Employees will report to the designated work site at their scheduled start time and shall leave at the scheduled stop time. Scheduled start and stop time refers to the schedule determined by management and bid by employees by seniority. The employee's first and last assignments should normally be within the Headquarters that serves as their base location or zone. On occasions when the first or last assignment is outside the Headquarters, employees will be paid for the reasonable time to travel from their reporting location to the first job site or return to their reporting location from the last job site. ...R
4. Employees who participate will be furnished a company vehicle for travel to and from work. These vehicles will be used only for business

purposes. Travel to and from home shall not be paid except as outlined in number 3 above.

5. Employees must live within twenty-five (25) miles of their reporting location to be eligible to participate in the Home Dispatch Program. Should the employee live beyond the twenty-five (25) mile limit, the Company may make an exception based on individual circumstances. ...R
6. Employees will not be required to use personal time to maintain company vehicles. However, they shall be responsible to adhere to vehicle maintenance schedules for their assigned Company vehicle in accordance with the Company's preventive maintenance program.
7. Employees will be expected to exercise good judgment in the use, storage and care of the Company vehicle. ...N
8. The contents of this Memorandum of Agreement shall be subject to the Grievance and Arbitration procedures as set forth in Articles 11 and 12. The Company will be responsible for providing all insurance coverage for participating employees and their assigned Company vehicle. ...N

9. Should an employee's Headquarters change after implementation of the Home Dispatch Program, the affected employee(s) will have the option to discontinue participation in the program during the 90 day minimum participation period. ...N

10. Should the Company decide to discontinue the program, a thirty (30) day notice will be given to the local union and employees who are participating. After initial 90 days, employees desiring to discontinue participation may be required to provide a thirty (30) day notice. Employees who deviate from the provisions of the program may be removed from participation. Such removal will require Director level review and approval.

11. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

20. HOURLY EMPLOYEES' PENSIONS ...R

1. Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to the provisions of the Plan for Hourly Employees' Pensions. ...R

2. The following provisions continue to be in place: ...R

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>
40 or more years	\$11,700
35 but less than 40 years	\$10,300
30 but less than 35 years	\$ 8,900
25 but less than 30 years	\$ 7,500
20 but less than 25 years	\$ 6,100
15 but less than 20 years	\$ 4,700

3. For employees who retire on or after January 1, 2004 the present Plan for Hourly Employees' Pensions will be modified to effect the following:

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>	
40 or more years	\$12,200	
35 but less than 40 years	\$10,700	
30 but less than 35 years	\$ 9,300	
25 but less than 30 years	\$ 7,800	
20 but less than 25 years	\$ 6,300	
15 but less than 20 years	\$ 4,900	...R

4. This Agreement shall become effective as of November 9, 2003 and shall remain in effect until midnight, November 4, 2006, and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with the following procedure: ...R
5. If this Agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

6. This Agreement may be amended or modified by either party giving written notice to the other of such desire to so amend or modify at least sixty (60) days and not more than ninety (90) days prior to the termination date set forth above. The written notice shall contain a full statement as to the amendments or modifications desired.

21. HOURLY SAVINGS PLAN (HSP)

1. Verizon North, Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 will make the Hourly Savings Plan (HSP) available to regular full or part-time hourly employees of the Company who are covered by the Collective Bargaining Agreement. ...R
- 2., The Company reserves the right at any time, and from time to time, by action of the Board of Directors, to modify or amend in whole or in part any or all of the provisions of the HSP, but no such amendment or modification shall have the effect of reducing the accrued benefits of members, retired members, former members or their beneficiaries or of diverting any part of the Trust Fund to any purpose other than for the exclusive benefit of members, retired members, former members, or their beneficiaries and the

payment of reasonable HSP administration expenses.

3. The Company reserves the right, by action of the Board of Directors, to terminate or partially terminate the HSP at any time. Upon the termination or partial termination of the HSP or upon the complete discontinuance of contributions under the HSP, the member accounts of the members affected by the termination, partial termination, or complete discontinuance of contributions, as the case may be, shall be nonforfeitable.
4. The HSP may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan; provided, however, that no such merger, consolidation or transfer shall be consummated unless each member and beneficiary under the HSP would receive a benefit immediately after the merger, consolidation, or transfer, if the transferee plan then terminated, that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation or transfer, if HSP had then terminated.
5. The Company and the Union agree that every provision heretofore contained in this agreement is contingent upon the Company's

receipt of a favorable determination that the HSP, as amended, continues to be qualified under Section 401(a) et. seq. of the Internal Revenue Code. In the event any revision in the HSP is necessary to obtain or maintain a favorable determination from the Internal Revenue Service, the Company will make the revisions, adhering as closely as possible to the level of benefits contained in the HSP.

6. In the event any portion of this Agreement is determined by a court or government agency to be in violation of existing law or is voided by a change in existing laws, the Company retains the unilateral right to make whatever modifications it deems necessary and appropriate to comply with the law, including the right to rescind the Agreement, if it deems no such modification is feasible. The Company shall have no obligation to bargain or negotiate with the Union in the event that this Agreement is modified or eliminated or in the event the Company does not implement any or all of the provisions of this Agreement because it does not receive Internal Revenue Service approval, any or all of these plans are deemed not qualified, or because of a change in existing laws.

7. The HSP will be administered solely in accordance with its provisions and no matter

concerning the HSP or any difference arising thereunder shall be subject to the grievance or arbitration procedures of the Collective Bargaining Agreement but rather shall be governed by the terms and conditions of the HSP and the interpretation of the HSP Committee.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Hourly Savings Plan (HSP), shall also terminate on November 4, 2006, and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

22. HOURLY SAVINGS PLAN (COMPANY MATCH)

Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 (IBEW) agree to increase the company matching contribution to the Hourly Savings Plan (HSP). ...R

- Effective January 4, 2004, the company matching contribution will increase from 66 cents to 75 cents for every \$1 contributed by the employee, up to a maximum of six percent of pay. ...N
- Effective January 2, 2005, the company matching contribution will increase from 75 cents to 82 cents

for every \$1 contributed by the employee, up to a maximum of six percent of pay. ...N

This Memorandum of Agreement is effective on November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, shall also terminate on November 4, 2006, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**23. INCOME SECURITY PLAN (ISP) - ENHANCED
...N**

1. Verizon North Inc. (Indiana), and International Brotherhood of Electrical Workers, Local 723 recognize the need for technological change in the business and hereby enter into this Memorandum of Agreement (hereinafter referred to as the Agreement). In order to lessen the economic impact upon regular employees who become surplus due to technological change, the Company and the Union agree to establish the INCOME SECURITY PLAN (the Plan). "Technological change" shall be defined as a change in plant or equipment, or a change in a method of operation, diminishing the total number of regular employees required to supply the same services to the Company or its subscribers. "Technological change" shall not include layoffs or force realignments caused by business conditions, variations in subscribers' requirements, or temporary or seasonal interruptions of work.

When technological change brings about any of the following conditions, the Plan shall apply:

- A. A need to layoff and/or force realign employees in any job title

- B. Reassignment of regular employees to permanent headquarters fifty (50) miles or more from the employee's permanent headquarters.
2. During the term of this Agreement, if the Company notifies the Union in writing that a technological change has created or will create a surplus in any job title in any work group and/or work location, regular employees meeting the following qualifications shall be eligible for Plan participation:
- A. Accredited service of one year or more;
 - B. No comparable assignment available within fifty (50) miles of the former permanent headquarters and/or refusal of reassignment to a new permanent headquarters fifty (50) miles or more from the former permanent headquarters.

However, the company reserves the right to apply this Plan to any surplus in force, whether or not it is brought about by technological change, that the Company deems appropriate. All elections shall be voluntary and acceptance by the Company will be in order of seniority.

3. The Company reserves the right to determine the job titles and work group(s) and/or work location(s) in which a surplus exists, the number of work groups and/or work locations in which a surplus exists, the number of employees in such titles and locations which are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Plan. In no event shall the number of employee elections accepted under the terms of the Plan exceed the number of employees determined by the Company to be surplus.

4. For those employees who are eligible in accordance with Sections 1 and 2, the Company will provide the following ISP Termination pay benefits:
 - A. ISP Termination Allowance of \$1,100, less withholding taxes, for each completed year of accredited service up to and including thirty (30) years for a maximum of \$33,000 prior to withholding taxes. The ISP Termination Allowance is not prorated for any partial year of service.

 - B. In addition to the ISP Termination Allowance, the Company shall pay an employee who has left the service of the Company with ISP benefits an ISP Expense

Allowance not to exceed \$750, less withholding taxes, for each completed year of accredited service for a maximum of \$3,750 prior to withholding taxes. The ISP Expense Allowance is not prorated for any partial year of service.

The combined maximum ISP Termination pay benefit payable as set forth in Paragraphs A and B of this Section 4 shall in no event exceed a total of \$36,750.

The dollar amounts set forth in this Agreement shall be prorated for regular part-time employees based on the average hours worked during the last twenty-six (26) pay periods; i.e., average of thirty (30) hours worked per week would result in termination benefits paid at 75% of those set forth in Paragraphs A and B of this Section 4.

