

AGREEMENT OF
RECOGNITION,
BARGAINING PROCEDURE
AND
OPERATING CONTRACT

BETWEEN

VERIZON SOUTHWEST INCORPORATED

And

Communications Workers of America



Contract Dated: August 16, 2001



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AGREEMENT

~~This Agreement is made as of August 16, 2001, by and between Verizon Southwest Incorporated, or its successors, hereinafter referred to as the "Company" or "Management" and the Communications Workers of America, hereinafter referred to as the "Union," and the employees of the Company in the Bargaining Unit.~~

Both parties reaffirm their intention that the provisions of this agreement will continue to be applied without discrimination because of race, color, age, religion, national origin, sex, mental or physical handicap or veteran status of the employee.

ARTICLE 1 UNION RECOGNITION

Section 1. Designation of Bargaining Unit

- 1.1 The Company recognizes the Union as the exclusive collective bargaining agency for all nonsupervisory, nonprofessional, and nonadministrative employees within the Company with the exception of: (a) secretaries or clerical employees who handle confidential personnel information and who report directly to Company Officers, Directors, General Managers, Area Managers, Regional Managers, Section Managers, and Department Managers; (b) employees of Security and Human Resources departments ; (c) employees of the Payroll Processing Section of the Accounting Department; and (d) designated employees of the Office Services section and designated employees of Accounts Payable section that are responsible for executive expense vouchers.

Note: The Company agrees to use no more than an aggregate of twenty (20) people in the Office Services section and Accounts Payable section unless agreed to by the Union.

Section 2. Recognition

- 2.1 The Company agrees in the manner hereinafter described to meet and bargain with the representatives of the Union with respect to grievances, wages, hours of employment, and working conditions.

Section 3. Responsible Relationship

- 3.1 The Company and the Union recognize that it is in the best interests of both parties, the employees and the public that all relationships between them continue to be characterized by mutual responsibility and respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this contract fairly in accord with its intent and meaning. The parties will endeavor to improve this relationship and apply the terms of the Agreement consistent with providing the best communications

service, efficient work and recognizing the Company's status as a public service company.

- 3.2 The parties also recognize that their mutual long-term success in the face of increased competition in the communications industry will be dependent on the provision of high quality products and services, as well as increased sensitivity at all levels to competitive activity and to customer needs, expectations and perceptions. Both parties agree in principle that these challenges require increased individual and collective emphasis on involvement, teamwork, innovation, pride and commitment to quality. The parties will endeavor to support and promote the acceptance of these principles by all employees at all levels.
- 3.3 It is mutually recognized that the preceding paragraphs 3.1 and 3.2 are but a statement of broad principle and as such are exempt from the provisions of Article 3.

Section 4. Introduction of Stewards

- 4.1 The Company agrees, where practical, to introduce all new employees who are covered by this Agreement to the Union Steward in the department the employee is assigned. In those locations where it would not be practical due to travel, etc., the supervisor will furnish the new employee with the name, telephone number and address of the Union Steward (as currently available and as provided by the Union) as a part of the orientation process.

Section 5. No Strike - No Lock-Out

- 5.1 The Company and the Union agree that during the term of this Agreement there shall be no lock-outs. The Union and the Company agree that during the same period, neither the Union nor its agents will authorize, instigate, aid, condone, or engage in work stoppage, slow down or strike. In the event any such work stoppage, slow down or strike or threat thereof should occur, the Union and its officers will do everything within their power to end or avert the same.

ARTICLE 2 DEFINITIONS

1. **Basic Wage Rate, Basic Rate** - The hourly rate of pay determined by the wage schedule for the job; it excludes differentials, premiums, and other extra payments.
2. **Calendar Week** - A consecutive period of seven (7) days, the first day of which is Sunday.
3. **Continuous Service Date** - The last date of employment less allowable deductions.
4. **Department** - For the purposes of this Agreement, the following are

recognized as departmental entities:

- 4.1 Operations
- 4.2 Operator Services
- 4.3 Supply & Transportation
- 4.4 Network Engineering
- 4.5 Planning
- 4.6 Human Resources Services
- 4.7 Safety
- 4.8 Education & Training
- 4.9 Public Affairs
- 4.10 Sales
- 4.11 Revenue & Earnings
- 4.12 Business Relations
- 4.13 Accounting
- 4.14 Information Management
- 4.15 Budget
- 4.16 Security
- 4.17 Internal Audit
- 4.18 Treasury
- 4.19 Legal

- 5. **Differential Pay** – An additional payment given for certain responsibilities or positions assigned to employees by the Company.
- 6. **Discharged** - Means involuntary discontinuance of employment with the Company when the employee is terminated for cause.
- 7. **Discipline** - Means the application of Company-initiated procedures or actions designed to correct unsatisfactory employee performance, and involving an action lesser than discharge.
- 8. **Employee** - The general term "employee" refers to those who perform the work of the Company for a regular stated compensation and the nature of whose work duties are within the scope of the collective bargaining unit.
- 9. **Employee, Full-Time** - One whose normal assignment of work is forty (40) hours per week.
- 10. **Employee, Located** - One who is assigned to work in a definite location or specific headquarters, as the principal location of employment for all purposes.
- 11. **Employee, Non-Regular** - A person who is not hired for continuous employment, does not accumulate credited service, and is not entitled to benefits such as pensions, vacations, sick leaves, etc., which accrue to regular employees.
- 12. **Employee, Occasional** - A person who has no normal weekly assignment of work, but works on a voluntary basis, as required by the Company to meet unusual service demands, to replace absentees, and

for such other purposes as may arise. An occasional employee is an employee of the Company only on the day which the employee works.

13. **Employee, Part-Time** - One whose normal assignment of work is less than forty (40) hours per week, whose assigned or scheduled tour is not less than three (3) hours and who may be called to work at the Company's request outside of the assigned or scheduled hours.
14. **Employee, Probationary** - A person engaged by the Company with intent of assignment as a regular employee who has not acquired one hundred eighty (180) days uninterrupted service, or its actual work time equivalent, and may be terminated for failure to meet Company standards of employment.
15. **Employee, Regular** - One who is hired for continuous employment, has been reclassified from probationary employment as defined in Section 14, accumulates net credited service, and is entitled to all the benefits and coverages as granted in this Agreement.
16. **Employee, Temporary** - A person who is employed for a continuous work period, not to exceed six (6) months, when additional work of any nature requires a temporarily augmented force, or when replacements are required for regular employees who are absent.
17. **Employee, Unlocated** - One who is not assigned to work in a definite location, or specific headquarters, but rather is assigned to any locality within the Company as needed according to work requirements.
 - 17.1 Unlocated employees do not have a principal location of employment and are assigned to work at various locations for non-specific periods of time as service requirements may demand.
18. **Headquarters** - An exchange, location or town designated by the Company as being the place of employment for a particular employee or employees, and on which location the employee's basic wage rate is established.
19. **Holiday Work** - Any work or tour which begins on an authorized holiday.
20. **In-charge** - Refers to the status of a Bargaining Unit employee who has been assigned certain responsibilities additional to the normal and usual duties for the employee's job title classification. These responsibilities may entail direction and coordination of work performed by other employees and proper usage of tools and equipment employed to perform such work.
21. **Laid Off, Lay Off** - Means the termination of an employee from active employment by reason of insufficient work.
22. **Net Credited Service** - Term used to express the aggregate of the years, months and days of active employment with this Company or any

of its predecessors or an affiliate of Verizon Corporation which will be recognized by the Company with respect to each employee. Active employment will include only that time for which the employee actually receives pay or is on authorized Union or military leave of absence, and will not include time for which the employee receives Workers' Compensation as a result of being totally and permanently disabled in excess of two (2) years. Active employment will be computed in terms of whole workdays.

23. **Premium Pay** - Is the amount in addition to basic rates which an employee is paid for working less desirable hours (night or evening) or days (Sundays or holidays).
- 23.1 Holiday premium pay shall be considered to be the pay an employee will receive for the holiday if they do not work, or the amount in excess of their regular rate if they do work on the holiday.
24. **Reclassification** - Is a change in the position title of an employee.
25. **Regular Rate of Pay** - The hourly compensation of the particular employee during the particular work week as determined by the sum of the employee's basic rate times hours worked plus any night tour premiums plus any Christmas or New Year's Eve premiums plus any differential pay divided by the total hours worked in the week.
26. **Released** - Means termination of employment by Company action when the employee's qualifications for telephone work are not satisfactory, and no disciplinary action is involved.
27. **Relocate** - Is a change of an employee from one location to another on a voluntary or involuntary basis.
28. **Resigned** - Means voluntary severance of employment by choice of the employee.
29. **Retired** - Means termination of employment by attainment of adequate net credited service.
30. **Scheduled Hours** – Hours falling within an employee's scheduled tour. Any of the hours which are officially posted on the work schedule for a particular employee to work.
31. **Seniority** - Means the computed employment service according to which an employee can receive certain preferential treatments to such extent as specifically named within this Agreement.
32. **Service Emergencies** - Means that period of time or condition when service to the public, the welfare of the employees and/or the Company is or would be in jeopardy unless temporary measures are applied in an expedient manner.

33. **Service Requirements** - Means the requirements that are necessary to provide adequate and satisfactory telephone service to telephone customers and to efficiently and effectively perform the work necessary to economic operation.
34. **Session** - That portion of a tour of duty which occurs from the time an employee reports for work until they are excused for mealtime or from the time they return from their excused meal time until they have completed the scheduled day of work.
35. **Sunday Work** - Any work or tour which begins on Sunday.
36. **Termination Date** - If employees terminate their employment with this Company voluntarily or involuntarily, the official date of termination shall be the last day they are entitled to payment for services from the Company.
37. **Tour** - The entire scheduled workday of an employee, which will be eight (8) hours or less.
38. **Transfer** - Is a change of an employee from one job title classification to another with or without relocation.
39. **Work Day** - 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.
40. **Workweek** - The workweek shall begin on Sunday at 12:01 a.m. and end on the following Saturday at 12:00 p.m.

ARTICLE 3 GRIEVANCE PROCEDURE

Section 1. Definitions

- 1.1 A grievance is a complaint by the Union:
 - 1.1.1 Alleging violation of the provisions, or application of the provisions, of this Agreement.
 - 1.1.2 Alleging that an employee, or group of employees, has been subjected to discrimination by the Company.
 - 1.1.3 Alleging that an employee has been discharged, suspended, demoted or otherwise disciplined without sufficiency of cause.
 - 1.1.4 Alleging that an employee has suffered improper loss, or reduction of, any established benefits arising out of the job or of employment with the Company.
 - 1.1.5 Alleging that an employee, or group of employees, is

subjected unduly to hazardous or unsafe working conditions beyond the normal exposures inherent to the job assignment.

1.1.6 Alleging violation of public laws governing wages, hours, and the conditions of employment.

1.2 "Working Days" as used in this Article shall not include Saturdays, Sundays or holidays.

Section 2. Intent of Grievance Procedure

2.1 It is the intent of both parties that grievances filed shall be processed with sincerity and dispatch.

Section 3. Reporting of Grievances

3.1 In presenting grievances, the statement of grievance shall describe in substance the specific matters complained of, briefly, but in sufficient detail that dates, time if pertinent, occurrences, and the nature of the circumstances causing the grievance can be identified readily. The names and locations of employees concerned shall also be given where the grievance relates to specific employees as opposed to a general complaint.

3.1.1 There shall be a statement as to the specific section, or sections, of this Agreement believed to have been violated or misinterpreted. If the grievance is not based on the foregoing, then the statement shall include information as to the foundation for the complaint.

3.1.2 Grievances to be presented to Step Two of the grievance procedure, and thereafter, shall be in writing and contain the above required information.

3.2 Grievances (except involving discipline, discharge, suspension or disciplinary demotions) shall be presented to the Company within thirty (30) days of the action complained of or within thirty (30) days from the time when the employee first learns of the grievance, whichever is later. If the grievance is not presented within these time limits, it shall not be considered a grievance under the terms of this Agreement except by mutual consent.

3.3 Grievances arising as a result of a discharge, suspension, disciplinary demotion or discipline shall be presented within ten (10) days.

3.4 Requests for meetings shall include notice of time, place, purpose and names of those expected to attend in behalf of the Union. The place and time shall be mutually agreed upon, which each party giving due consideration to the convenience of the other.

3.4.1 At any meeting held under this Article for the adjustment of a grievance, any person present shall be afforded full

opportunity to present any facts and arguments pertaining to the matter under consideration.

- 3.4.2 The Union and/or the Company may take minutes or notes during the meeting for its own purpose by stenographic or other similar means. Either party alternately may secure the services of a professional stenographer or court reporter, in which case the other party, at request, shall be provided a copy at its own cost for reproduction.

Section 4. Grievance Steps and Disposition

- 4.1 Generally, grievances shall be presented by the Union representatives and processed through the following procedure:

Prior to the first step meeting, an informal resolution meeting between the supervisor and employee should take place. The employee may request to have a local Union steward present for this discussion. If the issue is not resolved at this meeting, and the Union desires to move forward with the grievance process, a joint investigation may be appropriate. Such investigation should be performed by the first level supervisor and the local Union steward, prior to the first step meeting.

Step 1 - The Company will be represented by second and third level management or their designated representatives and a Human Resources representative. The Union will provide a committee of local Union representatives, including the grievant. Pay shall be allowed for not more than three (3) employees including the grievant.

Step 2 - The Company will be represented by a Labor Relations Manager or a representative with authority to settle the grievance. The Union will be represented by a Staff Representative and a local Union representative(s). The grievant may only be present for grievances involving suspension or termination, unless otherwise agreed to between the parties. Pay shall be allowed for up to two (2) employees.

- 4.2 Circumstances permitting, the Company agrees to meet with the Union representative within ten (10) working days after a request for grievance meeting is received. If the Company fails to meet within ten (10) working days and if no mutual agreement exists for a later date, the Company shall be considered in default and the Union may immediately request a meeting at the next higher step.
- 4.3 If the grievance is not settled at the initial step and the Union elects to present the grievance to the second step, it must do so within fifteen (15) working days following receipt of the Company's decision.
- 4.3.1 The Union will explain the appeal to the second step so as to present its position in each such appeal.
- 4.4 When the Union has presented a grievance in writing, the decision of the Company shall be in writing and shall be submitted to the Union within

ten (10) working days after the final conclusion of any negotiations at first step and within fifteen (15) working days of second step. Failure of ~~the Company to submit its decision within the time limits specified shall~~ be considered a default unless the parties agree to a later date, and the Union may immediately request a meeting at the next higher step.

4.4.1 Failure of the Company to meet at Step 2 within the time limit specified, or to submit its decision at Step 2 within the time limits specified, shall be considered completion of the grievance procedure.

4.4.2 Time limits shall be measured from the postmarked date of the written instrument, when properly addressed, from verified date of hand-delivery, or from verified date of electronic delivery.

4.5 If the grievance is not submitted to the next applicable level as outlined in this Article within the time limits specified, it shall be considered settled and shall not be eligible for further appeal except by mutual agreement between the Company and the Union.

4.6 By mutual agreement between representatives of the Company and the Union, time limits as outlined in this Article may be modified.

4.7 Once a grievance has been presented by the Union to the Company, representatives of the Company will not settle nor attempt to settle such grievance with an employee or employees unless a Union representative has been given an opportunity to be present.

4.8 Nothing in this Article shall be construed to deprive any employee or group of employees from presenting individually to the Company any complaint, and to have such complaints adjusted without the intervention of the Union, as long as the adjustment is not inconsistent with the terms of this Agreement, and provided further that a Union representative has been given opportunity to be present at such adjustment.

Section 5. Grievance Meetings During Working Hours

5.1 When representatives of the Union attend grievance conferences with representatives of the Company, they shall suffer no loss of basic pay at straight time rate plus any applicable differential and/or premium payments for time spent in actual meeting and such necessary travel time as may be mutually agreed to, subject to the following provisions:

5.1.1 Pay shall be allowed only if such meetings are held during such employee's scheduled working hours and only if such employee would have worked had they not attended such meetings.

5.2 Second step meetings for grievances involving suspensions and terminations will be held in the District where the employee is located.

Second step meetings for all other issues will be held in Irving, TX, San Angelo, TX, or Austin, TX as follows. Other meeting locations may be arranged by mutual agreement.

Irving, TX

North Central District
Metro District
Twin Cities District
Eastern District

San Angelo, TX

West Central District

Austin, TX

Gulf District
Hill District
University District
Valley District

- 5.3 Such time paid for in accordance with this Section shall be considered as time worked.

Section 6. Investigation of Grievances

- 6.1 The Company agrees to cooperate with the Union in investigation of any grievance, provided prior notice has been given and approval obtained at the proper level of the organization.

Section 7. Other Methods of Settling Grievances

- 7.1 Nothing in the foregoing procedure shall be interpreted to prevent either the Company or the Union from, by mutual choice in unusual cases, dealing directly with one another or on other basis than herein set out, by mutual agreement between them.

Section 8. Discussion of Other Matters

- 8.1 Union representatives may meet with the Company at any reasonable time for the purpose of discussing informal complaints concerning working conditions, or problems not specifically covered by the provisions of this Agreement. The parties will strive toward solution of any such problems presented, but failure to reach agreement shall not, of itself, qualify the subject matter as a grievance.

Section 9. Arbitration of Grievances

- 9.1 A grievance which has not been satisfactorily settled after it has been presented in writing and processed completely through the grievance procedure contained in this Article may be submitted to arbitration by the Union notifying the Company in writing within sixty (60) days and the American Arbitration Association within ninety (90) days from the date of the Company answer at the third step (or the date of the default by the Company) provided the grievance concerns:

9.1.1 The interpretation, application or alleged violation of the terms of this Agreement;

9.1.2 The discharge, suspension, demotion or materially disciplining

of any employee having more than one (1) year's net credited service with the Company.

- 9.2 In the event that either party to this Agreement elects to submit an arbitrable grievance to arbitration, the parties agree that the matter shall be so submitted and agree that such submission shall be to a single arbitrator.
- 9.3 The arbitrator shall be designated by the American Arbitration Association in accordance with the then existing rules and procedures of the Association.
- 9.3.1 The arbitration shall be conducted under the then existing rules of the Association.
- 9.4 The arbitrator shall be confined to the subjects submitted for decision and may in no event as a part of any such decision impose upon either party any obligation to arbitrate any subjects which have not been agreed upon as subjects for arbitration, nor may the arbitrator as a part of any such decision effect reformation of this Agreement or otherwise alter any of its provisions.
- 9.4.1 In rendering the decision, the arbitrator shall be confined to the specific issue, and to the matters set forth in 9.1.1 and 9.1.2 of this Article as may be appropriate.
- 9.4.2 The arbitrator shall not possess authority to assess damage or punitive payments against either party to the other.
- 9.4.3 The arbitrator shall have authority to include in the order an award for money restitution to any employee, or employees, when improper payment, or failure to make proper payment, is a point at issue in the specific complaint. In making any such award for restitution, however, the arbitrator will follow the "make whole" concept, and no more.
- 9.5 The decision of the arbitrator shall be rendered without delay and shall be final and binding on all parties and shall be enforceable in a court of law.
- 9.6 Each party shall bear the expense of presenting their own case and shall share equally the expenses of the arbitrator and the general expense of the arbitration.
- 9.7 The grievance procedure and arbitration provided herein shall constitute the sole and exclusive method of determining adjustments for settlement between the parties of any and all grievances as herein defined, and the grievance procedure and arbitration provided herein shall constitute the sole and exclusive remedy to be utilized by the parties hereto for such determination, decision, adjustment, or settlement of any and all grievances as herein defined.

- 9.7.1 Nothing in this Section is intended to impair the right of either the Company or the Union to apply to the National Labor Relations Board for relief from unfair labor practices as defined in the National Labor Relations Act.

ARTICLE 4 WAGES

Section 1. Wage Rates

- 1.1 The wages attached as appendices to this Agreement shall prevail for the duration of this Agreement and shall be considered a part of it.
- 1.2 Changes or revision in the wage rates attached shall not be subject to arbitration except by mutual agreement between the Company and the Union.
- 1.3 The wage rates attached for purposes of this Agreement are hereby defined as basic wage rates, or basic rates.

Section 2. Administration

- 2.1 These appendices also include the wage schedules which indicate the progression intervals and basic wage rates. The basic hourly wage rate assigned to each employee shall be based on the following:
- 2.1.1 Job Classification;
 - 2.1.2 Designated Work Location (where applicable).
- 2.2 An employee's positioning on any wage progression schedule is determined by classification, reclassification, and related contractual procedures, and not by net credited service, as such. Thus, the positioning may not necessarily be immediately related to actual net credited service.

Section 3. New Job Titles and Descriptions

- 3.1 The Company shall have the right in its discretion to establish new job titles to maintain efficient operation.
- 3.2 The Company shall furnish to the Union new job titles as they are created.

Section 4. Change of Job Titles

- 4.1 The Company shall have the right to review and to change job titles based on the content of the job and the work being performed.
- 4.2 The Company will advise the Union of any changes in job titles and descriptions.

Section 5. Union Right to Review New or Revised Jobs

- 5.1 The Union will have the right to review each job description jointly with the Company at the General Office level if initiated within thirty (30) days from the time each new or revised job description is presented to the Union if it is deemed that a more accurate description is necessary to reflect the actual job classification.

ARTICLE 5 DIFFERENTIAL PAY

Section 1. Management Relief Differential

- 1.1 Hourly employees who are designated by management to be in charge of other hourly employees will receive an in-charge differential of one dollar (\$1.00) per hour, provided such assignment is for a period in excess of one (1) full tour or more.

Section 2. Radio License Differential

- 2.1 Employees who are required to have a second class or higher radio license will be paid five cents (\$0.05) per hour differential. This differential applies to Group H and Group HH jobs only.

Section 3. Working Leader Differential

- 3.1 A differential of forty-five cents (\$0.45) per hour above the basic hourly rate shall be paid to an employee designated by the Company to be a Working Leader. A Working Leader is an employee who continues to perform their normal work and who also directs and coordinates the flow of work of three (3) employees or more for a continuous period of one (1) full tour or more.

ARTICLE 6 PREMIUM PAY

Section 1. Night Tour Premium

- 1.1 A night tour premium of seventy-five cents (\$0.75) per hour will be paid for all scheduled hours worked between 9:00pm and 6:00am.

Section 2. Christmas and New Year's Eve Premium

- 2.1 Employees required to work after 6:00 p.m. on Christmas Eve or New Year's Eve shall receive Four Dollars (\$4.00) in addition to their basic rate and any applicable differential and/or premium.

Section 3. Sunday Tour Premium Compensation

- 3.1 A Sunday scheduled tour shall be one which starts at or after 12:00 midnight Saturday and before 12:00 midnight Sunday. Employees required to work on a Sunday scheduled tour shall be paid at the rate of time and one-half for the first eight (8) hours. Work beyond eight (8) hours shall be treated the same as overtime work on other days.
- 3.2 Sunday Tour Premium Compensation shall not apply to Tours commencing at or after 10:00 p.m. Sunday Evening for employees performing central office installation.

Section 4. Sunday Overtime Premium Compensation

- 4.1 Supplementary to the provisions of paragraph 1.3 of Article 7, all regular employees shall be compensated as follows:
- 4.1.1 Nonscheduled Sunday time worked in any amount not exceeding eight (8) hours, and for which overtime payment is made under paragraph 1.3.4 of Article 7, shall be counted when determining weekly overtime due under paragraph 1.1.2 of Article 7.

Section 5. On-Call Premium

- 5.1 Employees in selected job title classifications and locations who hold themselves subject to on-call schedules will do so at their own option. In the absence of qualified volunteers, management will rotate on-call among the qualified employees in inverse order of seniority.

No employee will serve on-call for more than one week per month, until all other qualified employees have served on-call.

- 5.1.1 The on-call differential will be paid as follows:
- Scheduled Days - \$10.00 from midnight to midnight
 - Non-scheduled Days - \$15.00 from midnight to midnight
 - Work Week - \$75.00 from 12:01 A.M. Sunday to 12:00 P.M. Saturday
- 5.1.2 The on-call differential shall be paid in addition to any other differential, premium or payment to which an employee is otherwise entitled.
- 5.1.3 Employees on-call will have their call out hours count toward the apportionment of overtime.

ARTICLE 7
OVERTIME PAY TREATMENT

Section 1. Overtime Compensation

- 1.1 Compensation at the rate of time and one-half the employee's regular rate of pay shall be paid for:
 - 1.1.1 All time worked in excess of fifteen (15) minutes either before or after the normal regular scheduled eight (8) hour tour in any one day.
 - 1.1.2 All time worked in excess of forty (40) hours in the work week for which overtime has not been paid on a daily basis.

- 1.2 Full-time employees who report for special duty outside of their scheduled tour shall be paid compensation at the overtime rate of time and one-half for a minimum of two (2) hours work. This minimum shall not apply if the special hours immediately precede or immediately follow regular scheduled tours.
 - 1.2.1 The Company agrees that the two (2) hours actual work time will not be demanded arbitrarily but only that time as necessitated to meet service requirements. On the other hand, employees shall have no authority nor privilege to perform call-out work in such manner as to promote compounding of further call-outs.
 - 1.2.2 Holiday time worked shall be as prescribed in Article 8.
 - 1.2.3 If employees are called to report for special duty outside of their scheduled tour, they may include their actual travel time up to a maximum of thirty (30) minutes, round trip, as part of the call-out time worked.

- 1.3 Unless otherwise excepted, nonscheduled time worked at the Company's request outside of the hours of scheduled work days, or on nonscheduled work days, shall be compensated as overtime at time and one-half rate.
 - 1.3.1 In the case of all employees, previously established work schedules may be changed at the discretion of management.
 - 1.3.1.1 Overtime payment shall not apply when employees are given at least thirty-six (36) hours' notification of change in work schedule.
 - 1.3.2 Overtime payment shall not apply when scheduled hours are changed at the employee's request with consent of the employee's supervisor. Such changed hours shall not be considered as nonscheduled time.

- 1.3.3 An employee classified as a regular part-time may be called to work at the Company's request outside of assigned or scheduled hours without payment of overtime regardless of whether or not thirty-six (36) hours' notice was given by the Company.
- 1.3.4 Nonscheduled Sunday time shall be compensated at the overtime rate, irrespective of advance notification, or the number of hours worked during the work week.
- 1.3.5 Holiday time worked shall be compensated as prescribed in Article 8.
- 1.3.6 The provisions of this paragraph 1.3 shall not operate to cancel the provisions of paragraph 1.1 herewith with respect to daily and weekly overtime payments.
- 1.4 When two (2) or more types of time and one-half compensation are applicable to the same hours of work, only one time and one-half rate shall be paid. In no case will time and one-half compensation be duplicated or pyramided. Time and one-half compensation shall mean time and one-half the employee's regular rate of pay.
- 1.5 Absent paid time shall not be included in the computation of overtime during any pay period, but will be included in the pay period for all other purposes. For those hours actually worked in excess of fifty-six (56) hours (absent paid time not included) during a calendar week, employees will receive payment at double the regular wage rate.
 - 1.5.1 Effective, August 17, 2003, for those hours actually worked in excess of fifty-five (55) hours (absent paid time not included) during a calendar week, employees will receive payment at double the regular wage rate.