5. The Company reserves the right to offer Enhanced ISP Termination pay benefits at its sole discretion. The Enhanced ISP Termination pay benefit will be in lieu of the regular ISP Termination Pay benefit described in Section 4 above and shall be equal to two times the applicable regular ISP Termination pay benefit. All other provisions of this MOA shall apply to Enhanced ISP payments.

6. **Employees eligible for ISP Termination Allowance in accordance with Section 2 will receive a lump sum payment for the entire amount of the ISP Termination Allowance paid in the month following the month in which the employee leaves the service of the Company.**
7. **Reemployed employees must complete one (1) full year of accredited service with the Company before coming eligible again for termination benefits. Those employees who have previously received termination benefits of any kind shall be eligible for ISP Termination Pay benefits based on their most recent date of hire in lieu of their accredited service date as outlined in paragraphs 4 A and B above.**
8. **All benefits payable under the Plan are subject to legally required deductions.**
9. **Termination benefits shall not be made if the termination is the result of any sale or other disposition by the Company of the exchange or office at which the employee is working or from which the employee is assigned to work, when the employee is continued in the employment of the new management of the exchange or office.**

10. An employee's election to leave the service of the Company and receive termination pay benefits must be in writing and transmitted to the Company within fourteen (14) calendar days from the date of the Company's offer in order to be effective, and it may not be revoked after such fourteen (14) calendar day period.
11. This Agreement will be implemented prior to invoking the provisions of Article 19, when conditions set forth in Section 1 of this Agreement exist as determined by the Company.
12. Neither the right to effect a technological change, the determination of a surplus condition, eligibility for participation in the Plan, nor any part of this Plan or Agreement shall be subject to the arbitration procedure of the Collective Bargaining Agreement.
13. This Memorandum of Agreement is effective November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

25. LAYOFF

When there are laid off/force adjusted employees, the Company and the Union agree that qualified IBEW employees within the headquarters (as defined in Article 9.11) will be considered for vacancies before the positions are filled with any other candidates. It is the employee's responsibility to notify the Company at the time he/she submits his/her self nomination form that he/she is laid off or force adjusted.

26. LIVING BENEFIT RIDER (LBR)

- 1. Verizon North Inc., (Indiana) agrees to make available a Living Benefit Rider (LBR) to employees and their spouses who are presently enrolled in Group Universal Life (GUL) Insurance.**
- 2. The Company and the Union recognize that long term care will continue to be the most likely catastrophic illness risk facing employees. As a result of these concerns and for these reasons, the LBR option to GUL is established to provide protection against the financial ravages of declining health.**

3. The LBR provides a benefit equal to 2% of the face value of the policy (excluding any cash value amounts) per month for a period up to twenty-five (25) months. In effect, the LBR can pay out a maximum of 50% of the value of the policy (25 months X 2%). The maximum potential benefit is \$10,000 per month with a minimum potential monthly benefit of \$400.
4. Eligibility for the benefit shall be based on the following conditions:
 - (a) Employees or spouses must be continuously unable to care for themselves in a minimum of three (3) activities of daily living for at least six (6) months. Activities of daily living are defined as eating, getting around, transferring, toileting, bathing, and dressing.
 - (b) Employees or spouses must submit written medical evidence that shows the inability to perform the activities of daily living.
 - (c) The condition causing the inability to care for oneself cannot be a condition for which the individual received medical care or treatment during the six (6) months immediately before LBR

coverage became effective (pre-existing condition clause).

- (d) GUL must remain in force.
 - (e) The LBR is paid for a maximum of twenty-five (25) months and permanently reduces any amount of life insurance proceeds by the total amount of the LBR paid.
5. No matter concerning the Living Benefit Rider or any differences arising thereunder shall be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
6. This Memorandum of Agreement is effective upon ratification and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Living Benefit Rider, shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. R

27. LONG-TERM DISABILITY (LTD)

In recognition of the impact a prolonged disability can have on income security and as a valuable supplement to the short-term disability benefits currently provided by the Company, Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to continue a Long-Term Disability (LTD) Plan subject to the following provisions: **...R**

1. Regular full-time employees are eligible to participate in the LTD Plan, subject to the following requirements:
 - Effective January 1, 2004, completion of ninety (90) days of continuous employment (new hires) **...R**
 - Effective January 1, 2004, enrollment during the first ninety (90) days of employment (new hires). **...R**
 - Enrollment during the initial Company-designated enrollment period (incumbents with ninety (90) days of continuous employment. **...R**
 - Enrollment during periods not mentioned and/or when opting up or increasing the LTD benefit level additionally require regular full-

time employees to submit evidence of good health at their expense and approval by the Plan Administrator. ...R

- The disability is not caused by participation in an assault, crime, or illegal occupation; an intentionally self-inflicted injury; war or an act of war.
 - The disability does not result from conditions that existed on the date LTD coverage began or does not result in an absence from work because of the pre-existing condition for ninety (90) consecutive days.
 - The contributions are continuously paid following enrollment.
2. The cost of the LTD Plan coverage will be paid by the employee. Contributions for coverage may change from time-to-time. Should this occur, the Company agrees to notify the Union in writing, within fifteen (15) calendar days prior to the date of modification, specifying the cause for any change in the contribution rate.

3. The LTD plan shall pay monthly benefits as follows:

- up to 50% of the employee's basic monthly earnings, up to a maximum of \$3,000 per month or
- up to 60% of the employee's basic monthly earnings, up to a maximum of \$5,000 per month.

Monthly benefits shall be coordinated and reduced by any amount received by: Workers' Compensation (or its equivalent); primary and dependent disability or retirement benefits from Social Security; payments under any other State or Federal disability benefits law; GTE pension plan (if applicable); Company-provided wage continuation plan (ISP layoff allowances); or any other plan which provides income benefits. ...R

- A. The employee must apply for primary and dependent (if applicable) Social Security disability benefits.
- B. Plan benefits are not payable for any period of disability during which the employee refuses or fails to apply for Social Security disability benefits or to appeal any denied claim for Social Security benefits.

4. Benefits will be paid, provided the Plan is in force, if eligible employees have been continuously and totally disabled, under the care of a physician and absent from work for twenty-six (26) weeks, or if the disability has resulted in twenty-six (26) weeks of absence during a period of fifty-two (52) consecutive weeks and the eligible employees have been under the care of a physician. ...R

- Monthly benefits will be paid for twelve (12) months, if the disability prevents eligible employees from performing their regular work or an alternative occupation with similar earning potential.
- Monthly benefit will be paid following this twelve (12) month period, if the disability prevents eligible employees from performing their regular work or an alternative occupation with similar earning potential. ...R
- Monthly payments will be paid following this twelve (12) month period, if the disability prevents eligible employees from performing any work for which they are otherwise qualified to performed. ...N

- If eligible employees become disabled prior to age sixty (60), benefits will be paid up to their 65th birthday. ...R
- If eligible employees become disabled on or after age sixty (60), benefits will be paid according to the following schedule:

<u>Age of Disability</u>	<u>Benefits Paid to Age</u>
60	65
61	66
62	67
63	68
64	69
65	70
66	70
67	70
68	71
69	72
70	72
71	72.5
72	73.5
73	74.5
74	75.5
75+	For 1 year

- Disabilities as a result of a mental health disorder, alcoholism, or drug addiction, will generally result in monthly LTD benefits for no longer than (12) months.

5. During the period LTD benefits are paid, eligible employees will continue to receive life, medical, and dental insurance coverage in accordance with the Collective Bargaining Agreement between Verizon North, Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723. Accredited Service will be applied toward eligible employee's pension calculations until the disability benefits end or the eligible employee retires, quits or dies. ...R

6. The amount and availability of benefits under the LTD Plan are governed by the provisions of the Plan and the Insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the LTD Plan, selection of the insurance carrier, eligibility for the benefits, cost of coverage, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective November 9, 2003 and shall expire on. The

parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Long-Term Disability Plan, shall terminate on November 4, 2006, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

28. LUMP SUM PAYMENT OPTION

- 1. Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers agree to modify the Plan for Hourly Employees' Pensions (hereinafter referred to as the Plan). Such modifications are conditional upon the approval from the appropriate Board of Directors and a favorable determination from the Internal Revenue Service that the Plan is and continues to be qualified under Section 401(a) of the Internal Revenue Code. Therefore, effective November 9, 2003, the modification will be contingent upon the receipt of the necessary approvals.**
- 2. Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.**

3. The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

4. This Memorandum of Agreement is effective upon ratification and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the lump sum payment option, shall terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.
...R

29. MAKE-UP TIME

It is understood that the purpose and intent of Articles 16.2-3, 17.4-4, and 18.3 will be reviewed with all employees in an effort to provide for consistent application. Make-up time, as arranged under 16.2-3, et al, does not count as an occurrence of absence.

30. MAIL ORDER PRESCRIPTION PLAN (MOPP)

- 1. Effective upon ratification, Verizon North Inc., (Indiana) will extend a Mail Order Prescription Plan (the Plan) to regular full or part-time hourly employees of the Company.**
- 2. A 90-day prescribed supply of medication will be provided at a \$5.00 per generic prescription or \$15.00 per brand name co-payment. This co-payment cannot be reimbursed through the Company Medical Plan and does not apply to deductibles or out-of-pocket maximums. Generic drugs will be provided when available and permissible by law.**
- 3. Employees and dependents currently covered under the Company Medical Plan will be eligible to participate in the Mail Order Prescription Plan. Once employees (who are covered under the Company Medical Plan) retire, they and their eligible dependents may continue to participate**

in the Mail Order Prescription Plan on the same basis as active employees. MOPP is not available to participants in Health Maintenance Organizations (HMO's).