Section 2. Company Policy Regarding Overtime Work

- 2.1 It is the policy of the Company to apportion overtime work equally among employees who are willing to perform the necessary overtime work and who are qualified within the work group to perform such overtime work.
 - 2.1.1 "Apportion overtime equally" is meant to be construed on a practical basis, all pertinent factors considered.
 - 2.1.2 "Work group" means those employees within the same headquarters location who normally perform the type or nature of the work expected to be accomplished during the overtime assignment. Whenever such employees cannot be reasonably reached for overtime work assignments, the Company will assign any other available employee who may be qualified to do the work.

ARTICLE 8 HOLIDAYS

~~Section 1. Designated Holidays~~

- 1.1 Seven (7) holidays shall be observed as designated:
New Year's Day - January 1
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day
Thanksgiving Day
Friday following Thanksgiving Day, except as specified
in Section 2, Paragraph 2.2, of this Article
Christmas Day - December 25

Section 2. Personal Holiday

- 2.1 Five (5) Personal Holidays (effective January 1, 2002, six (6) personal holidays) shall be observed.
- 2.1.1 A personal holiday will be any day of the employees' choosing, based on their normal schedule and service requirements. On these holidays employees will be paid at their basic rate of pay plus differentials and premiums (except Sunday premiums).
- 2.1.2 Personal holidays shall not be observed during the first ninety (90) days of employment.
- 2.1.3 At least fifteen (15) days notice prior to the day or days to be observed must be given to the employee's supervisor. Such time limit may be waived by mutual agreement between the employee and supervisor.
- 2.1.4 If an employee selects a day or days to observe as the holiday which, because of work requirements, would not be available, or if two or more employees in the same work group select the same day or days, the employees will choose an alternate available day or days in order of seniority.
- 2.1.5 The first holiday for which an employee is eligible under this Section 2 provision must be taken prior to July 1 of each calendar year.
- 2.1.6 If the remaining holidays for which an employee is eligible under these Section 2 provisions have not been selected by October 1 of each calendar year, management will designate the day to be observed.
- 2.1.7 It is the intent that Personal Holidays should normally be taken as a day off with pay and not worked. However, employees who are required to work on a Personal Holiday will be paid in accordance with Section 7 of this Article.

2.1.8 Employees may elect to take up to five (5) personal holidays (effective January 1, 2002, six (6) personal holidays) in increments of two (2) or four (4) hours for a maximum total of forty (40) hours per year. (1/1/2002, forty-eight (48) hours).

2.1.8.1 Advance supervisory notice and approval are required prior to the beginning of the employee's shift. In the event more than twenty-five (25) percent of the work group is scheduled off or service requirements dictate the employee's presence, supervision reserves the right to grant or deny the request.

2.1.8.2 Should any two (2) or four (4) hour increment of these personal holidays remain unscheduled as of October 1, supervision may schedule the remaining increment(s) to ensure orderly work force management.

2.2 Employees assigned to Phone Mart Stores will receive an additional Personal Holiday in lieu of the Friday following Thanksgiving Holiday unless scheduled off on the Friday following Thanksgiving Holiday. The additional Personal Holiday is to be scheduled following Thanksgiving Day up to and including December 31 of the calendar year. The additional Personal Holiday is subject to the eligibility requirements as set forth in this Section.

Section 3. Holidays Falling on Saturday and Sunday

3.1 A designated holiday which falls on Sunday shall be observed the following Monday and a designated holiday which falls on Saturday shall be observed on Friday for all Departments.

3.1.1 Designated holidays for employees normally scheduled on weekends shall be observed on the actual day of the holiday and paid at their basic rate of pay plus differentials and premiums (except Sunday premium).

Section 4. Holiday Tours

4.1 Holiday tours are those which begin on the holiday, and holiday pay will be paid for holiday tours only on the legally observed holiday.

Section 5. Employees Not Working on Designated Holidays

5.1 Regular and temporary employees, except absentees, who are not assigned to work shall be paid one (1) full day's basic pay for the designated holidays plus any applicable differential and/or premium payments which they would have received had they worked their regular hourly assignment. Employees not working on a holiday and receiving holiday pay shall receive credit for the equivalent as time worked toward the computation of weekly overtime.

- 5.2 Part-time employees shall be paid holiday pay at their basic wage rates, based upon their average scheduled work-day computed from the four (4) week period immediately preceding the holiday period.

Section 6. Employees Working on Designated Holidays

- 6.1 Regular and temporary employees, except absentees, who are assigned to work on a designated holiday shall be paid time and one-half in addition to their basic pay for the day and any applicable differential and/or premium payments.
- 6.1.1 Occasional employees working on a recognized holiday will be compensated according to time actually worked. Compensation will be basic rate, with any applicable premiums and differentials, plus holiday premium computed at basic rate.
- 6.2 When daily overtime hours (as defined in Article 7, Paragraph 1.1) fall within a holiday, such hours shall be compensated at time plus time and one-half rate in lieu of otherwise prescribed daily overtime at time and one-half.
- 6.3 Hours worked on a call-out on a recognized holiday for which no hours were originally scheduled for the employee, shall be paid for at the premium rate of time and one-half for the first eight (8) hours.
- 6.3.1 The minimum time paid under this provision shall be two (2) hours at the time and one-half rate, even though time actually worked may be less than two (2) hours. Two (2) hours' actual work time will not be demanded arbitrarily but only that time is necessitated to meet service requirements. On the other hand, employees shall have no authority nor privilege to perform call-out work in such manner as to promote compounding of further call-outs.

Section 7. Absentees

- 7.1 The term "Absentee" used in Sections 5 and 6 of this Article shall mean:
- 7.1.1 Any employee who does not work on a holiday and who is absent the scheduled work day preceding or following the designated holiday without being excused by the Company for such absence, or
- 7.1.2 Any employee scheduled to work who is absent on the holiday without being excused by the Company for such absence.
- 7.2 A regular and/or temporary employee who has not been excused under the terms of Paragraph 7.1 of this section may be excused on the scheduled work day preceding or following the holiday by presenting a medical doctor's certificate of inability to work due to illness, provided they were not scheduled to work on the holiday.

- 7.2.1 The Company's "Plan for Employee's Disability Benefits" shall prevail if Paragraph 7.2 of this section conflicts.

Section 8. Holiday Falling Within a Scheduled Vacation Period (See Article 9 Vacations)

**ARTICLE 9
VACATIONS**

Section 1. Vacation Eligibility

- 1.1 Annual vacations with pay for regular employees will be granted in accordance with the following schedule:
- 1.1.1 Two Weeks. After one (1) full year of credited service, all regular employees shall be entitled to vacation time off of two (2) weeks.
 - 1.1.2 Three Weeks. When net credited service is five (5) years, but less than fifteen (15) years, all regular employees shall be entitled to vacation time off of three (3) weeks. Three (3) week vacations will commence during the calendar year that the employee achieves, or will achieve five (5) years' credited service.
 - 1.1.3 Four Weeks. Commencing with the calendar year in which fifteen (15) years net credited service is, or will be achieved, regular employees shall be entitled to four (4) weeks vacation.
 - 1.1.4 Five Weeks. Commencing with the calendar year in which twenty-five (25) years net credited service is, or will be achieved, regular employees shall be entitled to five (5) weeks vacation.
- 1.2 For the purposes of determining vacation eligibility, regular part-time employees shall accumulate vacation eligibility on the basis of continuous service.

Section 2. Completion of Service Requirements for Vacation

- 2.1 An employee who has completed or who will complete one (1) years' service after December 15th within the calendar year may take their scheduled vacation at any time within the month of December in such calendar year or can observe it within the first quarter of the next calendar year.

Section 3. Vacation Period

- 3.1 Vacations cannot be accumulated from year to year, but must be completed within the calendar year (after January 1 and prior to

December 31); except banked or carry-over vacations may be accumulated year to year, as outlined in this Article.

Section 4. Vacations Cannot Be Waived

4.1 Employees cannot waive their scheduled vacations and draw pay plus vacation allowance for working during the time allowed for a scheduled vacation, unless, in case of emergency, the Company requests the employee to work during the scheduled vacation period.

4.1.1 If an employee is called back from vacation because of an emergency, the employee shall have the choice of receiving vacation pay plus pay at the basic rate for the hours actually worked or substituting another vacation period in order to complete the full vacation to which the employee is entitled.

Section 5. Scheduling of Vacations

Employees will be allowed the following vacation options:

Day and/or days at a time vacation increments.

Carry-over vacation into the next calendar year.

Vacation Banking.

5.1 Scheduling of vacations shall take into account the service requirements and then the preferences of the employees. Vacations shall usually start on the first of the calendar week. Employees may split their vacations into periods of not less than one (1) week if service requirements permit. Likewise, the scheduling of carry-over and day and/or days at a time vacations will be subject to service requirements.

5.2 Day and/or days at a time vacation increments must be scheduled at the beginning of the year in which it is to be taken. Day(s) at a time vacation, however, cannot be scheduled until all applicable employees have chosen their regular and carry-over vacations for that year.

5.2.1 Increments must be of less than one (1) week.

5.2.2 The maximum amount of day(s) at a time vacation that will be allowed will be the equivalent of one (1) week per year.

5.2.3 Employees who are eligible for three (3) weeks vacation will be allowed the equivalent of two (2) weeks per year of day(s) at a time vacation. At least one (1) week of day(s) at a time vacation must be taken during the months of January, February, March, April, October, or November.

5.3 Carry-over vacation must be scheduled at the beginning of the year in which it is to be taken. Carry-over vacation cannot be scheduled until all applicable employees have chosen their regular vacations for that year.

- 5.3.1 Carry-over vacation must be taken in the calendar year immediately following the year in which it was earned.
- 5.3.2 To be eligible for the one (1) week carry-over vacation option, an employee must be eligible for three (3) weeks vacation.
- 5.3.3 Carry-over vacation must be taken in increments of one (1) week.
- 5.4 Employees eligible to receive four (4) weeks vacation shall take at least one (1) week of vacation during the months of January, February, March, April, October, or November. Unusual or unexpected circumstances will be reviewed on an individual basis.
- 5.5 Employees eligible to receive five (5) weeks vacation shall take at least (2) weeks of vacation during the months of January, February, March, April, October, or November.

Section 6. Vacation Banking

- 6.1 Employees eligible for four (4) weeks of vacation may bank up to one (1) vacation week for each vacation year; employees eligible for five (5) weeks of vacation may bank up to two (2) vacation weeks for each vacation year.
 - 6.1.1 Vacation time must be banked in full forty (40) hour increments.
 - 6.1.2 Banked vacation will be paid at the employee's basic rate of pay at the time the vacation is taken.
 - 6.1.3 Banked vacation may be accumulated over the years, in compliance with the stipulations above.
 - 6.1.4 When an employee resigns with proper notice or when they retire, the banked vacation will be taken prior to the resignation/retirement date.
 - 6.1.5 Employees terminated for cause will not forfeit banked vacation.
 - 6.1.6 The employee's request to bank vacation time must be received by October 1.
- 6.2 Banked vacation cannot be scheduled to be taken until all applicable employees have chosen their regular and day and/or days at a time vacations for that year.
- 6.3 The carryover vacation option will not be available to those employees eligible for vacation banking.

Section 7. Vacation Pay

- 7.1 ~~Full-time employees shall be paid during their vacation periods at their basic wage rates.~~
- 7.1.1 Part-time employees shall be paid vacation pay at their basic wage rates, based upon their average scheduled work week computed from the six (6) month period immediately preceding their vacation period.
- 7.2 Differential and/or premium payments will be included in vacation pay if the differential and/or premium was in full effect for the four (4) weeks prior to the vacation.

Section 8. Vacations Pertaining to Force Adjustment

- 8.1 Force adjustment as defined in Article 17 of this Agreement shall not operate to cancel an accrued vacation.

Section 9. Vacations Pertaining to Termination

- 9.1 Resignation shall not operate to cancel vacations, provided notice of resignation is given not less than two (2) weeks before the beginning of the scheduled vacation, and provided the employee shall work at the employee's regular scheduled hours during the two (2) weeks' notice period unless excused by the Company.
- 9.2 Employees discharged for cause will be considered to have forfeited all right and claim to vacation pay consideration.
- 9.3 Nothing in this Section shall apply to Banked Vacation.

Section 10. Holiday Falling Within a Scheduled Vacation Period

- 10.1 An additional day of vacation with pay shall be granted within the same calendar year when an authorized holiday falls within a period during which an employee is on a scheduled vacation.
- 10.1.1 The Company shall schedule the additional day of vacation immediately preceding or immediately following the vacation period.
- 10.1.2 The additional day of vacation with pay for a scheduled holiday falling within a scheduled vacation period shall not be payable to the employees who have resigned from the Company and are to receive vacation pay under the terms of this Article, Section 9.

**ARTICLE 10
WORK SCHEDULES AND TOURS**

Section 1. Date When Tour Starts

- 1.1 For all purposes, each tour of duty will be considered to have been worked on the calendar day it started. However, nothing herein precludes the reporting of hours worked as of the calendar days worked for the purpose of Company payroll preparation.

Section 2. Normal Tour of Duty

- 2.1 Forty (40) hours, consisting of five (5) consecutive daily tours of eight (8) hours each shall normally constitute the work week for all employees.
- 2.1.1 The Company shall have the right to schedule all tours and sessions and the starting and ending time of each.
- 2.1.2 Service and Engineering-Construction employees may be scheduled other than five (5) consecutive work days when required to maintain normal service conditions. Selection of such schedule shall be voluntary. If no selection is made, the Company may assign the schedule in the inverse order of seniority.
- 2.1.3 Scheduled Saturday assignments and split weeks of nonconsecutive daily tours will be maintained at a minimum consistent with the needs of the business.
- 2.1.3.1 Grievances filed under this paragraph are excluded from the provisions of Section 9, Article 3.

Section 3. Service and Engineering-Construction - Work Schedules

- 3.1 Work schedules shall be furnished each Service and Engineering-Construction Department employee and each Engineering Outside Plant Technician by four (4) week periods, and shall be furnished to the employees, by bulletin board posting or by written notice, at least seven (7) days in advance of the commencement of a given four (4) weeks' scheduling.

Section 4. Lunch Periods and Relief Periods

- 4.1 Adequate lunch periods shall be allowed and two (2) relief periods of fifteen (15) minutes shall be given each day.

ARTICLE 11 WORKING PRACTICES

Section 1. Status and Treatment of Probationary Employees

- 1.1 Probationary employees shall be accorded the same applicable rights and benefits as regular employees under the terms of this Agreement except for discretionary termination of probationary employment as set forth in Article 2, Section 14.
- 1.2 It is understood that probationary employees shall enjoy full rights and privileges of Union representation and there will be no discriminatory action taken by the Company by reason of affiliation or nonaffiliation with the Union.
- 1.3 The Company shall have the right in its discretion to transfer probationary employees.

Section 2. Limitations on Occasional Employment

- 2.1 Occasional employees shall not be employed to an extent as to adversely affect usual employment of the then current regular full-time or regular part-time employees. Employment for training or for needed periods in vacation reliefs will not be considered as adversely affecting usual employment.

Section 3. Treatment of Temporary Employees

- 3.1 Temporary employees will not be used in any case which would result in the reduction of the normal assignment of work of regular employees.
- 3.2 If a temporary employee's employment continues beyond six (6) months, the employee shall be reclassified as a regular employee and shall be given net credited service from the date of hire for such employment.

Section 4. Inclement Weather

- 4.1 No outside craft employees shall suffer loss of time if they report in person to their headquarters and by decision of the Company, they are not sent out on a job or are returned from the job before their regular quitting time due to weather conditions.
- 4.2 To the greatest extent feasible, time during which employees are not able to perform their normal work because of inclement weather will be used for instruction and/or the maintenance of equipment, tools and such other work as may be necessary.

Section 5. Productive Work by Management

- 5.1 The Company acknowledges a general policy and intent that supervisory personnel will not be expected to do substantial productive

work of the same type and nature as normally assigned subordinate employees within the bargaining unit.

- 5.1.1 It is understood that the exercise of supervisory responsibilities can involve duly limited performance of productive work under the following circumstances: to acquire and maintain knowledge and skills of equipment and procedures for effectively directing the work of subordinates; to perform such inspection and testing as may be necessitated to evaluate quality and quantity of work performed by subordinates, or to determine what, if any, work needs to be performed by subordinates; to acquire and practice the skills necessary for Civilian Defense or other public emergency; to meet service emergencies; to accomplish appropriate training of employees; to teach and enforce safety practices; to perform such other work as may be necessary to meet the service requirements of the Company when an appropriate nonsupervisory employee is not available, or cannot be reached for assignment; or when the supervisor already is on the site for other management purposes and the correction of an existing difficulty entails such limited effort that customer service is facilitated and the calling out of a nonsupervisory employee would not be supportable by the circumstances.

Section 6. Temporary Assignments Away from Headquarters

- 6.1 Located employees, who are assigned to work locations away from headquarters, excluding Company school attendance, may, at employee request, be returned to headquarters at Company expense once each three (3) weeks for personal time at home.
 - 6.1.1 This provision will not be applicable under circumstances that the employee has accepted temporary relocation, with or without reclassification, in lieu of layoff at the employee's headquarters location.
 - 6.1.2 Wherever there exists a service emergency, the three (3) week period will not operate to limit the Company in taking actions appropriate to the circumstances. In such events, the return to headquarters will be as expeditious as circumstances then existing will permit.
 - 6.1.3 Whenever normal work can be completed within a fourth week, the work circumstances shall be controlling except that the period away from headquarters shall not exceed four (4) weeks except in service emergencies.

Section 7. Temporary Assignments Outside Assigned Plant Area

- 7.1 Located employees may be assigned temporarily to work at other places, but, while so assigned, they retain status as of their principal location, including wage treatment.

- 7.1.1 The Company will provide at least two (2) calendar days advance notice of such assignment under circumstances that ~~no service emergency exists.~~
- 7.1.2 Whenever a service emergency exists wherein the Company decides that direct action is required, notice given will be that which is consistent with the circumstances then existing.
- 7.1.3 The advance notice specified in this provision does not apply under circumstances that the employee will return to headquarters the same day.

Section 8. Heavy Construction Truck Move - Two Crew Members

- 8.1 In all outside construction crews, only the driver will be required to transport the heavy construction vehicle to its destination. If state or federal law or work demands, which includes safety, necessitate a second employee to accompany or ride in the vehicle, one will be provided.

Section 9. Traveling Time Payments

- 9.1 Traveling time spent by an employee as part of their principal job duties shall be treated as hours worked.
 - 9.1.1 The time shall be inclusive between the limits of when the employee reports for work for the day, as required, and when released from work at the end of that day, meal time excluded.
 - 9.1.2 The time commences when the employee reports for work at the designated place and time, and ends when released from duties, meal time excluded.
- 9.2 Time spent by an employee, under Company direction and in line of assigned job duties, as driver or passenger of a Company motor vehicle while going to or from a work location shall be treated as working time, meal time excluded.
 - 9.2.1 Whenever an employee is directed to, or is authorized to use a personal motor vehicle in lieu of a Company-assigned motor vehicle, travel time shall be paid as specified in paragraph 9.2.
- 9.3 Traveling time spent by an employee, under Company direction and in connection with their job duties, by means of public transportation facilities, will be compensated as work time, but not in excess of eight (8) hours a day.
 - 9.3.1 On scheduled work days, compensation will be for the time spent in traveling that falls within the limits of the scheduled work hours, meal time excluded.

- 9.3.2 On nonscheduled work days, compensation will be for the time spent in traveling that falls within the limits of those hours that correspond to a normal scheduled work day. In event of question as to what constitutes corresponding scheduled hours, the work day for a full-time employee shall be presumed to include eight (8) hours, 8:00 A.M. to 5:00 P.M.
- 9.3.3 Should the employee elect alternatively to travel by means of personal motor vehicle as a matter of convenience, and the Company consent be granted, traveling time will be compensated as though the employee had traveled by offered public transportation facilities.
- 9.4 Traveling time spent by an employee, by reason of Company-required attendance at Company schools or conferences, shall be compensated as work time under the provisions of paragraph 9.2 or 9.3, as the case may be.
- 9.5 There shall be no reduction in scheduled hours on a scheduled work day by reason of traveling under Company direction for Company business.
- 9.6 Compensable travel time on a Sunday shall be paid at time and one-half as prescribed for Sunday tours in Article 6, paragraph 4.1, or as overtime under Article 7, paragraph 1.3.4, whichever may be applicable.
 - 9.6.1 The provisions of Article 6, Section 4, are applicable to Sunday travel time only when such time is spent in direct connection with performance of immediate job duties.

Section 10. Use of Employee's Motor Vehicles

- 10.1 Employees will not usually be called upon to make use of their personal vehicles in connection with their job duties.
- 10.2 Whenever employees should be requested to use their personal vehicle in connection with job duties or whenever they may so use a personal vehicle upon their request with Company permission granted, the Company will reimburse the employees for such use at the Verizon Company policy rate determined on the direct route mileage between the respective points of travel. This rate shall not be less than thirty-two and a half cents (\$0.325) per mile for this contract period.

Article 12 JOB APPLICATION PROCEDURES

Section 1. Whenever there is an approved job vacancy within the bargaining unit, the Company agrees to utilize the job application procedure hereinafter described.

- 1.1 For all jobs awarded which require relocation from one headquarters' location to another, an employee shall be paid at the regular rate of pay

for reasonable travel time, meals and lodging enroute and one-way mileage as determined by the Company. When the newly awarded job is the same title classification the employee held prior to the award and is on Wage Schedule G through I, such employees will also be eligible for reasonable moving expense by Company-designated carriers.

- 1.1.1 When the newly awarded job is on Wage Schedule G through I, and requires relocation within the Division, such employees will also be eligible for reasonable moving expense by Company-designated carriers.
- 1.2 Jobs will be posted on the intranet and the Interactive Voice Response Unit (IVRU).
- 1.3 Employees may apply for an unlimited number of posted vacancies at any given time.
 - 1.3.1 The appropriate application for the Texas region must be completed by the employee and forwarded to Staffing on or before the posting close date. The posting close date will be included on every posting. Applications must be received by Staffing on or before the posting close.
 - 1.3.1.1 All applications must indicate the requisition number of the posted vacancy for which the employee is applying. The requisition number is available on the intranet and IVRU for all postings.
 - 1.3.2 Employees must submit a separate application for each and every posted vacancy for which they are interested. Employee applications will only be valid for the specific requisition number indicated on the application and will not be valid for any other vacancies.
 - 1.3.3 Employees will not be eligible candidates for vacancies in their current job title within the same exchange and department, except as specified below
 - 1.3.3.1 Central Office and CRCC based Customer Zone Technician I's (CZT I) will not be eligible candidates for CZT I vacancies, within their Department/function (C.O. to C.O. and CRCC to CRCC) that are ten (10) miles or less from their current work location. Movement between these functions (C.O. to CRCC and vice versa) will be allowed and the 10 mile restriction may be waived by management.
 - 1.3.4 Employees who refuse a position offered through the job posting procedure can be considered for future vacancies within the same job title/location. The employee must apply for each vacancy they are interested in as it occurs.

- 1.4 Interdepartment lateral job placements will be contingent upon there being no material disruption to operations within the department from which the employee would transfer. In the event that immediate job placement is denied an otherwise qualified employee for such reason, the employee shall be afforded transfer consideration at the earliest opportunity thereafter.

Section 2. General Provisions

- 2.1 Under the application procedure, seniority shall be the deciding factor, insofar as the ability of the employee and the conditions of the business will permit, in filling vacancies through the application procedure.
- 2.1.1 Candidates for job vacancies for Outside Plant Technician and Graphics Operator in the Engineering & Construction Department will be evaluated in the light of engineering aptitudes and skills over and above plant craft skills.
- 2.1.2 Employees classified as Cable Splicer Helper or Equipment Installer Helper who are qualified for reclassification to Cable Splicer or Equipment Installer, respectively, shall be awarded the respective higher classification automatically, should the time in the Helper classification exceed twenty-four (24) consecutive months of accredited service.
- 2.2 The Company shall have the right, at its discretion, to fill any vacancy under the following circumstances:
- 2.2.1 When the vacancy is of a temporary nature.
- 2.2.2 When placing returnees from military leave, sickness or accident disability, authorized leave of absence or reemployment of laid-off employees.
- 2.2.3 Should no qualified employee submit an application or should no valid application be received for a job vacancy, the Company will first consider qualified invalid candidates in seniority order prior to filling the job externally.
- 2.3 It is agreed between the parties that "shopping around" will not be condoned.
- 2.3.1 Employees who have accepted positions on Wage Schedule H, HH, or I within the thirty-six (36) months preceding the date of later vacancy will not be considered valid candidates.
- 2.3.1.1 Employees who have accepted positions in Wage Schedules other than H or higher within the eighteen (18) months preceding the date of a later vacancy will not be considered valid candidates.

- 2.3.2 These limitations shall not apply to an employee force adjusted under Article 17 to the extent that the employee is seeking to retreat to ~~the position from which the employee was force-~~ adjusted. Nor shall the above limitations apply to employees involuntarily moved fifty (50) miles or less under the provisions of Article 17, Section 1, Paragraph 1.1.1.
- 2.4 The Company will notify any employee or employees of more seniority than the employee selected, together with the reason or reasons why they were not selected, within ten (10) calendar days. A copy of this notification will also be sent to the Union.
- 2.5 The parties recognize that there may be times when a distress transfer or reclassification must be made. The problem shall be resolved by mutual consent of the Company and the Union. The employee involved shall pay all moving expenses, if any, but with no loss in regular scheduled "basic wages" for reasonable travel time as determined by the Company.

ARTICLE 13 CLASSIFICATION AND RECLASSIFICATION

Section 1. Classification

- 1.1 The job title classification, to which any employee is assigned under this Agreement, will be in accordance with the preponderance of work duties they are called upon to perform as related to the nature of the duties attributable to the particular job title classification.
- 1.1.1 The foregoing does not preclude an employee being called upon to perform work not usually performed, nor does it preclude temporary assignments in a higher or lower job title classification.
- 1.1.2 An employee under consideration for reclassification to a higher or lower job category may be required to work in the other job for a period not exceeding one (1) month without formal reclassification. Such temporary assignment involves consideration for reclassification, and opportunity for observation of the employee's knowledge, skills and other qualifications, to perform the job duties associated with the assignment under consideration.
- 1.1.3 Employees may be temporarily assigned out of their own classification for the purpose of receiving specific training for another position.
- 1.1.4 None of the provisions of the foregoing paragraphs 1.1.1, 1.1.2, and 1.1.3 shall be applied in such manner as to negate the intents and application of Article 12, Job Application Procedure, nor of Article 16, Seniority, Section 4, nor of Article 13, Classification and Reclassification.

Section 2. Reclassification of Supervisory Employees to Nonsupervisory Jobs

- 2.1 A supervisory employee who is reclassified to a nonsupervisory position or any employee outside of the bargaining unit who is transferred within the bargaining unit shall take their proper place in seniority among nonsupervisory employees covered by this Agreement according to their total number of service credits as listed on the Company's records.