4. The Plan will be administered solely in accordance with its provisions, and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedures of the Collective Bargaining Agreement. The selection of the Plan Carrier, the administration of the Plan and all terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation or administration shall be determined by and at the sole discretion of the Company.

5. The Company shall have the right to amend the Plan in any way, including the selection of the Plan Carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription of the employee/dependent will be limited to those changes applicable to salaried employees.

This Memorandum of Agreement shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Mail Order

Prescription Plan (MOPP), shall also terminate on November 4, 2006, and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

31. MODIFIED WORK SCHEDULE

The Company and the Union agree to establish for the classification of the Accounting Analysis Clerks and all classifications within the Business Sales Center, a workweek consisting of four nine (9) hour days and one four (4) hour day. The terms of this Agreement shall take precedence over the principal agreement between the parties. This Memorandum of Agreement shall continue in effect until terminated by either party giving ninety (90) days written notice to the other party.

1. Management will select the job classification, reporting locations, and occasions where the modified work schedules will apply. The modified schedules will be scheduled Monday through Friday, unless mutually agreed otherwise by employee(s) and management.
2. Overtime - Overtime will be paid for hours worked in excess of nine (9) in any one day or forty (40) in any one week.

3. Holidays -

- a. Weeks which contain a recognized holiday as described in Article 31.1 shall be scheduled on the basis of five (5) eight (8) hour tours.**
- b. Floating Holiday payment will be made on the basis of an eight (8) hour day with the opportunity to make up time during that week. However, employees cannot use their floating holiday on their scheduled 1/2 day of work.**

4. Vacation - Vacation shall be paid on the basis of forty (40) hours for the week not worked; for day-at-a-time vacation, employees shall be paid on the basis of eight (8) hours with the opportunity to make up time during that week. An employee who schedules vacation on their 1 four (4) hour day will be paid on the basis of four (4) hours and be charged a half day of vacation.

5. Authorized Paid Absences - Under Article 35 where payment is provided for authorized absences, the pay will be up to nine (9) hours per day where applicable.

6. Sickness-Disability Benefits - Payments will be made on the basis of a nine (9) hour or a four (4) hour day as appropriate.

7. If the Company deems it advisable to post a 13 week schedule which will include a modified workweek, it shall be done in accordance with Articles 16 and 18 in the current Agreement.

8. Disputes arising contrary to the intended use of the four nine (9) hour and one four (4) hour tours shall be subject to the grievance-arbitration procedure.

32. NEUTRALITY AND CONSENT ELECTION

This agreement between Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 covers all understandings between the parties concerning union organizing, access to employees and code of conduct applicable to union organizing efforts. ...R

The Union and the Company recognize that it is in their mutual interest to enhance the success and image of the Company, to acknowledge the Union as a valued partner, and to foster the pride and commitment of the employees. The parties also share the mutual goals of building a world class, high performance enterprise and addressing employment security through business success and employee development. As a means to enhance these goals, the parties will mutually support regulatory and

legislative efforts, marketing/sales and service efforts and other business initiatives leading to employment security and Verizon's business success. ...R

The parties also recognize that the Union's goal of growing membership is intrinsically linked to the successful growth of the business. In order to maintain this perspective and to avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and consent election will be applicable to Verizon's former "GTE Network Services Companies" (incumbent Local Exchange Carriers and Logistics). This shall be the exclusive means by which the Union, their locals, or individuals acting on their behalf, will conduct an effort to organize eligible employees in the covered Verizon former "GTE Network Services Companies" (incumbent Local Exchange Carriers and Logistics) as defined by the National Labor Relations Act. ...R

1. Employee Choice

Both the Union and the Company support and agree with the principle that the decision as to whether or not to become represented by a union is one that does not belong to either the Union or to the Company. Rather, it is an

individual decision that belongs to the employee. With the parties' mutual recognition of this fundamental tenet, the following provisions are intended to establish, encourage and nurture an environment during a union organizing drive that will allow employees to choose whether or not to become represented in a fully informed and uncoerced manner. All negotiations concerning appropriate unit, access, conduct and voting will be performed by Verizon Labor Relations staff in conjunction with local management and designated Union representatives.

2. Neutrality

The Company and the Union agree that an organizing drive will be met by a neutral position by the Company. This statement is consistent with and reinforces the previously established principle of employee choice. It should follow that an environment intended to foster employee choice would be a neutral environment and that information communicated by either party would be fact based and not misleading, distorted or disparaging. Neutrality means the following:

- (a) Management will not be anti-Union nor will the Union be anti-management

- (b) Management will not advocate that employees should not vote for a Union to represent them.
- © The Unions will be afforded reasonable opportunities for access to employees to get their message communicated.
- (d) Management will respond to employee questions and is obligated to correct inaccurate or misunderstood information by employees.
- (e) The Union will be referred to by name and will not be characterized as a "third party" or "outsider".
- (f) Any written information distributed to employees by either party relative to the organizing campaign will be shared with the other. The parties' communications with employees will be shared with the other. The parties' communications with employees will be in accordance with this agreement. ...R
- (g) Neither party will hire consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked.

- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct meetings for the sole purpose of discussing organizing activities without inviting appropriate Union representatives to attend.

Allegations of violations of these provisions will be handled via the dispute resolution process contained in this Agreement.

3. Rules

The procedures to be followed are listed below:

- (a) The Union must show a minimum of 50% + 1 show of interest on signature cards of the appropriate unit.
- (b) A vote of 50% + 1 of those votes, validated by the Third Party Neutral (TPN), will determine the outcome.
- © If the Union is not successful, another election will not be scheduled for twelve months.

- (d) The TPN will resolve any issue concerning challenged ballots in similar fashion to the National Labor Relations Board (NLRB) process.

4. Time Bound

It is in the interest of both parties that the organizing campaign be conducted expeditiously. The Union is therefore obligated to notify management of its intention to conduct a formal organizing drive before it begins. The date of this notification will "start the clock". The entire campaign, including the consent election, will be concluded in 90 days. It is the intent of the parties that the 90 day time frame will include discussion and agreement on the unit. In the event the parties are unable to agree on the unit, the dispute resolution process set forth below will be utilized and the time period will be extended by the number of days required to reach agreement on the unit, but in no event will the total campaign, including resolution of the scope of the bargaining unit and the consent election process exceed 120 days. If employees vote not to be represented, the Union agrees not to initiate another campaign (nor continue the current campaign) in that same work group for 12 months from the date of the conclusion of the campaign. This would not

preclude the local Union from having contact with the workers in the group. If employees vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and will be limited to the agreed upon unit.

5. Informed Decision

Both parties agree that employees should be fully informed about all aspects of Union representation. The Union will provide fact-based information to employees as it endeavors to convince prospective members of the merits of being represented by a Labor Union. Management's role during this process will include:

- (a) responding to individual employee inquiries;
- (b) explaining the organizing process, including obligations and responsibilities; and
- © correcting any inaccuracies, misstatements or misunderstandings disseminated by the Union.

6. Free from Coercion

Consistent with the basic tenet of employee choice, the parties want to ensure that employees have expressed their choice from an informed position and are completely free from any coercion by the Company, the Union or any other party or parties. One way to ensure this objective is to have a NLRB conducted election.

In the alternative, the Company and the Union agree to use a process that is called "Consent Election." This process will work as follows:

1. As part of the access discussions, the parties agree to use "Consent Election".

2. The Union shall initiate the consent election process by providing to a TPN proof of support by means of show of interest cards from 50% + 1 of the employees in the unit. The TPN will then notify Verizon Labor Relations Staff and request a list of names, job titles and home addresses. The Company will furnish the list within five working days. The Union will also be furnished with the list. The "show of interest" cards will clearly state their purpose and that a secret-ballot consent election will be conducted to determine the will of the unit. If the TPN determines that the Union has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.

3. The election process will be supervised by a mutually selected TPN, whose role is to ensure the integrity of the process itself, and will be conducted within two weeks of the submission of the Union's show of interest to the TPN. Employees will be asked to express their individual preference in a manner that will ensure that their choice will not be known to either party. The TPN will count the votes and advise the parties of the outcome. Consistent with this agreement, a vote of 50% + 1 of those who vote will control. The parties may have an observer present when the TPN counts the ballots.

4. In all cases, the election process shall take place within 14 days of receipt and verification of the Union's show of interest cards by the TPN. In those cases where there is no dispute about the composition of the unit, the election process will be held within seven days. The election may be held at the Company location or at a neutral site as agreed by the parties. The cost of using a neutral site will be split equally by the parties.

If there is a dispute as to composition of the unit, the TPN shall decide the issue within an additional seven days.