Section 3. Employees Temporarily Assigned to a Higher Classification

- 3.1 Except as otherwise provided in this contract, any employee assigned to a higher classification for one (1) full working hour or more shall be paid for the time worked on the temporary assignment in accordance with Section 4 or 6, which ever is applicable.
- 3.1.1 This Section shall not apply to employees who are receiving specific training for another position.
- 3.1.2 "Temporarily assigned" shall mean an employee who works for at least one (1) hour on a specific job assignment.
- 3.1.3 Applicable differentials for work in the higher class as described above shall apply.
- 3.2 The Company will not make assignments in such manner as to constitute deliberate avoidance of wage rate readjustment by virtue of the one (1) hour preliminary period.
- 3.3 Any employee temporarily assigned to a higher classification in a location other than their principal location, will be paid in accordance with Section 6 of this Article.

Section 4. Wage Treatment Upon Reclassification - Promotion

- 4.1 Whenever an employee is reclassified to a higher rated job a reclassification wage increase will be made.
- 4.2 The employee's wage rate for the new assignment will be the higher schedule amount which most closely represents an immediate wage increase.
- 4.2.1 The amount of wage increase as described in paragraph 4.2 shall in no case be less than fifteen cents (\$0.15) per hour.
- 4.2.1.1 For employees on incentive compensation plans, other than TPA, the amount of wage increase as described in paragraph 4.2 shall in no case be less than seventy-five cents (\$0.75) per hour.

4.2.2 The adjusted wage rate may not be more than the top rate for the higher job.

4.2.3 The wage rate of an employee reclassified to a higher schedule job previously held would be determined either by placement on the corresponding step position the employee was in when they last held that position, or through the procedure set forth in this Section, whichever is greater.

4.3 The date for the employee's next wage progression adjustment, as established within the previous job, is not to be disturbed by the reclassification. This date remains the date for the next progression adjustment on the new job.

Section 5. Wage Treatment Upon Reclassification - Lower Job

5.1 When an employee is reclassified to a lower rated job, a reclassification wage decrease will be made.

5.2 The employee's wage rate for the lower rated job will be that lower schedule amount which most closely represents a minimal wage decrease.

5.2.1 The adjusted wage rate may not be less than the lowest rate for the lower job.

5.2.2 Where the downward reclassification is to the immediately preceding job assignment, and the action is taken within a period of six (6) months, the employee's wage rate treatment will be the same as though the original upward reclassification had not occurred.

Section 6. Wage Treatment Upon Reclassification - Lateral

6.1 When an employee is reclassified to an equally rated job (lateral) within the same Exchange Wage Classification Area, the current wage rate would remain in effect until normal progression provides for a higher amount.

6.2 When an employee is reclassified to an equally rated job (lateral) or transferred in the same job title classification from one Exchange Wage Classification Area to another, the following procedure will apply:

6.2.1 The employee will be placed at the corresponding wage schedule step position in the new Exchange Wage Classification Area.

6.2.2 Whenever such transfer is made for Company convenience, the employee's original wage rate will be protected should the determined new rate be lower. In such event, the original rate will remain in effect until normal progression on the applicable wage schedule provides for a higher amount.

- 6.2.3 The exception in paragraph 6.2.2 shall not apply when the transfer is for the employee's convenience, such as being a successful bidder or requests for transfer for personal reasons.
- 6.2.4 When the transfer is arranged as the result of a force adjustment, the employee's basic wage rate will be reduced incrementally until it reaches the appropriate step in the new Exchange Wage Classification Area.
 - 6.2.4.1 Wages will be reduced by one-fourth (1/4) of the difference between the two rates at the end of the first calendar quarter following the reduction and one-fourth (1/4) at the end of each succeeding quarter until the maximum wage reduction is reached.

**ARTICLE 14
BOARD AND LODGING**

Section 1. Per Diem Allowance - Unlocated Employees

- 1.1 Unlocated employees shall be given a per diem allowance equal to the over sixty (60) miles per diem for each day worked and for each holiday not worked for which pay is received. However, unlocated employees will not qualify for the evening meal or mileage allowances covered in paragraphs 5.2.2 and 6.1 of this Article.

Section 2. Deductions for Days Not Worked - Unlocated Employees

- 2.1 The daily per diem shall be deducted from the regular weekly board and lodging allowance for each regularly scheduled work day on which employees do not work because of personal reasons, other than for illness as allowed in paragraph 2.2 herewith, or for accidental injury while performing work for the Company in connection with their job assignment.
- 2.2 The board and lodging allowance shall be paid to the unlocated employees by the Company for only the first seven (7) days of continuous illness.

Section 3. Unlocated Employees Required by the Company to Move

- 3.1 Unlocated employees who are required to move more than twenty (20) miles and for whom the Company does not provide transportation or who desire to drive their own car shall receive an allowance at the Verizon Company policy rate, determined on the shortest reasonable route mileage between one location and the other, when the employee furnishes the means of transportation. This rate shall not be less than thirty-two and a half cents (\$0.325) per mile for this contract period.

- 3.2 The Company shall determine the means and method of transportation for moving any unlocated employees who do not desire to drive their own personally owned vehicles.

Section 4. Travel Allowances for Unlocated Employees on Vacation

- 4.1 Unlocated employees shall receive travel allowance by the shortest distance when their crew moves while the employees are on vacation. This allowance shall be paid from the location where the employees were working at the time they went on vacation to the location where their crew is working at the time they return from vacation.
- 4.2 Unlocated employees who take a vacation will receive the per diem through the last day worked of the week preceding the vacation period. Per diem will resume on the first day worked on the next tour of duty following the vacation period.

Section 5. Per Diem Allowance - Located Employees

- 5.1 Located employees may be, from time to time, temporarily assigned by the Company to work or attend meetings or schools in a town other than the town in which they are located.
- 5.2 The daily allowance (per diem) for such temporary assignments of one (1) full tour or more is listed in paragraph 5.2.1 below. The per diem allowance does not apply to temporary assignments of less than one (1) tour. In cases where the temporary assignment continues for two (2) or more consecutive tours, whether or not the employee worked part of the first tour at the employee's normal town location, the employee is eligible for the applicable daily allowance. On the last day of the assignment, the employee will be eligible for an incidental meal allowance of seven dollars (\$7.00) plus round trip mileage, if applicable.
 - 5.2.1 The qualifying distance for per diem will be the one way highway distance by shortest direct route between the employee's normal work location and the temporary work location.

<u>Distance</u>	<u>Daily Allowance Amount</u>
Over 0 and up to 20	\$5.50
Over 20 and up to 40	\$22.00
Over 40 and up to 60	\$30.00
Greater than 60	\$36.50

- 5.2.2 When an employee is assigned to a distant location as outlined in paragraph 5.2 and the use of the employee's personal vehicle has been authorized for this purpose, the employee will be granted a mileage allowance for round trip mileage from the normal work location to the temporary assignment location on the last day of each such assignment at the Verizon Company policy rate. This will be in addition to

the applicable per diem allowance on the first day of the assignment. This rate shall not be less than thirty-two and a half cents (\$0.325) per mile for this contract period.

5.2.3 Employees assigned to a temporary location forty-five (45) miles or more from their headquarters location for seven (7) continuous days will be entitled to reimbursement for reasonable receipted laundry expense, excluding dry-cleaning.

5.2.4 On assignments to temporary locations of more than forty-five (45) miles from the employee's normal headquarters location, employees may elect, at their option, to receive actual expenses for company designated lodging and reasonable meal costs in lieu of per diem.

5.2.4.1 When an employee has elected to receive actual meal expenses, a meal allowance shall be paid as follows:

Breakfast	\$6.50
Lunch	\$7.75
Dinner	\$13.25

5.3 The above daily allowance will be paid to employees temporarily assigned over sixty (60) miles, except absentees, for Saturdays, Sundays, holidays or scheduled days off when the employee works the last scheduled tour preceding and the first scheduled tour following the scheduled day(s) off.

5.4 The term "absentee" used in paragraph 5.3 above shall mean:

5.4.1 Any employee who does not work on a scheduled day off and who is absent the scheduled work day preceding or the scheduled work day next following the scheduled day(s) off.

5.4.2 Employees described in 5.4.1 above may have the absence excused at the supervisor's discretion.

5.5 Employees assigned qualifying duty for per diem who are not able to work because of illness or injury will continue to receive per diem while temporarily incapacitated, provided they are actually staying overnight and incurring expenses. Employees hospitalized or at home during the disability will not continue to receive the per diem while away from the job.

5.6 When fluctuations in distance from home headquarters occur during a temporary assignment, the daily per diem will be paid according to the distance from home headquarters at the end of each tour.

Section 6. Evening Meal Allowances

~~6.1~~ Employees will be reimbursed for evening meal expenses of six dollars (\$6.00) if the employee works in excess of eleven (11) hours that day without a meal break during the last session.

6.1.1 This section shall not apply to unlocated employees, employees receiving per diem expenses, or to employees eligible for an evening or night premium.

6.2 Under no circumstances will the per diem allowances set forth in paragraphs 5.2.1 and the evening meal allowance in paragraph 6.1 be paid for the same day.

Section 7. General Provisions

7.1 When the Company elects to furnish transportation and employees travel from the headquarters location to a temporary location and return to the headquarters location within the scheduled tour or during overtime, no daily allowance will be paid as set forth in paragraph 5.2.1; however, travel time shall be treated as time worked in these cases.

7.1.1 In the case of employees assigned to a temporary location forty-five (45) miles or more from the headquarters location under circumstances where there are no suitable commercial lodging facilities within a ten (10) mile radius of the temporary location, travel time to and from the nearest suitable lodging shall be considered as time worked. In this circumstance, the per diem allowance prescribed in paragraph 5.2.1 would be continued. Additionally, if use of a personal vehicle has been authorized for the temporary assignment, the mileage allowance would also be applicable to and from the lodging site.

7.2 Transportation to each distant temporary assignment location will be furnished by the Company, and at its option may be either by Company vehicle, public conveyance, or in lieu thereof, by paying a mileage allowance at the Verizon Company policy rate when the use of an employee's personal vehicle has been authorized as covered in paragraph 5.2.2.

7.2.1 Employees authorized or requested by the Company to use their personal vehicles at distant locations for Company business activities will be reimbursed for miles driven in such activities at the Verizon Company policy rate. This rate shall not be less than thirty-two and a half cents (\$0.325) per mile for this contract period.

7.3 The one-way highway distance by the shortest reasonable direct route will be used by the Company in computing mileage allowances. Reimbursement of turnpike tolls will be made to employees electing to receive actual expenses.

- 7.4 Under no circumstances will a located employee qualify for per diem or mileage allowances by being temporarily assigned to a facility other than the employee's normal work facility which is located in the same town or exchange in which the employee is located or resides.
- 7.5 In the event an employee on temporary assignment becomes subject to disciplinary action requiring suspension without pay, the employee would receive per diem compensation as determined by Company management, based on the circumstances of each individual case.
- 7.5.1 For suspensions of one (1) day or less, there will be no interruption in per diem payments.
- 7.5.2 For suspensions of more than one (1) day when the employee has not been authorized the use of a personal vehicle, and return to the headquarters location would be inconvenient in the judgment of Company management, the employee will be authorized the appropriate per diem allowance for the period of the suspension, or until it becomes convenient to return the employee to the headquarters location, if that should occur before the end of the suspension.
- 7.5.3 For suspensions of more than one (1) day when the employee has been authorized use of a personal vehicle, the employee may be granted the applicable incidental meal allowances and the mileage allowance on the first day of the suspension. If return to work location requires travel on the last day of suspension, the employee would be eligible for applicable per diem for that day.
- 7.6 The Company recognizes that there may be certain special circumstances that make it impractical to apply the per diem described in paragraph 5.2.1. Examples of these cases are when travel for training or other purposes is to distant high cost locations outside the boundaries of the Company, or when unusual conditions such as tornadoes or hurricanes in the area temporarily assigned have temporarily created substantial increases in room and board expenses. In these cases, and others determined qualifying by the Company, as well as special cases where an employee is required to spend the night at a location less than forty-five (45) miles away from the employee's headquarters location, the Company retains the right to shift to an actual expense form of reimbursement.

ARTICLE 15 NET CREDITED SERVICE

Section 1. Computation of Net Credited Service

- 1.1 Current net credited service for any employee shall be determined as the date of hire or adjusted date of hire, whichever applies.

1.2 Net credited service ceases to exist coincident with discharge, release, resignation for any reason, or reclassification of a regular employee to ~~nonregular employment.~~

1.2.1 This provision will not serve to cancel net credited service previously earned by laid-off employees who accept occasional assignments during the period of layoff.

1.3 Regular employees who are reclassified as nonregular employees shall lose their net credited service and the net credited service for such employees shall be bridged only as outlined in the definition, "Net Credited Service," and as provided in this Article 15.

1.4 Net credited service will continue to accumulate during the first forty-five (45) calendar days of any layoff, but not thereafter. Seniority, however, will continue to accrue for not more than eighteen (18) calendar months for purposes of recall from layoff.

Section 2. Treatment for Part-Time Employees

2.1 The actual wage rates, progression increases, net credited service and seniority for part-time employees shall be determined by the accumulation of the actual hours worked as they relate to the normal full-time work week.

Section 3. Bridging of Net Credited Service

3.1 At the employee's request, net credited service with respect to former employees of the Company will include recognition of all prior periods of active employment after the employee has completed six (6) continuous months active employment following the employee's reemployment, except that periods of prior active employment of less than six (6) continuous months' duration will not be recognized. Such recognition will include active employment with any of the predecessors and/or affiliates of the Company. Net credited service will be computed to the nearest half month.

3.2 Active employment with nonagency operated exchanges (less than a complete company) purchased will be recognized by the Company with respect to each employee.

ARTICLE 16 SENIORITY

Section 1. Computation of Seniority

1.1 Seniority shall be computed in the same manner as net credited service.

1.2 In cases of service bridging, those portions of seniority and net credited service which pertain to prior service shall be identical.

Section 2. Application of Seniority

- 2.1 Seniority shall be the deciding factor, insofar as the ability of the employee and the conditions of the business will permit, in matters affecting assignment of hours and vacations, voluntary and involuntary transfer, promotions, layoffs, and rehiring after layoffs.
 - 2.1.1 In the application of seniority there may arise some occasions when a conflict develops by reason of two (2) or more employees possessing equal seniority. In such cases, applicable seniority will be determined by the order of dates of birth (mm/dd/yy) of each employee concerned.
- 2.2 Whenever any provision contained within this Agreement makes specific reference to application of seniority for a given circumstance, the application prescribed within that provision will prevail.
- 2.3 One employee may displace another through application of seniority only under the following circumstances:
 - 2.3.1 Force adjustment.
 - 2.3.2 Return from a leave of absence that is actual or implied, wherein reinstatement to the original job is a condition of the leave.
 - 2.3.3 Return from military service under reemployment rights established by law.
- 2.4 Nothing within this Agreement shall be construed to mean that, during application of force adjustment procedures, seniority may be applied in such manner that an employee may achieve a job assignment that is of a higher wage level than the job which the employee is vacating by reason of force adjustment.

Section 3. Transfers or Promotions

- 3.1 Employees transferred or promoted from the bargaining unit shall continue to accrue seniority.

Section 4. Training Opportunities

- 4.1 The Company agrees that opportunities for job training which would serve to equip employees for promotion to higher paid occupations within the bargaining unit will not be employed in such manner as to circumvent the seniority principles as set forth within this Article 16.
 - 4.1.1 Job training herein means formal training and, as well, informal training by experience gained in temporary assignments to higher paid occupations within the bargaining unit.

**ARTICLE 17
FORCE ADJUSTMENT**

Section 1. Definitions of Force Adjustment and of Related Terms

- 1.1 Force Adjustment means a directed reduction in the number of employees working in any given job title classification, in any division or exchange, as against the currently prevailing level.
 - 1.1.1 The provisions of 1.1 do not apply to an exchange if employees are offered a job within their title classification in an exchange that is located fifty (50) miles or less from their existing exchange within their district.
 - 1.1.2 A Force Adjustment results from a reduced need in quantity of scheduled productive work hours by reason of technological change, altered market requirements for services or products, shifts in general economic conditions, or other similar factors that may influence the conduct of the Company's business.
 - 1.1.3 Variations in the scheduling of regular part-time employees does not constitute a Force Adjustment.
- 1.2 Temporary Force Adjustment means a force adjustment that is local in nature and without immediately identifiable long-term effects.
 - 1.2.1 A temporary force adjustment is a layoff of forty-five (45) days, or less, and involves incidental variances in immediate work requirements.
- 1.3 Force Surplus means those regular employees whose status is changed by reason of a Force Adjustment.
- 1.4 Laid-Off Employees are those regular employees whose active employment is terminated by reason of a force adjustment.
 - 1.4.1 Laid-Off Employees are "employees" only with regard to recall rights set forth within this article. They are at liberty to secure other employment without loss of prescribed recall rights.

Section 2. Force Adjustment Areas

- 2.1 Unless otherwise specified, or mutually agreed upon by parties to this agreement, force adjusting will be by job title classification(s) in each Department affected, and within the exchange or Division, as the case may be.

Section 3. Temporary Force Adjustments

- 3.1 Temporary force adjustments will be made on an immediate basis according to the needs of the business and the jobs directly concerned.

- 3.2 The provisions of Section 2, Article 16, Seniority, will apply in temporary force adjustments.

Section 4. Method of Initial Force Adjustment

- 4.1 When a force adjustment, that is other than temporary, is considered necessary by the Company, layoffs will be accomplished in the following order to the extent needed within each Department and location.

4.1.1 Occasional and/or temporary employees

4.1.2 Probationary employees

4.1.3 Regular part-time employees

4.1.4 Regular employees with less than twelve (12) months' net credited service.

- 4.2 In the sequential laying off of regular part-time employees, and of regular full-time employees with less than twelve (12) months' net credited service, order of seniority will not be solely governing but, other factors being equal, inverse seniority will be followed.

4.2.1 A major factor in the determination will be the employee's exhibited relative qualifications for the job and for the Company's projected force needs.

4.2.2 Part-time employees who have been available for, and ready to accept, full-time employment will have superior privileges for retention of employment over those who are part-time by their own choice and/or availability.

Section 5. Further Force Adjustments

- 5.1 In the event that additional layoffs, or part-timing, or both become necessary, the Company and the Union may negotiate a plan for further procedure.

5.1.1 Such negotiations in process shall not serve to prevent the Company from reducing its forces during the interim period, at least on a temporary basis pending development of an alternate plan.

- 5.2 If no call is made for negotiations, or if agreement as to a mutually accepted final plan cannot be achieved within fifteen (15) calendar days after commencement of negotiations, force adjustments will be effected to the extent needed, by inverse order of seniority in the affected job title classifications.

Section 6. Force Adjustments of Non-Bargaining Unit Employees

- 6.1 Employees outside the collective bargaining unit, who are entered into

the bargaining unit as a result of a force adjustment, shall take their proper place in seniority among bargaining unit employees according to their total net credited service as established by Company records.

6.1.1 The employees so transferred will not be afforded exceptional privileges but, rather, will exercise seniority on the same basis as other bargaining unit personnel for all purposes other than bumping.

6.1.2 During the first six (6) months thereafter, such employees may exercise bumping rights only to the extent of seniority actually developed by previous employment in the bargaining unit.

Section 7. Treatment of Employees Absent at Time of Force Adjustment

7.1 For the purposes of this Article, employees absent from active employment by reason of disability and/or leave of absence shall be treated as follows:

7.1.1 When sufficient seniority exists for retention of employment, the employee's status is to remain unchanged pending otherwise availability to return to active employment.

7.1.2 When insufficient seniority exists, the employee shall be subject to layoff, the same as though the employee was actively at work.

7.1.3 Employees on leave of absence, whereunder reinstatement is not assured by the conditions of the leave, will be treated similarly but within the terms of the leave, and failure to attain reinstatement shall not be construed as a layoff.

Section 8. Notification to Union

8.1 The Company will keep the Union informed as soon thereafter as practical, of temporary force adjustments that exceed or are expected to exceed, five (5) consecutive work days.

8.2 At least twenty-one (21) calendar days' notification will be given of expected full layoff of regular full-time employees.

8.3 All notifications will be directed to the designated office of the Union by the Regional Director - Human Resources or the Division Manager or designated representative.

Section 9. Transfer and Bumping Privileges

9.1 Any force surplus regular full-time employee, or regular full-time employee who is force adjusted to regular part-time employee, having more than twelve (12) months' net credited service, shall have job transfer and/or "bumping" rights.

- 9.1.1 Such employee may file a transfer request as against a job vacancy elsewhere in the Company.
 - 9.1.2 Transfer may be to a vacant job within the bargaining unit in the same title classification but in another location, in a different title classification at the same location, or in a different title classification in another location.
- 9.2 In the application of bumping privileges under this Section 9, the following area limitations shall apply:
- 9.2.1 Employees having four (4) years' net credited service, or less, may exercise their option within the same Department and within the Division.
 - 9.2.1.1 Unlocated employees may exercise bumping privileges among unlocated employees without regard to location. Alternatively, the force surplus unlocated employee may name one (1) Division, and only one (1), within which they may attempt to exercise their privileges among located employees.
 - 9.2.2 Employees with more than four (4) years' net credited service may exercise their option within the collective bargaining unit.
- 9.3 The privilege of displacing a less senior employee to retain continuing employment is at the election of the employee subject to the following considerations:
- 9.3.1 Force surplus employees not desiring to exercise their option, do not prejudice their rights for recall from layoff under the provisions of this Article.
 - 9.3.2 Advance notification of desire to exercise their option must be given by force surplus employees to their supervisors in writing within ten (10) days of notification of layoff. Employees electing not to exercise their option prior to layoff may not recover the privilege once they are laid off.
 - 9.3.3 A force surplus employee may not exercise seniority so as to displace another who is in a higher job classification.
 - 9.3.4 Neither "shopping around" nor seeking of new job experience will be permitted. The force surplus employee may not exercise bumping elsewhere in the Division unless there is no reasonable opportunity to do so within the Exchange, likewise from the Division to the bargaining unit.
 - 9.3.4.1 Force surplus employees also may not bump into a new job title classification when there is opportunity to bump in their own classification or into one previously occupied by them.

- 9.3.4.2 When the selected job requires the force surplus ~~employee to relocate, and more than one (1) choice of~~ location is possible, the Company may exercise discretion as to permitted location, or alternate locations, based on best meeting the needs of the business, giving due weight to the employee's desires.
- 9.3.5 If the selected job is one previously held by those employees, they must be able to perform the same job currently with but minimal time for refamiliarization.
- 9.3.6 If the selected job is one not previously held by those employees, they must possess sufficient qualifications of skill, aptitude, experience, dexterity, and knowledge, in accordance with Company standards in effect at the time, so that the job can be performed with minimum additional training.
- 9.3.7 So as to avoid situations of employees of limited experience in their title classification from bumping a more seasoned employee in that same classification, force surplus employees can exercise their full seniority only if they have two (2) or more years' work time spent in that job. If they elect to seek a job of lower classification previously held by them, their time in both jobs shall be additive for purposes of this provision.
- 9.3.7.1 Force adjustments in Traffic offices, for other than Traffic operators, will be determined according to date of appointment to the position (the same as followed in choice of tours).
- 9.3.7.2 An exception will be made in the instance of Service Assistants who had, within the immediately preceding period of twelve (12) calendar months, been reclassified to Operators solely by reason of force adjustment and thereafter regained their previous position as Service Assistants. In such cases, their last date of appointment will be modified for this purpose, by adding thereto the period of time in their immediately preceding assignment.
- 9.3.8 The least senior employees in the job title classification shall be the ones who are displaced and they, in turn, then become force surplus and may exercise any privileges available to them under this Article.
- 9.3.8.1 The advance notification requirements of Section 8 of this Article are not applicable to such displacements, but, rather, will be considered as a consequence of the original force adjustment. However, it is intended that the displaced employees be given best practical advance notification that they are being bumped.

9.3.9 Costs of moving to the new location will be assumed by the employee.

9.3.10 Employees force adjusted under the provisions of this Article who are still in active regular employment status shall have retreat rights if the original job becomes open within twelve (12) months. Such employees will be given the choice of remaining where they are or returning to the original job.

Section 10. Recall From Layoff

10.1 When additions to the remaining work force are required, laid-off employees will be offered reinstatement in order of seniority to the extent that the individual can do the work.

10.1.1 Laid-off employees shall be offered reinstatement before new employees are engaged.

10.1.2 The Company is not obligated to recall former employees who have been laid off continuously for more than eighteen (18) calendar months. The Company will, however, give them preferential consideration in rehiring upon application filed by the individual.

10.2 Laid-off employees must keep the Company informed of the address at which they can be reached.

10.2.1 The Company is not obligated to go beyond the address last given by the individual.

10.3 When the Company is prepared to recall laid-off employees, a registered letter or a telegram will be directed to them at their last address on record.

10.3.1 Employees shall indicate their acceptance or rejection in writing within five (5) calendar days from the date of delivery of the message at the given address.

10.3.2 Employees must be prepared to report to work within fifteen (15) calendar days from date of delivery at the given address.

10.3.3 Failure to keep the Company posted as to address at which they can be reached, to indicate timely acceptance or rejection, or to report to work within the prescribed period, shall constitute a forfeiture of further recall rights.

10.3.3.1 Reasonable exception may be extended when temporary personal disability prevents timely acceptance of offered reinstatement. In such event the Company will decide whether to hold the vacancy open or to repeat the recall at the next suitable vacancy.

- 10.3.4 Refusal to accept recall to a job not similar in nature to the normal occupation or work of the person shall not terminate recall rights. ~~However, recall rights can be lost upon refusal to accept an offered comparable job assignment.~~ (See also Article 22, Section 4, paragraphs 4.2 and 4.3).
- 10.4 In recalling after a force adjustment, the Company will recall laid-off employees at each Exchange or Division in order of their seniority.
- 10.4.1 Employees will be recalled for departments from which they were laid off. If all positions within another department are not filled following a recall of laid-off employees from that department, then it is the Company's intention to recall employees laid off from other departments, based on seniority, ability, and qualifications.
- 10.5 When laid-off employees are recalled following a force adjustment, they shall be placed on the appropriate wage progression schedule in accordance with the following:
- 10.5.1 If the same job title is available, they shall be placed on the same position of the wage progression schedule they were on at the time of the force adjustment.
- 10.5.2 If they return to a lower rated job, or to a higher rated job, they shall be considered as reclassified from their former job with wage treatment thereby as outlined in Article 13, Section 1, 4, 5, or 6. This procedure will be applicable, as well, when relocation is involved.

Section 11. Vacations Pertaining to Force Adjustment (See Article 9 - Vacation.)

**ARTICLE 18
TOOLS AND EQUIPMENT**

Section 1. Furnishing of Tools and Equipment

- 1.1 The Company will furnish to new employees, and on a replacement basis to present employees, all tools and equipment necessary for the proper performance of the job. The Company will specify the quantity, kind, type and make of all such items to be furnished. No tools or equipment other than those furnished by the Company may be used unless specifically approved by the supervisor. Any such tool or equipment allowed will not be replaced by the Company or at Company expense.