7. Access Agreement

As soon as reasonably practicable after a request by the Union for access, Verizon Labor Relations staff, in conjunction with local management and Union representatives, will meet to discuss the details related to reasonable access to the unit by the IBEW representatives. The Union will be allowed reasonable opportunities for access to Verizon facilities. It is the intent and commitment of Verizon and the IBEW that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of Verizon generally, and specifically, the selected unit. Access agreed upon will be in non-

working areas and during employee non-working times. Agreements as to eventful access, such as access to conference rooms, will be reasonable in length and there will be reasonable periods between requests for eventful access. However, an uneventful access, such as a prearranged meeting with an individual employee, will not be affected.

...R

If Verizon and the IBEW are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other units will be looked to for guidance as to what works and is reasonable. Verizon and the IBEW commit that they will reach such an access agreement in each instance in an expeditious manner.

8. Dispute Resolution

- (a) Questions or disputes arising during the course of an organizing effort within a particular unit of non-represented employees will, in all cases, be addressed first by and between the parties themselves and, in particular, Labor Relations Staff in conjunction with local Verizon management and appropriate IBEW representatives. It is the intent and desire of Verizon and the IBEW that such matters are dealt with by and between the parties themselves, particularly at the local level, without having to resort to the assistance of a third party. It is also agreed, however, that if every good faith and reasonable effort has been made, but the matter unresolved, the process described below will be utilized.

- (b) The TPN will resolve disputes in the manner set forth in this agreement. Either Verizon or the IBEW can refer a question or dispute, unresolved after good faith efforts have been made to resolve the dispute locally, to the chosen TPN by providing three working days' written notice to both the other party and the TPN. The notice will provide concise statement of the question or dispute to be addressed and a statement that the parties have attempted in good faith but have been unable to resolve the matter by and between them.
- (c) If the question or dispute involves a matter related to access (i.e., the nature, event, time, location, individuals involved, etc.) the TPN will fully investigate all relevant facts surrounding the question or dispute. The TPN will then call the parties together and attempt to facilitate resolution of or otherwise mediate the matter.

If, after a good faith attempt at facilitated resolution or mediation, the access question or dispute is still not resolved, the TPN will attempt to render an immediate decision, which includes a method or alternative methods of resolving the perceived problem. However, in no event will the TPN take longer than five days thereafter to render a decision. The decision of the TPN will be final and binding and the parties agree to abide by his/her decision. This process, from the time the TPN is contacted to the time his or her opinion is issued, will not take more than 15 days unless the parties agree otherwise.

- (d) If the dispute involves the appropriateness of the bargaining unit the Union seeks to organize and the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to TPN and a hearing shall be conducted consistent with the rules of the American Arbitration Association. The TPN shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act and the decisions of the NLRB and Appellate reviews of such Board decisions.

- (e) Regardless of the type of question or dispute that is submitted to the TPN, the parties will each be given a full opportunity to present their positions and supporting factual information *prior to the issuance of any opinion*. No written briefs will be submitted. There shall be no *ex parte* contact with the TPN without the concurrence of all parties. Verizon and IBEW believe that matters pertaining to these values are best handled by and between the parties themselves and resort to a TPN should be necessary in only a limited number of cases.

Verizon and the IBEW agree that the parties may distribute a decision of the TPN to employees in the selected unit but not outside to the public such as the press.

- (f) The parties agree that the process set forth herein shall be the exclusive means for resolving disputes covered by this dispute resolution process, and neither party will utilize any other forum (e.g. NLRB, federal court, etc.) to address issues subject to resolution pursuant to this process.
- (g) All expenses, resulting from the use of the TPN process, shall be split equally by Verizon and IBEW.

9. Acquisitions and Ventures

The parties recognize the rapidly changing nature and structure of the communications industry. Verizon may acquire (or be acquired by) another entity. It has and may in the future form joint ventures or strategic alliances, may license its brand or technology, or may be a financial investor in other entities. The employees in those entities may be non-represented, represented in whole or in the part of the IBEW, or represented in whole or in part by some other labor organization. It is not possible to structure a single rule which will apply to all such circumstances and the Company cannot compel other entities to abide by this agreement.

- 10 This MOA shall be effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

33. NOMC OVERTIME PROCESS

It is agreed between Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 that the following process will be used for

the purpose of overtime:

When overtime is offered in the NOMC, all qualified Associates will have an opportunity to volunteer to work. If sufficient volunteers are not secured overtime may be required in inverse order of seniority.

34. NOMC WORK SCHEDULING

It is agreed between Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723 that following 2000 contract negotiations the parties will establish a joint Management/Union committee to explore scheduling alternatives that may minimize non-consecutive tours in the NOMC.

The committee will be comprised of six members, three (3) each from Management and the Union, and will meet as soon as possible following contract ratification.

The parties agreed that a maximum of 20% of each job classification in the NOMC may be scheduled non-consecutive days. This includes volunteers and/or required schedules. Any schedules that are required will be in inverse order of seniority.

Any agreement to add scheduling options for the NOMC that don't exist in the contract today will be negotiated between the parties before

implementation.

Additionally, if the Company receives a favorable decision as is expected from the California PUC, Saturday schedules will be adjusted accordingly in the NOMC.

35. PENSION PLAN SURVIVOR BENEFITS ...N

1. Verizon North, Inc., (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree to modify the Plan for Hourly Employees' Pensions. Such modifications will be effective January 1, 2004, and are subject to applicable law.
2. The existing pre-retirement survivor pension benefit provisions of the Pension Plan shall be amended to provide a pre-retirement survivor pension benefit for an employee who dies, either during active service or prior to commencing a pension benefit, at a time when he or she is unmarried and has accrued at least five years of vesting service.

3. An unmarried employee may, at any time prior to commencing a pension benefit or dying, designate any living person as the designated beneficiary for the pre-retirement survivor pension benefit. The employee may likewise revise the beneficiary designation at any one or more times prior to commencing a pension benefit or dying. A valid beneficiary designation must be on file for the pre-retirement survivor benefit to be paid.
4. For married employees, the spouse will automatically be considered the beneficiary. However, subject to the requirements regarding non-spouse beneficiaries and with spousal consent, a married employee may name a beneficiary other than the spouse. A single individual must be named as beneficiary; an estate or trust may not be named, nor may multiple individuals.
5. Subject to the provisions of the Plan regarding when the benefit is payable, the pre-retirement survivor pension may be distributed as a 65% survivor annuity, or the lump sum equivalent, based upon the beneficiary's election. However, if the beneficiary is not the participant's spouse and is more than 25 years younger than the participant, the survivor benefit will be the 50% survivor annuity or the lump sum equivalent.

6. If a vested employee terminates employment on or after the effective date, the named survivor will be eligible for the survivor pension payable on the date the employee would have reached the age 65. An actuarially reduced benefit may be payable before age 65 if the vested employee would have been eligible for an earlier commencement.

7. In addition, the Pension Plan shall be amended to allow an employee, at the time of commencing a pension benefit, to designate any living person as the beneficiary for any of the forms of joint and survivor annuity offered under the Pension Plan or any of the term-certain forms of benefit. In the case of an employee who is married at the time of commencing a pension, the employee may not designate any beneficiary other than the spouse without complying with the spousal consent rules of the Plan.

8. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

36. PERFORMANCE DIFFERENTIAL ...N

- 1. Verizon North Inc. (Indiana), and International Brotherhood of Electrical Workers, Local 723, mutually agree that the Company may, at its sole discretion, establish and implement from time to time Performance Differentials for employees who have completed the probationary period and are at one of the top two steps of their wage schedule.**
- 2. It is agreed that an employee who is consistently meeting high performance standards may be granted a Performance Differential. The performance measurement criteria will be established on an annual basis. Each department (at the Director level) may develop and establish "stretch" performance standards/criteria for select job classifications and/or employee groups that must be met or exceeded in order for an employee to qualify for the Performance Differential. The criteria will be reviewed with the IBEW, Local 723, Business Manager prior to implementation.**
- 3. The amount of the hourly Performance Differential may vary by job classification and/or departments. This variance is necessary due to the varying levels of payback associated with incremental performance improvement in each job classification. All differential amounts must be**

reviewed with the Business Manager of IBEW 723.

4. It is also understood that the following parameters will apply to Performance Differentials:
 - a. The Performance Differential will be applied only to hours actually worked, including overtime hours actually worked, and will be included in the computation of any overtime compensation that may be due employees.
 - b. The performance criteria will be established once a year.
 - c. Employees who meet the performance criteria accumulative average for six (6) months will be paid the Performance Differential during the following six (6) months.
 - d. To be eligible for the Performance Differential, the employee must have worked eight hundred forty (840) straight time hours during the six (6) month review period.
 - e. An employee whose differential is discontinued will be ineligible for the differential until the next six (6) month review.
 - f. An employee who has received a Merit

survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

37. PERSONAL LINES OF INSURANCE

- 1. Effective July 1, 2001, Verizon North Inc., (Indiana) agrees to make available, without endorsement, the opportunity for regular full or part-time hourly employees of the Company who are covered by the Collective Bargaining Agreement to purchase automobile, home and other personal property and casualty insurance through payroll deduction.**
- 2. Personal Lines of Insurance will be administered solely in accordance with its provisions, and no matter concerning Personal Lines of Insurance or any differences arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of Personal Lines of Insurance and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.**
- 3. The Company reserves the right at any time, and from time to time, to modify or amend in whole or part, any and all provisions of the agreement with**

the Insurance Carrier, to change Insurance Carriers, or to terminate the agreement with the Insurance Carrier.