Section 2. Employee Responsibility

- 2.1 All tools and equipment furnished by the Company will be charged to the employee, and the employee will be held responsible.

- 2.2 Employees who are furnished tools and equipment will be held responsible for the proper use, care and maintenance of these items, and will be held to an accounting of all tools and equipment at the time of replacement thereof, or upon termination of employment with the Company.

Section 3. Replacement

- 3.1 The Company will replace all tools and equipment that are broken and/or worn-out through normal wear, except those not specified as standard by the Company.
- 3.2 Tools and equipment that are lost or mistreated to the extent that they are no longer usable will be replaced by the Company, except those not specified as standard by the Company; however, the employee responsible for the items may be required at the discretion of management to pay for them, and will be billed accordingly.

Section 4. Inspection

- 4.1 The Company reserves the right of inspecting all tools and equipment at any time and condemning for further use any tools and equipment which are worn out or unfit for further use or any tools and equipment not of the kind, type or make furnished by the Company.

ARTICLE 19 SAFETY PRACTICES

Section 1. Company Policy to Provide Safe Working Conditions

- 1.1 It is the Company's policy to provide employees with safe working conditions, and the Union will cooperate with the Company to effectively carry out this policy.
- 1.2 The Company shall provide to employees, when necessary, rubber gloves for the safe performance of their job assignment.
- 1.3 In cases of emergency or disaster when employees are required to work in inclement weather, the Company shall provide if available the necessary slickers and rubber foot covering.
- 1.4 The Company shall supply rubber aprons where necessary for employees working around batteries in central offices.

ARTICLE 20 AUTHORIZED ABSENCES

Section 1. Absence for Jury, Witness or Election Duty

- 1.1 An employee shall suffer no loss in pay for reasonable absence from work for jury duty, to serve as a witness or to serve at a public election.

- 1.1.1 Reimbursement for witness duty is predicated on rendering a public service in compliance with a properly served subpoena requiring the employee to appear in court. ~~No reimbursements~~ are applicable whereunder the employee is complainant or defendant in a legal action.

Section 2. Absence for Death in the Family

- 2.1 An employee who is required to be absent from their work because of a death in their immediate family or household may be paid at their basic hourly rate for a maximum of three (3) regular working days, upon recommendation of their immediate supervisor and approval of the Division Manager, Department Head, or their designated representatives.
 - 2.1.1 The time paid for shall be limited to lost, scheduled work time, up to and including three (3) days following the funeral.
 - 2.1.2 In extenuating circumstances, an employee may be allowed up to two (2) additional working days off with pay. This additional time should be requested by the employee prior to the employee being excused from work.
 - 2.1.3 "Immediate family or household" for the purpose of this Agreement shall be interpreted to mean spouse, father, mother, brother, sister, son, daughter, son-in-law, daughter-in-law, grandfather, grandmother, grandchildren, stepmother, stepfather, or stepchildren of an employee or anyone so related to the employee's spouse or anyone who lives in the immediate household as a member of the family.
- 2.2 When it is necessary for employees to be active pallbearers, they will be paid at their basic hourly rate of pay for a maximum of one (1) tour upon proper approval.

Section 3. Time Off for Union Duties (See Article 25)

Section 4. Absence for Physical Examination Prior to Entering Armed Services

- 4.1 A maximum of one (1) day's pay at the basic hourly rate shall be allowed for time involved in taking physical examination prior to entering Armed Services.

ARTICLE 21 LEAVES OF ABSENCE

Section 1. Leave of Absence

- 1.1 A leave of absence without pay may be granted, for sufficient cause shown, to regular employees subject to service requirements and the needs of the Company.

- 1.1.1 Unless otherwise prescribed in this Agreement, each application for leave will be considered by the Company for approval or disapproval on its individual merits, taking into account all pertinent factors.
 - 1.1.2 An authorized leave will not exceed six (6) months in any one instance but it may be extended upon advance application and Company approval, where merited.
 - 1.1.3 Ordinarily a leave will not be granted to an employee having less than six (6) months' net credited service but mere achievement of six (6) months' net credited service will not of itself entitle an employee to an authorized leave of absence.
 - 1.1.4 Sick benefit credits and wage progression shall not accumulate while an employee is on leave of absence, except as covered in paragraph 2.2.
- 1.2 A leave of absence request must be submitted in writing to the employee's supervisor in advance of the time the leave of absence is wanted, indicating the reason for requesting a leave of absence and indicating the date of return to work.
- 1.3 Employees on leave of absence shall be considered to have automatically terminated their employment effective on the date when the leave of absence started, if
- 1.3.1 Their absences exceed the leave of absence granted to them by the Company or
 - 1.3.2 They accept employment with another employer or engage in a business for profit without written approval of the Company except Union business as provided in Article 25.
- 1.4 Incidental continuous absences of less than forty-five (45) days shall not be subtracted from the employee's service or cause a break in service, but when employees have been employed by the Company for less than six (6) months and have been absent from work continuously for more than thirty (30) days and are not entitled to sick benefits, their employment will be automatically terminated.
- 1.4.1 A leave of absence granted continuous with an incidental absence will become effective from the first day of absence.

Section 2. Types of Authorized Leaves of Absence

- 2.1 Leave of absence for personal affairs is a leave granted to an employee who wishes time off from work to attend to some pressing personal affair such as, but not limited to, the settlement of an estate after death in the family, pregnancy, or serious illness of a member of the immediate family.

2.2 Leave of absence for Military Service is a leave granted to an employee who enters active service in the Armed Forces of the United States. Employees taking a leave under this section will receive treatment in accordance with the Military Leave Agreement between the Union and the Company at the time of their deployment.

2.2.1 Leaves granted under this section will comply with applicable Federal and State Legislation and the Military Leave Agreement between the Union and the Company concerning the length of the leave and reinstatement after completion of service.

2.3 Leave of absence for personal illness is a leave granted to an employee who is not eligible for benefits under the Plan for Employees' Disability Benefits and because of a personal illness suffered by the employee is unable to report for regular assigned duties.

2.3.1 Leaves requested under this section may be extended for reasonable periods of time on proper Company approval.

2.3.2 The Company, at its option and at its expense, may have the employee on leave of absence for illness, report to a physician selected by the Company for a medical examination and the Company will determine whether the employee's leave of absence shall be continued, based upon the medical report submitted by the physician.

2.3.2.1 The leave of absence will terminate upon a physician's report that the individual is fit to return to work, and the individual has been notified to return with reasonable time allowed for reporting for assignment.

Section 3. Return from Leave Before Expiration of Leave

3.1 A regular employee on leave of absence and who may return to work as a nonregular employee at the discretion of the Company before the expiration of such leave, will not experience a break in service because of such nonregular employment. Such an employee is treated as a nonregular employee only while engaged on the non-regular work.

Section 4. Leave of Absence for Union Business (See Article 25)

ARTICLE 22 TERMINATION ALLOWANCE

Section 1. Eligibility

1.1 Regular full-time and regular part-time employees are eligible for termination allowance under the provisions of this Article 22.

- 1.2 Termination allowance will be paid as herein provided to eligible employees whose service with the Company is terminated by layoff, by compulsory retirement without pension, by displacement arising through technological change, or by discharge, dismissal or release without sufficiency of cause.
- 1.3 No termination allowance shall be due to an employee whose termination is the result of (a) resignation or quit by the employee, (b) death, (c) voluntary or involuntary retirement with pension, (d) transfer to another System company, (e) discharge, dismissal, or release for cause, or (f) as a result of any sale or other disposition by the Company of the exchange at which the employee is working or at which the employee is assigned to work out of, when the employee concerned is continued in the employment of the company as of the new management of the exchange.

Section 2. Computation

- 2.1 Termination Allowance will be computed as follows:
 - 2.1.1 One (1) week's pay for each completed year of net credited service up to and including five (5) years; plus
 - 2.1.2 Two (2) weeks' pay for each completed year of net credited service from six (6) years to ten (10) years, both inclusive; plus
 - 2.1.3 Three (3) weeks' pay for each completed year of net credited service from eleven (11) years to thirteen (13) years, both inclusive; plus
 - 2.1.4 Four (4) weeks' pay for each completed year of net credited service beyond thirteen (13) years
- 2.2 A week's pay for the purpose of this Article 22 shall be the normal basic rate of pay of the employee at time of termination plus any permanent differential which effectively becomes a part of the basic rate for the duties performed. Overtime and premium payments will not be considered.
- 2.3 Termination allowance for part-time employees will be computed according to the representative normal work week for each such employee.
- 2.4 Termination allowance will be exclusive of earned pay and of vacation payments to which the employee may be eligible. Furthermore, it shall be computed without regard to unemployment compensation as established by governmental programs.

Section 3. Payment Method

- 3.1 Termination allowance will be paid on a weekly basis for the hours equivalent to the employee's regular work week to the extent of the total

allowance granted. Such payment, however, shall not operate to change the effective date of termination of employment, which shall be the last day worked.

- 3.2 Lump sum payment shall be made at the employee's request conditional upon full termination of employment with no further obligation resting upon the Company with respect to that employee.

Section 4. Administration

- 4.1 Whenever an employee who has been paid termination allowance is subsequently reemployed and is again terminated, termination allowance in the instance of the second, and subsequent, terminations will be computed on the basis of total net credited service less payments previously received.
- 4.2 No termination allowance shall be due any eligible employee who fails or refuses to accept an offered comparable job assignment within the same headquarters location area without good and sufficient cause demonstrated.
- 4.2.1 If such an offer for transfer be made when the employee is receiving termination allowance payments, such payments will thereupon be discontinued.
- 4.2.2 Employees who disqualify themselves for termination allowances by refusal of available transfer opportunities will be treated as waiving all further rights to reemployment and to eligibility for or continuation of termination allowance payments.
- 4.3 Eligible employees may refuse to accept an offer of a comparable job assignment in some other headquarters location area without loss of termination allowance. However, upon such refusal, they will be treated as waiving all further rights to reemployment with the Company as otherwise provided in this agreement.

ARTICLE 23 PENSIONS

Section 1. Pension Plan

- 1.1 The pension plan for the employees of the Company covered by this Agreement shall be the plan as outlined in the booklet, "Plan for Hourly Employees' Pensions," as amended or as may be amended thereafter.

Section 2. Pension Plan Changes

- 2.1 During the term of this Agreement, the Company agrees that no changes will be made in the "Plan for Hourly Employees' Pensions" without prior concurrence of the Union.

ARTICLE 24
DEDUCTION OF UNION DUES

Section 1. Company to Deduct Dues and Initiation Fee

- 1.1 The Company agrees to make deductions of an initial initiation fee and of monthly Union membership dues from the pay of any eligible employee upon receipt from the Union of written authorization properly executed by the employee.
 - 1.1.1 The only recognized form will be that entitled "Payroll Deduction Authorization for Union Dues and Initiation Fee" as mutually agreed upon.
 - 1.1.2 The Company will forward amounts so deducted to the Secretary-Treasurer of the Union, or upon direction to the duly designated representative.

Section 2. Cancellation of Union Dues

- 2.1 It is understood that any authorization of dues deductions shall be irrevocable for the period of one (1) year from the date of the authorization or until the expiration of this Agreement, whichever first occurs. This also applies to any dues increase in such period.
 - 2.1.1 After the period of one (1) year, and prior to the expiration of the Agreement, employees may cancel and revoke their dues authorizations by giving written notice to the Company with a copy to the Union, not more than forty (40) days nor less than ten (10) days prior to the anniversary date of this Agreement.

Section 3. Suspension of Dues Deductions

- 3.1 Dues deductions shall be suspended during payroll periods in which sufficient earnings and benefits payments are not available, and such dues deductions shall be automatically resumed when there are sufficient earnings and/or benefits in the payroll period in which dues are deducted.

Section 4. Company to Furnish List

- 4.1 Each month the Company shall furnish the Union by computer tape:
 - 4.1.1 The names of employees for whom initiation fees and dues deductions are made and the amount for each employee.
 - 4.1.2 The names of employees who have dues deduction cards on file and for whom no deductions are made together with reasons therefor.
- 4.2 The Union agrees to reimburse the Company at a total service charge of fifty-five dollars (\$55.00) for each month.

Section 5. Company Liability

- 5.1 The Union agrees that the Company assumes no responsibility in connection with deductions of dues except that of forwarding monies deducted as set forth in Section 1 of this Article. It is understood and agreed that neither Verizon Southwest Incorporated nor any of its Officers or Agents shall be held liable in any way by virtue of its honoring this assignment, nor for any loss by action of the Union or its Officers.

ARTICLE 25 UNION BUSINESS AND RESPONSIBILITIES

Section 1. Union Activity on Company Time

- 1.1 Neither the Union nor its members shall carry on Union activities during time when any one of the employees involved is on duty. Insofar as this provision is concerned, relief periods and lunch periods are not considered as time on duty.

Section 2. Union Agrees Not to Coerce Employees

- 2.1 The Union agrees not to exert any coercion or intimidation on any employee because of non-membership in the Union for the purpose of inducing membership in the Union.

Section 3. Leave of Absence for Union Business

- 3.1 Employees elected or selected to full-time positions in the International or Local Union which take them from their employment with the Company, shall, upon written request to the Company, each receive leaves of absence for periods of twelve (12) months, the sum total of which shall not exceed fifteen (15) years. Upon return they shall be reemployed at work generally similar to that which they did last prior to their leaving. Employees who return shall be assigned to the same position on the wage schedule where they were working at the time their leave of absence commenced.
- 3.1.1 A request for leave of absence for Union business shall be in writing from the Union and shall be furnished to the Company at least thirty (30) calendar days in advance of the original request for leave. At least fifteen (15) calendar days notice shall be furnished to the Company in writing in advance of each subsequent twelve (12) months' leave.
- 3.1.2 Not more than eight (8) such employees shall be granted a leave of absence for Union business at a time.
- 3.1.3 Employees who are allowed a leave of absence for Union business shall take such leave without prejudice to their job rights and credited service.