This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Personal Lines of Insurance, shall also terminate on November 4, 2006, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.
...R

38. PREFERENTIAL SCHEDULING PLAN

The Company and the Union agree that the Preferential Scheduling Plan, will be used in the NOMC work groups in accordance with the mechanized office force management system procedure. The term of the Agreement shall take precedence over the principal Agreement between the parties.

This Memorandum of Agreement shall remain in full effect until November 4, 2006. ...R

39. PRESCRIPTION IDENTIFICATION CARD (PIC)

- 1. Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers agree to offer the Prescription Identification Card, effective July 1, 2001 for employees and their eligible dependents enrolled in the Comprehensive Medical Plan.**
- 2. Once employees (who are covered under the Comprehensive Medical Plan) retire, they and their eligible dependents may continue to participate in this PIC plan on the same basis as active employees. PIC is not available to participants in Health Maintenance Organizations (HMO's) and Point of Service (POS) plans.**
- 3. Effective July 1, 2001, eligible employees may purchase prescription medications from participating network pharmacies at a GTE discounted rate. Employees will be responsible for the twenty (20) percent (%) co-payment required by the Comprehensive Medical Plan.**
- 4. Effective January 1, 2002, eligible employees may purchase prescription medications from participating network pharmacies at a GTE discounted rate. Employees who use participating network pharmacies will have an**

annual \$25.00 deductible and a twenty (20) percent (%) co-payment.

5. Effective January 1, 2002, eligible employees purchasing prescription medications from non-network pharmacies will have an annual \$75.00 deductible and a twenty (20) percent (%) co-payment.
6. The deductible and co-payment do not apply to the deductible or out-of-pocket maximums of the Comprehensive Medical Plan. The out-of-pocket maximum for PIC is \$300 per person.
7. PIC will be administered solely in accordance with its provisions and no matter concerning PIC or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the PIC carrier, the administration of PIC and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.
8. The Company shall have the right to amend PIC in any way, including the selection of the PIC carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the

cost per prescription to the employee/dependent will be limited to those changes applicable to salaried employees.

9. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Prescription Identification Card, shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

40. PUBLIC ACCESS SALES TECHNICIAN

Verizon North Inc., (Indiana) and International Brotherhood of Electrical Workers agree to the following:

1. This title will be responsible for actively pursuing new sites for placement of Public Access products and services and presenting and negotiating contractual agreements, as well as maintaining existing products and services.
2. Employees who hold the title of Collector Maintainer who qualify for this position, as determined by management, will be reclassified

to the job title classification of Public Access Sales Technician without the availability of a position vacancy. Collector Maintainers who prefer to remain in their current position will not be required to obtain the Public Access Sales Technician position. Collector Maintainers who successfully obtain the position of Public Access Sales Technician may exercise the option of returning to their former classification of Collector Maintainer within ninety (90) days from the date of their reclassification. For the purpose of force adjustments (Article 19) the Collector Maintainer and Public Access Sales Technician classifications will be consolidated.

3. Collector Maintainers who qualify for the Public Access Sales Technician will remain on the appropriate step of wage schedule 7.
4. Future positions will be filled according to the Indiana Hourly Self Nomination Process.
5. The Public Access Sales Technician position will be eligible for the Public Communications Incentive Compensation Plan. For a summary of the details, refer to the Memorandum of Agreement entitled sation Plan. Collector Maintainers who remain in their present position will stay on the Team Performance Award Plan.

6. This Memorandum of Agreement effective upon ratification and shall expire on November 4, 2006.
...R

41. RETAIL SALES CONSULTANT INCENTIVE

1. Verizon North Inc., (Indiana) and IBEW Local 723 agree to continue to participate in a sales incentive compensation plan. ...R
2. For a summary of details refer to the attachment entitled "Retail Sales Incentive Compensation Plan." ...R
3. This Memorandum of Agreement is effective on November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing ...N

RETAIL SALES INCENTIVE COMPENSATION PLAN

1. OVERVIEW

The Retail Sales Incentive Compensation Plan (herein after referred to as "The Plan") described below has been developed as the standard Incentive Compensation Plan for Verizon North, Inc., (Indiana) Retail Sales Channel. It is a tool designed to maximize revenue attainment, improve quality and increase sales efficiency and productivity.

2. PLAN OBJECTIVES

- A. Increase sales of products and services.**
- B. Reward sales performance for certain products and services based on strategic and margin importance.**
- C. Reward and incent employees performing at 80% or more of their objectives.**
- D. Attract and retain competent and qualified employees.**

3. ELIGIBILITY

The Plan is designed solely for Retail Sales Consultants (RSC) in the Retail Verizon Plus stores.

4. INCENTIVE COMPENSATION STRUCTURE

The Compensation Plan is a combination base wage plus incentive with incentive paid on individual and team year-to-date (YTD) sales results.

- A. Incentive payout is calculated on total sales in comparison with total sales quota on individual and team sales results.
- B. Plan participants will be eligible for increased incentive above 100% when specific quota attainment qualifiers are met.
- C. There are two (2) components, Individual and Team, to the Incentive Compensation Plan:
 - 1. Individual – This component is based on individual performance in comparison to established individual objectives.

2. Team – This component is based on the total store results in comparison to established store objectives.

- D. Weighting and measurements for these components will be determined by management.
- E. Bonuses or accelerators may be paid for exceptional performance.
- F. New Products and Service Revenue

Products and Services is reserved solely for the launch of new products and services. Verizon Product Line Management (PLM) and Retail Sales Management have the sole right to determine the products and services that will be placed in the New Products and Services Category. Each product and service that is placed in this category will be assigned a compensation rate that is equal with the strategic value of the product or service.

Products and services that are placed in the New Product and Services category will remain for ONLY ninety (90) days or three (3) calendar months after the initial product launch. At which time the product will transfer to the appropriate category at the

established rate in the plan.

G. Frequency of Payments

Incentive is to be paid on a monthly basis. Commission payments earned during a month will be paid within two (2) months following the month in which the commissions were earned.

5. PROGRAM TRACKING

Results will be accumulated from the first day worked in the month to the last day worked in the month.

Sales will be tracked using the sales tracking system. Changes and/or errors in the store's/employee's daily sales total must be corrected and reported immediately to avoid incorrect or delayed commission payment.

Returns and Exchanges will be handled in accordance with current Retail Sales procedures/policies. Management reserves the right to establish and revise the procedures/policies to meet business needs.

6. ADMINISTRATIVE PROVISIONS

Management will have the sole and exclusive

responsibility to establish and administer the Plan and reserves the exclusive right to adjust the product/service mix and/or associated objectives as required to ensure equitable treatment of all parties.

The Plan will be administered by an Administrative Committee comprised of representatives of Retail Sales Management, Human Resources, Channel Marketing and Business Analysis (Finance). In addition, the Administrative Committee is empowered to interpret the Plan, to approve objectives, to approve awards and to interpret rules and regulations within the provisions of the Plan.

A. New Participants

In the event that an individual becomes a participant in the Plan during a plan year, the employee will be assigned quota and be eligible for compensation awards on a prorated basis.

B. Modifications

The Retail Sales Channel may at any time modify, in whole or in part, the provisions of the Plan. The Retail Sales Channel may at any time modify plan components,

weighting, objectives, product line categories, qualifiers, and thresholds as business needs may dictate. Any modification shall not affect sales commission already earned under the Plan.

C. Retirement, Disability or Death

In the event that a participant retires, becomes disabled or dies during the Plan year, the participant or the designated beneficiary(ies) will receive an award earned up to the effective date of retirement, disability or death. Payment will be made to the individual or the participant's designated beneficiary(ies) when awards are paid to other Plan participants.

D. Statement of Acceptance

Each Plan participant will indicate acceptance of the conditions for participation by signing the "Statement of Acceptance".

E. Termination of Employment

In the event that a Plan participant's employment terminates prior to the scheduled payout of awards, the Company will pay all awards earned by the participant. Such awards shall be computed and paid

when awards are paid to other Plan participants.

F. Transfers/Promotions

In the event that a Plan participant is transferred or promoted to another position during the Plan year, the participant will be eligible to receive commissions based upon sales performance up to the date of such transfer or promotion. Such commissions shall be computed and paid when paid to other Plan participants.

G. Windfalls

A windfall is an unusual situation resulting in a change of volume of sales from that anticipated by management in setting objectives and incentives. Management will review all incentive results that are more than 200% of objective prior to payment. Management may approve or adjust the payment based on the circumstances of reaching more than 200% of objective. The adjustment would in no way result in payment of less than 100% of objective. Management reserves the right to adjust any portion of the Plan to bring the compensation in line with what it determines

to be reasonable objective attainment.

H. Benefits

Generally speaking, commission payments are typically included in the calculations of many Company benefits. Appendix A outlines those specific benefits which include or exclude commission earnings.

I. Grievance/Arbitration

Any dispute as to whether an employee is paid in accordance with the terms of the plan will be subject to the grievance (and arbitration) procedure(s).

The Company agrees to provide the following data to the Union when necessary to resolve such questions as may arise under the paragraph above:

- Individual employee's worked hours for the month
- The total worked hours for all eligible employees in the phone mart.
- The employee's monthly incentive compensation payment.

- The employee's goal.
- Calculations used to determine employee's incentive compensation payments.

J. Establishing Selling Hours

Selling Hours are defined to include all time assigned on the sales floor, including time in the teller/cashier area. Selling Hours are required for equitable application of individual quota.

Activities such as the following will not count towards Selling Hours: formal training, off-site meetings, union business and/or company functions in excess of one hour.

Hours not worked due to jury duty, military time or vacation time that has been approved ten (10) days in advance of the posting of the current schedule will not count towards Selling Hours.

K. Time Away From Work Adjustments

For any time away from work, such as FMLA or absent sick (excused or unexcused) in excess of three (3) consecutive scheduled days, beginning with the fourth day and

subsequent days, the Supervisor will adjust the selling hours. If this adjustment results in an increase/decrease in selling hours for other RSC in the PhoneMart, their individual quota will be adjusted accordingly.

L. Suspension/Termination of Plan

The suspension or termination of this Incentive Compensation Plan must be by mutual agreement of the parties.

M. Compensation – Adjustments

Plan objectives which carry Year to Date (YTD) quotas may sometimes result in overpayments. In this situation the Company will adjust future sales compensation payouts, including carry-over from one plan-year to another, to offset any overpayment. However, the Company will not require the employee to pay back any overpayment from his/her base salary. If the employee moves to a position that is not covered by a Retail Sales Incentive Plan or is separated from the Company, he or she will not be liable for any repayment.

NOTE: If an employee's sales compensation is paid based on inaccurate or fraudulent sales results, the employee will

be required to repay the entire unearned compensation amount regardless of whether or not the employee is still a participant in a Retail Sales Incentive Plan.

N. Split Sales Credit

Any questions regarding distribution of sales credit between two or more Plan participants shall be referred to the Retail Sales Supervisor and/or Regional Sales Manager. Total payout may not exceed the amount that normally would have been paid.

7. TEMPORARY ASSIGNMENT COMPENSATION

When an RSC is temporarily assigned to manage a store, the RSC's basic wage will be compensated in accordance with the provision of the local Collective Bargaining Agreement.

Based on a store's total performance, the following payout will be administered:

Commission schedule for a Retail Sales temporary Store Management assignment:

0.5% for Total Revenue

The following qualifiers must be met to be eligible for payout:

- 80% for Total Revenue
- To earn in excess of 100%, performance qualifier(s) may need to be met

Note: While a RSC is being compensated for a temporary Store Manager assignment, the employee is only eligible for compensation under one plan.

APPENDIX A

<u>WAGE-RELATED BENEFITS</u>	<u>YES or NO</u>
Vacations	No
Holidays	No
Short Term Disability	No
Pension Plan	Yes
Non-Contributory Life Insurance	Yes
Contributory Life Insurance	Yes
Separation Pay	No
Hourly Savings Plan	Yes

42. RETIREE LIFE INSURANCE

- 1. Verizon North Inc (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to make available to employees who retire on or after July 1, 1995 with a service or disability pension under the GTE Hourly Pension Plan, a \$5000 retiree life insurance benefit. ...R**
- 2. Employees who retire on or after January 1, 2004, with a service or disability pension under Verizon North Hourly Pension Plan, a \$10,000 retiree life insurance benefit will be available. ...N**
- 3. This Memorandum of Agreement is effective November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Retiree Life Insurance benefit, shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R**

43. TEAM PERFORMANCE AWARD

1. Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to implement the Team Performance Award set forth in this Memorandum of Agreement. ...R
2. For a summary of details, refer to the attachment entitled Team Performance Award. ...R
3. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, shall also expire on November 4, 2006 and shall not survive the expiration of this Agreement unless agreed to by the parties in writing. ...R

TEAM PERFORMANCE AWARD DETAIL

The Team Performance Award (or "TPA") is a compensation program that reflects the changing needs of the organization and is based on the idea that greater competition and rapidly changing technology and regulatory environments make it desirable that all

employees be afforded an opportunity to directly affect the success of the Company.

Details of the plan are as follows:

1. ELIGIBILITY

TEAM MEMBERS: All regular full-time and regular part-time hourly employees are eligible to receive an award if they are on a TPA Team for 30 calendar days or more. Employees on other Incentive plans are not eligible, i.e., Retail. ...R

2. AWARD

Award is based on performance toward objectives over the period of a calendar year. An award amount is determined for the applicable calendar year, a percentage of which may be earned by eligible employees depending on team performance during the calendar year. The payout ranges from 0% to 120% of an established target.

The range of the Team Performance Award payout is as follows:

- A. The 2004, 2005, and 2006, target award is 4.0% payable in April 2005, 2006 and 2007, respectively. The range of 0% to 120% based on achievement of objectives. ...R

NOTE: The payout percentage is applied to an employee's highest hourly basic rate of pay during the 26 pay periods of the calendar year.

PROMOTED/RECLASSIFIED: Employees transferring between teams shall have their award prorated according to the time on each team.

REORGANIZATION: Employees transferring between teams shall have their award prorated according to the time on each team. In the event of reorganization which results in employees changing teams, awards shall be prorated based upon each team's performance.

RESIGNS/LAID OFF/DIES/RETIREES: An employee who resigns, is laid off, terminated, dies or retires, during the calendar year is eligible for a prorated Team Performance Award if all other eligibility requirements have been met. ...R

- * In the case of Termination for Cause, the individual situation will be reviewed to determine if the individual is eligible for the award.
- * Temporary and seasonal employees are eligible for prorated Team Performance Award if all other eligibility requirements are met.

LEAVES OF ABSENCE: Employees on an approved military leave of absence who have one (1) year or more service will be given full wage credit up to three (3) months toward the Team Performance Award. Employees on any other unpaid leave will have cumulative leave time excluded from award computation.

TIME OFF FOR UNION ACTIVITIES: Excused time off for union activity will be counted as time worked when computing Team Performance Awards.

3. BENEFITS TREATMENT

Team Performance Award payments are recognized in the calculation of Pension Plan Benefits, Group Life Insurance and the Hourly Savings Plan. Such payments will be applicable in the year payment is received. This is in accordance with Benefit Plan definitions. ...R

All other benefits are in accordance with the Labor Agreement and are based on rates shown in the hourly wage schedules.

4. TAXES, PERSONAL ALLOTMENT

Deductions for federal, state, and local tax liabilities will be made in accordance with lump sum distribution tax laws. Personal allotments such as savings bonds, and United Way contributions will not be made.

5. OVERTIME

The Team Performance Award payouts are for hours worked and must be included in overtime payments.

The overtime payment will be calculated as follows:

The Team Performance Award payout divided by the total hours worked equals the award hourly rate. This rate is then multiplied times .5 x number of overtime hours in the same calendar year for which the Team Performance Award was paid. The result of this calculation is the award overtime payment due the employee.

EXAMPLE: ...N

Team Performance Award	\$500
Divided by	
Total Hours Worked	1,880
Equals	
Award Hourly Rate	\$0.2659
Times	
Overtime Rate (1/2)	.5
Equals	
Hourly Overtime Rate of Pay	\$0.1329
Times	
Total Overtime Hours	100
Equals	
Award Overtime Payment	\$13.29

The overtime incentive payment is not included in benefit plan calculations.

The Team Performance Award overtime payment will be included in the Team Performance Award payout.

6. OBJECTIVE/MEASURES

All hourly employees normally will be assigned to teams based on their functional area of responsibility. Teams may consist of a few employees or many.

Each team will be given a set of objectives linked to, but not limited to, one (1) or more of these performance areas:

- Quality/Value of Services Delivered
- Productivity
- Expense Budget
- Revenue

Teams that satisfy a minimum level of performance will receive an incentive payment. If that minimum level of performance is exceeded, the incentive payment will be larger. Each member of a team will receive the same percentage of target award that the team achieved. An example would be as follows:

Level of Performance	Percentage of Target Award	
Below minimum	0%	
Minimum to Target	10% - 99%	
Target	100%	
Over Target to Maximum	101% - 120%	...R

7. The Company reserves the right to establish objectives and determine performance results. The objectives, the performance results, or any part of the Team Performance Award Program shall not be subject to the grievance or arbitration provisions of the collective bargaining agreement.
8. Prior to the announcement of objectives and performance targets for the applicable year, Company representatives will meet with Union representatives to review the rationale for such objectives and targets.
9. **MODIFICATION OF THE TEAM PERFORMANCE AWARD PLAN**

Verizon may at any time modify, in part or in whole, the Team Performance Award Plan. Any modifications shall not affect awards already earned under this Plan. The Company reserves the right to modify team structure as may be necessary. ...R

10. **TERMINATION OF THE TEAM PERFORMANCE AWARD PLAN**

The suspension or termination must be by mutual agreement of the parties.

44. TEN HOUR/FOUR DAY WORKWEEK

The Company and the Union agree to establish a ten (10) hour day, four (4) day workweek. The terms of this Agreement shall take precedence over the principal agreement between the parties. This Memorandum of Agreement shall continue in effect until terminated by either party giving ninety (90) days' written notice to the other party.

1. Management will select the job classification, reporting locations, and occasions where the "four-ten" schedules will apply. The "four-ten" schedules shall be consecutive days and will be scheduled Monday through Friday, unless mutually agreed otherwise by employee(s) and management.
2. Overtime - Overtime will be paid for hours worked in excess of ten (10) in any one day or forty (40) in any one week.
3. Holidays -
 - A. Weeks which contain a recognized holiday as described in Article 31.1 shall be scheduled on the basis of five (5) eight (8) hour tours.

- B. Floating Holiday payment will be made on the basis of an eight (8) hour day with the opportunity to make up time during that week.
4. Vacation - Vacation shall be paid on the basis of forty (40) hours for the week not worked or eight (8) hours for day at a time vacation.
 5. Authorized Paid Absences - Under Article 35 where payment is provided for authorized absences, the pay will be up to ten (10) hours per day.
 6. Sickness-Disability Benefits - Payments will be made on the basis of a ten (10) hour day.
 7. If the Company deems it advisable to post a 13 week schedule which will include a ten hour, four-day workweek, it shall be done in accordance with Articles 16, 17, or 18 in the current Agreement.
 8. Disputes arising contrary to the intended use of "four-ten" hour tours shall be subject to the grievance-arbitration procedure.
 9. Under Article 29 if employees report in person at their assigned reporting locations, they will be paid a minimum of five (5) hours.

45. TERMINATION PAY ...N

1. Verizon North Inc. (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree that employees force reduced under Article 19 who have not been offered the Income Security Plan (ISP) shall be permitted to elect Termination Pay in place of bumping or lay off with recall rights.
2. Regular full time employees with accredited service of one (1) year or more are eligible for Termination Pay.
3. Eligible employees will receive Equivalent Pay of \$1,100, less withholding taxes, for each completed year of accredited service up to and including thirty (30) years for a maximum of \$33,000 prior to withholding taxes. The Termination Pay is not prorated for any partial year of service.
4. The dollar amounts set forth in this Agreement shall be prorated for regular part-time employees based on the average hours worked during the last twenty-six (26) pay periods; i.e., average of thirty (30) hours worked per week would result in termination benefits paid at 75% of those set forth above.

5. Employees electing Termination Pay will receive a lump sum payment for the entire amount of the Termination Pay, paid in the month following the month in which the employee leaves the service of the Company.
6. The services of employees receiving Termination Pay shall be completely terminated and no further obligation rests upon the Company with respect to that employee.
7. Reemployed employees must complete one (1) full year of accredited service with the Company before coming eligible again for any termination benefits including ISP and/or any ISP replacement or supplement. In subsequent terminations to which this Memorandum is applicable, the employee shall receive the difference between the termination benefits for which he or she is presently eligible and any benefits previously received.
8. All benefits payable under Termination Pay are subject to legally required deductions.

9. Termination Pay benefits shall not be made if the termination is the result of any sale or other disposition by the Company of the exchange or office at which the employee is working or from which the employee is assigned to work, when the employee is continued in the employment of the new management of the exchange or office.
10. Neither the determination of a surplus condition, eligibility for Termination Pay, or any part of Termination Pay or this Memorandum shall be subject to the arbitration procedure of the Collective Bargaining Agreement.
11. This Memorandum of Agreement is effective November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

46. UTILITY WORKER

Management stipulates that the implementation of the Utility Worker classification will not be the cause of layoff in related classifications, nor will present employees in related classifications be reclassified to

the Utility Worker classification.

47. VACATION CARRY FORWARD - BANKINGR

1. Verizon and the International Brotherhood of Electrical Workers, Local 723 agree that eligible employees may carry forward into future years a limited number of weeks of vacation for each vacation year as set forth in this Memorandum of Agreement.
2. Employees eligible for four (4) weeks of vacation may carry forward up to one (1) vacation week each vacation year; employees eligible for five (5) weeks of vacation may carry forward up to two (2) vacation weeks for each vacation year.
3. This memorandum supersedes Article 32.5, of the present Labor Agreement.
4. Such carried forward vacation shall be subject to supervisory approval.
5. Future scheduling of such accumulated carried forward vacation time is subject to advanced written application and approval.

6. This Memorandum of Agreement is effective on November 9, 2003 and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

48. VACATION DONATION ...N

The Company and the Union agree to permit employees, on a trial basis, to donate their vacation time to their coworkers subject to the following guidelines:

1. The need to receive donated vacation time must be related to the catastrophic illness or injury of the employee or a member of their immediate family, (defined as spouse, mother, father, children, brother or sister), or due to an unexpected dire situation.
2. Employees must exhaust all eligible paid time prior to utilizing donated vacation.
3. The maximum number of donated vacation days an employee can receive is twenty (20) days, unless expanded by mutual agreement.

4. Each employee may donate up to the maximum number of days provided for by Company policy. Donating employees must be from the same department as the receiving employee. Department will be defined as agreed to by the Company and the Union.
5. Once the Company determines that an employee's situation qualifies to receive donated vacation, the Department Manager and local Union Representative will let employees know about the option to donate a vacation day to their coworker. The situation should be handled as discreetly as possible to avoid embarrassment to the employee in need and to avoid coworkers feeling obligated to donate their time.
6. The employee in need cannot personally solicit other employees to donate their vacation.
7. None of the provisions of this agreement are subject to the grievance or arbitration process.
8. This agreement can be cancelled by either party with 30 days notice.

This Agreement is effective November 9, 2003 and shall remain in effect up to and including November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

49. VEHICLE MAINTENANCE TECHNICIAN

The Company requires that all Vehicle Maintenance Technicians hold and maintain either an ASE-Certified Master Automobile Technician certification or an ASE-Certified Master Medium/Heavy Truck Technician certification (National Institute for Automotive Service Excellence). ...R

Vehicle Maintenance Technician candidates who are otherwise qualified but lack the aforementioned certification, can be selected for a Vehicle Maintenance Technician vacancy, but must obtain either an ASE-Certified Master Automobile Technician certification or an ASE-Certified Master Medium/Heavy Truck Technician certification within two (2) testing periods (usually twelve (12) months) from their date of hire or placement into the classification. ...R

50. VISION PLAN ...N

- 1. Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to implement the provisions of the Vision Plan set forth in this Memorandum of Agreement. The effective date of the Vision Plan will be January 1, 2004.**

- 2. For a summary of details, refer to the attachment entitled Vision Plan Highlights.**

- 3. Some of the major provisions include:**
 - No annual deductible**
 - Eye exam every twelve months**
 - One pair of prescription eyeglasses or contact lenses every 24 months**

- 4. Employees are automatically eligible for the Vision Plan after enrollment in any Verizon medical option. If the employee waives Verizon medical coverage, the employee will not be enrolled in the Vision Plan.**

- 5. The cost of the Vision Plan coverage will be paid by the Company.**

6. The amount and availability of benefits under the Vision Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the Vision Plan, selection of the insurance carrier, eligibility for the benefits, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving Vision Plan terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective on November 9, 2003, and shall expire on November 4, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VISION PLAN HIGHLIGHTS

Feature	Participating Provider	Non-participating Provider
<u>Annual Deductible</u>	None	None
<u>Eye Exam</u> (Once every 12 months)	You pay the network provider a \$25 co-payment.	You pay the expense in full and file a claim with Davis Vision.
	No claim filing is required.	The Plan reimburses you up to \$25.
<u>Lenses and Frames</u> (Once every 24 months)*	You pay the network provider a \$75 co-payment for lenses and frames or \$37.50 for just lenses or frames.	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to \$25 for lenses and \$25 for frames for a maximum reimbursement of \$50.
<u>Contact Lenses</u> (Once every 24 months)*	You pay nothing for standard-wear, soft, daily-wear, or disposable contact lenses. Discounts available for replacement lenses.	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to \$50.

Laser Vision Correction	Discounts available.	No discounts available.
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*** Limited to one pair of prescription eyeglasses or one pair of prescription contact lenses every 24 months.**

Additional Provisions

- Two or more opticians, optometrists, or ophthalmologists within 20 miles of the employee's home.
- Employees that have no provider within 20 miles can use the Out-of-Area Provision.

Out-of-Area Provisions

Steps to find an Out-of-Area Provider:

1. Call Davis Vision when ready to schedule an appointment for services. The number for Davis Vision can be obtained from the Verizon Benefits Center.
2. Ask the Member Service Associate to locate a non-participating provider (NPP) or give them the name and address of a local provider.
3. Davis Vision will contact the provider to arrange in-network vision care services for you and will contact you with an authorization to receive your services.
4. Employee will receive the participating provider benefits.

Professional Provider Services

Standards of care for eye examinations are entirely consistent with those established by State Departments of Health and include preventive eye care with glaucoma testing, refractive care and the prescribing of eyeglasses.

Each patient receives a comprehensive eye examination with a preferred optometrist or ophthalmologist which includes the following components:

- Case History – chief complaint, eye and vision history, medical history
- Entrance distance acuities
- External ocular evaluation including slit lamp examination
- Internal ocular examination inclusive of dilated fundus evaluation
- Tonometry
- Distance refraction – objective and subjective
- Binocular coordination and ocular motility evaluation
- Evaluation of pupillary function
- Biomicroscopy
- Gross visual fields
- Assessment and plan
- Patient education
- Form completion – school, motor vehicle, etc.

All of these components are fully within the education, training and scope of licensure for both optometrists and ophthalmologists.

51. VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon North Inc (Indiana) (hereinafter referred to as the Company), and the International Brotherhood of Electrical Workers, Local 723 (hereinafter referred to as the Union), hereby mutually agree to the establishment of an Internal Revenue Code Section 501(c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between July 1, 1995 and November 4, 2006 with a service or disability pension under the GTE North Pension Plan and their beneficiaries (hereinafter referred to as the Eligible Participants). This trust is being established to provide benefit security for the term of this Memorandum of Agreement. ...R

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and where applicable, regulatory approval for recovery).
2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs described below or for any other purpose permitted by law.

3. Effective July 1, 1995 the level and type of Retiree Medical Benefits for the Eligible Participants shall be governed by the RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 8 below. ...R
4. In order to receive Retiree Medical Benefits, the retiree must pay a percentage/amount of the Retiree Medical premium ("Retiree Contribution Percentage/Amount"). Similarly, the Company will pay a percentage/amount of the premium ("Company Contribution Percentage /Amount"), subject to Section 5 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentages/Amount will be based on the following contribution schedule:
- (a) For eligible employees who retire(d) between July 1, 2001 and December 31, 2003: ...R

Age at Retirement	Company Contribution Percentage/ Amount	Retiree Contribution Percentage/A mount
Less than 59 Non-Medicare Covered, 59+	0%	100%
	100%	0%

Medicare covered Retiree (per eligible life) \$20 per month

- (b) For eligible employees who retire between January 1, 2004 and November 4, 2006. ...N

<u>Years of Accredited Service at Retirement</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Less than 10	0	100
10 through 14	20	80
15 through 19	40	60
20 through 24	60	40
25 through 29	80	20
30 and over	90	10

5. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after July 1, 1995. ...R
- (b) When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option under RETIREE OPTIONS reach the

figures set forth in the chart below ("Capped Retiree Medical Benefits Premiums"), the Company Contribution Amount shall be capped and the Company shall make no additional contributions towards Retiree Medical Benefits Premiums. ...R

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$ 5,556 (Annual)
Retiree plus one Dependant coverage	\$ 11,112 (Annual)
Family coverage	\$ 12,446 (Annual)
	...N
Medicare covered retiree (per eligible life)	\$ 1,506 (Annual)

- (c) The Maximum Company Contribution Percentage Amount applicable to each Coverage Category shall be determined by multiplying the applicable Company Contribution Percentage times the Capped Retiree Medical Benefits Premium as set forth above for that coverage. The applicable Maximum Company Contribution Amount shall not increase when the Retiree Medical Benefits Premium exceeds the amount set forth in the chart above.

6. In order to receive Retiree Medical Benefits, the retiree must pay the Company the amount the Retiree Medical Premium exceeds the Company Contribution Amount as described in paragraphs 4 and 5 above ("Retiree Contribution Amount"). When the Retiree Medical Benefits premium reaches or exceeds the Capped Retiree Medical Benefit Premium, the retiree must pay the Company the amount the Retiree Medical Benefit Premium exceeds the Maximum Company Contribution Amount.

7. The Capped Retiree Medical Benefits Premiums and the Maximum Company Contribution Amount set forth in paragraph 5 above is based upon the \$350 deductible coverage option. If the retiree elects the \$150 deductible coverage option, the Retiree Contribution Amount will increase by the amount the \$150 deductible coverage option exceeds the \$350 deductible coverage option. If the retiree elects the \$1,000 deductible coverage option, the Retiree Contribution amount will decrease by the amount the \$1,000 deductible coverage option is less than the \$350 deductible coverage option (not to exceed zero). When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option reach the amounts set forth in the chart in paragraph 5, the Company Contribution Amount for all coverage options, including the \$150 and \$1,000 deductible

coverage option, shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.

8. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, need to be modified or rescinded prior to the expiration of the Articles of Agreement. This notification will take place, in writing, within fifteen (15) calendar days prior to the date of modification or rescission. This notification will specify the cause for and affect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

9. The funding and operation of the trust, the level and administration of the Retiree Medical Benefits, amount or cost of premiums, premium pricing mechanisms, the attainment of the Maximum Company Contribution Amount, the

selection of the claims administrator, alternate health carrier or insurance carrier; eligibility for the benefits, all terms and conditions related hereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement. ...R

10. This Memorandum of Agreement is effective November 9, 2003, and shall be in effect for the duration of this Agreement. The parties specifically agree that this Memorandum of Agreement, the Retiree Medical Benefits described herein, and the terms and conditions set forth in this Memorandum of Agreement relating to Retiree Medical Benefits, including but not limited to the Maximum Company Contribution Amount and the level and type of Retiree Medical Benefits shall terminate on November 4, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing. ...R

LETTER OF INTENT

Between

VERIZON NORTH, INC., (INDIANA)

And

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, LOCAL 723**

CLASSIFICATION TITLES

Verizon North Inc., (Indiana) and the International Brotherhood of Electrical Workers, Local 723 agree to remove specific Classification Titles and their associated wage schedules from the body of the Collective Bargaining Agreement. The intent of so doing shall be to retain the negotiated titles/wage schedules as noted in the Collective Bargaining Agreement effective January 21, 2001 for future utilization should the need arise to populate these specific classifications in the future. The following classification titles shall not appear in the new Collective Bargaining Contract:

Coin Telephone Representative	Data Clerk
Garage Mechanic Helper	Customer Representative
Building Mechanic Helper	Garage Attendant
Senior Accounting Clerk	Cable Splicer Helper
Senior Data Clerk	Operator
Table Analysis Clerk	Traffic Clerk
	Payroll Input Clerk

Business Response
Representative
VIVID Advocate
Business Sales
Representative
Usage Validation Association
Station Installer Maintainer
Building Services Mechanic
Facility Tester
Equipment Planner
Customer Assistant
Customer Assistant Clerk
Housekeeper
Building Custodian
Accounting Clerk

Data Stock Clerk
Information Control Clerk
Data Entry Operator
Cashier
Sales and Service
Representative
CBC Representative
Mail machine Operator
Directory Representative
Assignment
Representative
Customer Contact
Associate

This Letter of Intent shall be in effect for the life of the Primary Agreement.

LETTER OF INTENT

between

VERIZON NORTH INC., (INDIANA)

and

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS LOCAL 723**

HI-CAP (T-1) PACKAGES INSTALLATION

In accordance with Article 37.4-1 of the IBEW, Local 723 White Book Agreement, Customer Zone Technician II (CZT II) and Cable Splicers shall be paid the out of classification rate when performing installation of Hi-Cap (T-1) Packages.

LETTER OF INTENT

between

VERIZON NORTH INC., (INDIANA)

and

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS LOCAL 723**

LODGING

Verizon North Inc. (Indiana) and International Brotherhood of Electrical Workers, Local 723 agree that in accordance with Article 25.3, Expense Allowance both parties understand the following additional provision for employee lodging:

1. Employees who are assigned work sixty (60) miles or more away from their normal headquarters location will attempt to obtain lodging at or below the daily allowance of \$50.00. Reservations should be made prior to arrival, with the support of their supervisor and/or administrative support team.
2. Should clean, comfortable lodging not be available at or below the authorized rate, the employee will

contact their supervisor and request authorization to make accommodations at a higher rate.

3. After authorization the employee will obtain a receipt for lodging and provide it for reimbursement by the company on their expense report for the entire lodging bill.
4. When reimbursed for lodging by receipt, the lodging allowance provided for by the article sited above will not be provided.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

(PRINT LAST NAME)_____
(PRINT FIRST NAME AND INITIAL)_____
(Social Security #)_____
723_____
(Union Local #)

Authorization For Payroll Deduction of Union Dues, Service Fee or Initiation Fee Payable to International Brotherhood of Electrical Workers

Check the appropriate box or boxes:

 Union Dues Service Fees Initiation Fee

Beginning in _____ and continuing until cancelled by written notice from me or from the Financial
(MONTH) (YEAR)

Secretary, Local 723, International Brotherhood of Electrical Workers, I hereby authorize the _____, to deduct each month from my basic wages the amount of my regular monthly union dues or an equivalent service fee as certified to the Company by the Financial Secretary, Local 723, International Brotherhood of Electrical Workers. It is agreed that the Company will cancel authorized deductions upon my transfer to a position not included in the then current Collective Bargaining Agreement between the Company and the Union.

If, for any reason, the Company fails to make an authorized deduction, I authorize the Company to make such deduction during the following month. It is understood that the Company assumes no responsibilities in connection with the above deductions except that of forwarding each amount so deducted for me in my behalf to the Financial Secretary, Local 723, International Brotherhood of Electrical Workers.

This authorization cancels as of its effective date any previous authorization for payroll deductions for dues which I have heretofore given.

Fees, dues and assessments covered by this authorization are not deductible as charitable contributions for federal income tax purposes.

Dated _____, 20_____.

(SIGNATURE OF EMPLOYEE)

2004

January

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February

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March

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April

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May

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30	31					

June

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July

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August

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September

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October

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31						

November

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28	29	30				

December

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2005

January

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February

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March

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April

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May

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June

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July

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31						

August

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September

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24	25	26	27	28	29	30

October

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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

2006

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

S	M	T	W	T	F	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						