- 3.1.4 Sick benefit credits and wage progression credits will not accumulate while an employee is on leave of absence for Union business. Changes in the basic hourly rate for the employee's wage step will be recognized for the purpose of pension calculations.
 - 3.1.5 Pension credits and full wage credit for pension purposes will accumulate to employees while on leave of absence for Union business.
 - 3.1.6 Employees who do not return to work as specified in their request for leave of absence shall be considered to have automatically terminated their employment effective on the date when the leave of absence started.
- 3.2 Incidental leaves of absence for Union duties. Employees of the Company who are officers of the Union Local, not to exceed eight (8) in number, may upon fifteen (15) days' written notice to the Company be granted incidental leave of absence without pay in accordance with the following, provided service requirements will permit:
- 3.2.1 A leave of absence shall be for not less than a period of thirty (30) days or more than sixty (60) days, and must run continuously.
 - 3.2.2 Any such leave of absence shall not prejudice an employee's job rights nor shall the period of such leave be deducted from an employee's credited service or cause a break in such service.
 - 3.2.3 Any portion of such leave of absence over thirty (30) days shall not be counted for wage progression purposes.
 - 3.2.4 If the Union shall request an extension of such leave of absence, such an extension shall be considered under the terms of Paragraph 3.1 (including subsections).

Section 4. Time Off for Union Duties

- 4.1 Employees of the Company who are officers or designated representatives of the Union shall, upon reasonable notice to the employee's immediate supervisor, be allowed to take time off without pay up to and including forty (40) scheduled working days per contract year, provided, however, that no more than ten (10) scheduled working days of time off granted under that section shall run consecutively.
- 4.2 Reasonable notice shall be forty-eight (48) hours. Time off, as described in Paragraph 4.1 herewith, may be granted with less than forty-eight (48) hours' notice by the employee's immediate supervisor in case of emergency if the service requirements permit. It is understood and agreed that in those cases where the Union Representative has knowledge of the need to be off in advance of forty-eight (48) hours, it is incumbent upon such Representative to give the immediate supervisor as much advance notice as possible.

- 4.3 If the Union shall request an extension of time off for Union business, such an extension shall be considered under the terms of Section 3 of this Article.
- 4.4 Employees will be allowed time off for Union duties on the basis of the total number of employees within the same job title and geographical boundary of the Operations Center or Division. At one time or during any portion of the same period, the following will apply:

Number of Employees Within the Location By Title	Number Excused
1-15	1
16-30	2
31-45	3
46-65	4
66-100	5
Over 100	6

For Union convention purposes, each year the Union may submit a list of representatives not to exceed one hundred and twenty-five (125) in number per year for whom time off is desired. Such list must be submitted at least ten (10) working days prior to the beginning date of the absence. If service requirements permit, such time off without pay not to exceed three (3) scheduled working days not to include Saturday and Sunday for each employee shall be granted. This time off shall be deducted from the forty (40) days allowable as covered under Section 4, Paragraph 4.1.

- 4.5 This section shall not apply to any joint Union-Management meeting.

Section 5. Bulletin Boards

- 5.1 The Union shall have the use of Company bulletin boards for the posting of material necessary to the conduct of its affairs or space shall be provided by the Company for Union bulletin boards to be erected by the Union.

Section 6. List of Union Representatives

- 6.1 The Union agrees to furnish and maintain a current list of its Union Representatives. Such list shall be given to the Vice President-Human Resources of the Company.

Section 7. Joint Union-Management Negotiations

- 7.1 The Company agrees to pay the basic straight time wages (maximum 40 hours per week), for up to three (3) Company employees of the Union Negotiating Committee for the month prior and the portion of the month up to and including the expiration date of the labor agreement.

- 7.1.1 The time paid for shall be limited to lost, scheduled work time.

**ARTICLE 26
COMPANY RIGHTS AND RESPONSIBILITIES**

Section 1. Rights of Management

- 1.1 This Agreement shall not limit the Company in the exercise of any of the generally recognized customary rights of management to hire new employees, to discharge for cause, to promote, demote, transfer and lay off in accordance with the provisions of this Agreement, to establish work schedules and hours of work and to discipline for violation of Company rules. All other customary management rights shall be reserved solely by the Company.

Section 2. Company Shall Determine Size of Work Force

- 2.1 The Company shall determine the size of the work force for all departments and shall make such adjustments in the size of the work force as are necessary to insure a profitable operation of the Company.

Section 3. Company Will Not Interfere With Union

- 3.1 The Company agrees not to coerce or interfere with any employee with the object of restraining membership in the Union nor to discriminate in any way against employees because of membership in the Union.

Section 4. Company to Furnish List of Employees to Union

- 4.1 Company agrees to furnish to the Union, on or before December 1, a list of all employees within the designated bargaining unit showing name, employee number, work location, job title, and seniority date.
- 4.2 The Company will provide the Union additional lists of employees, as designated in Paragraph 4.1 herewith, as requested by the Union at current net cost to the Company for production of the same. The cost is established to be sixty-five dollars (\$65.00) each throughout the principal term of this Agreement.

**ARTICLE 27
CONTRACT LABOR**

Section 1. Use of Contract Labor

- 1.1 Contract labor shall be held to nine (9) percent of the aggregate bargaining unit work force and in no case shall trouble shooting, cable splicing, plant maintenance (except any maintenance incidental to central office installation projects and construction projects), and station installation (except the installation of underground station or explosive resistant equipment unless the equipment is owned and maintained by the Company) be contracted out except in case of emergency or where

the Company makes available a minimum of ten (10) hours of overtime per week to the employees who normally perform the work in question.

Effective December 1, 2001, the minimum hours of overtime offered per week will be eight (8) hours.

1.1.1 Contract work shall not, in any case, result in the lay off or part-timing of any regular Service Department or Engineering-Construction Department employee who is qualified to do the work so contracted and provided that regular employees of the Company are willing to do the work in question.

1.1.2 This Article 27 shall not apply to installation of central office equipment, burying drops, buried placement, locating cable, non-regulated competitive bid situations, air conditioning and other service contracts.

1.1.2.1 Effective December 1, 2001, contract labor associated with buried placement will be excluded from the contract labor cap.

ARTICLE 28 GROUP INSURANCE

The benefits provided by the Group Insurance Plan in effect upon the date of signing the Agreement, as set outside in the Group Insurance booklets, will not be discontinued or amended without the agreement of the Company and the Union.

The selection of the insurance carrier, the establishment of all terms and conditions relating thereto, shall be matters resting solely within the discretion of the Company. Likewise, methods of payment, accounting procedures and administrative execution of the Plan should be matters solely within the discretion of the Company.

With respect to Hospitalization, Major Medical and Dental Insurance, the Company agrees to the following monthly premium payments during the life of this Contract:

Coverage Type	Basic Hospitalization & Major Medical Insurance
REGULAR FULL-TIME EMPLOYEES	
Employee	100% of premium
Employee + 1	100% of premium
Family	100% of premium
*REGULAR PART-TIME EMPLOYEES	
Employee	
Less than 17.5 hours per week	0% of premium
17.5 hours but less than 22.5 hours per week	50% of premium

Coverage Type	Basic Hospitalization & Major Medical Insurance
22.5 hours but less than 30 hours per week	75% of premium
30 hours per week or more	100% of premium
Employee + 1	
Same as for Employee	
Family	
Same as for Employee	

Dental		Effective 1/1/2003	Effective 1/1/2004
REGULAR FULL-TIME EMPLOYEES			
Employee	100% of premium	100% of premium	100% of premium
Employee + 1	50% of premium	75% of premium	80% of premium
Family	50% of premium	75% of premium	80% of premium
*REGULAR PART-TIME EMPLOYEES			
Employee			
Less than 17.5 hours per week	0% of premium	0% of premium	0% of premium
17.5 hours but less than 22.5 hours per week	50% of premium	50% of premium	50% of premium
22.5 hours but less than 30 hours per week	75% of premium	75% of premium	75% of premium
30 hours per week or more	100% of premium	100% of premium	100% of premium
Employee + 1			
Less than 17.5 hours per week	0% of premium	0% of premium	0% of premium
17.5 hours but less than 22.5 hours per week	25% of premium	32.5% of premium	40% of premium
22.5 hours but less than 30 hours per week	37.5% of premium	50% of premium	60% of premium
30 hours per week or more	50% premium	75% of premium	80% of premium
Family			
Same as for Employee + 1			

Dental Insurance enrollment will be an independent offering from Hospitalization and Major Medical enrollment effective July 1, 1999.

*Premium for Part-time employees applies to those hired after January 1, 1990.

ARTICLE 29
PART A
SICKNESS-DISABILITY-BENEFITS-

Section 1. Application

1.1 All regular employees of the Company shall, after a term of employment of one (1) year, qualify to receive payments under these regulations on account of physical disability to work by reason of sickness. Such payments are hereinafter referred to as Sickness Disability Benefits. Such payments shall terminate when disability ceases and shall in no case extend beyond the periods hereinafter mentioned. For the purpose of this Plan, Sickness shall include injury other than accidental injury arising out of and in the course of employment by the Company.

1.1.1 The specification "on account of physical disability to work by reason of sickness" is to be construed literally and strictly in determining eligibility in any case (except in the instance of personal injury as set forth thereafter in the same Paragraph 1.1) and the term "physical" is exclusive of mental and emotional, except as provided in Paragraph 1.1.2 following.

1.1.2 An exception will be made under circumstances of mental or emotional disorders where a qualified psychiatrist, psychologist, certified social worker-advanced clinical practitioner or licensed professional counselor shall deliver to the Company a diagnostic report with a certification that the mental or emotional disorder is sufficiently serious to prevent the employee from performing any productive work for the Company, or in cases of alcoholism, chemical dependency or drug addiction when the employee is hospitalized in facilities approved by the Company. In such instances, sickness disability benefit payments will be made conditional that the individual actively undergoes a prescribed program of treatment.

Section 2. Computation

2.1 Sickness Disability Benefits in sickness disability cases shall be as follows:

2.1.1 If the term of employment has been twelve (12) months but less than sixty (60) months - Full pay four (4) weeks, half pay thirteen (13) weeks.

2.1.2 If term of employment has been sixty (60) months but less than one hundred-twenty (120) months - Full pay thirteen (13) weeks, half pay thirteen (13) weeks.

2.1.3 If term of employment has been greater than one hundred-twenty (120) months but less than one hundred eighty (180) months -Full pay thirteen (13) weeks, half pay thirty-nine (39) weeks.

- 2.1.4. If term of employment has been greater than one hundred eighty (180) months but less than two hundred forty (240) months – Full pay twenty (20) weeks, half pay thirty-two (32) weeks.
- 2.1.5. If term of employment is greater than two hundred forty (240) months – Full pay twenty-six (26) weeks, half pay twenty-six (26) weeks.

2.2 Waiting Periods

- 2.2.1. For employees who have had more than twelve (12) months of net credited service but less than sixty (60) months, the waiting period shall be three (3) consecutive work days.
- 2.2.2. For employees who have had sixty (60) months or more of net credited service, but less than one hundred-twenty (120) months, the waiting period shall be two (2) consecutive work days.
- 2.2.3. For employees who have had one hundred-twenty (120) months but less than two hundred forty (240) months of net credited service, the waiting period shall be one (1) work day.
- 2.2.4. For employees who have had two hundred forty (240) months or more net credited service, there will be no waiting period.
- 2.2.5. Employees who have less than two hundred forty (240) months of net credited service shall have no waiting period provided the employee has not been absent due to illness for six (6) months immediately preceding the first day of absence, or the employee is admitted into a hospital, or the employee has outpatient surgery.

Section 3. Administration

- 3.1 Sickness Disability Benefits shall begin on the day determined in accordance with the schedule in this section, provided, however, that if an employee is again absent on account of sickness within two (2) calendar weeks after the termination of the first sickness, any benefits on account of such further sickness shall begin on the first day of such absence.
- 3.2 Successive periods of Sickness Disability shall be counted together as one (1) period in computing the period during which the employee shall be entitled to benefits, except that 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 and not as a part of any disability which preceded such period of thirteen (13) weeks.
- 3.3 Employees shall not be entitled to receive Sickness Disability Benefits for time for which any other payments are paid them by the Company.

- 3.3.1 An employee who is qualified for Sickness Disability Benefits, and whose condition permits reporting for work on a partial basis, shall receive payments on a proportionate basis to the ~~extent of Sickness Disability Benefits otherwise due.~~ They shall be compensated for work performed by wage payment, and by Sickness Disability Benefits for any balance of time remaining thereafter.
- 3.4 All claims for Sickness Disability Benefits to be valid must be made within sixty (60) days from the first day of absence on account of sickness.
- 3.5 Disabled employees shall keep the Company informed of their whereabouts and in case of absenting themselves from their home or normal location, written approval of absence for a specified time and the furnishing of satisfactory proof of disability becomes necessary or otherwise no benefits shall be paid for such period of absence.
- 3.6 Disabled employees shall not be entitled to benefits if they decline to have made by a physician, from time to time, such examination as the Company may deem necessary in order to ascertain the employee's condition or if they fail to give correct information respecting their condition.
- 3.7 Disabled employees must take proper care of themselves and have proper treatment. Benefits will be discontinued to employees who refuse or neglect to follow such recommendations.
- 3.8 For the purpose of administering this Plan, a tour of duty shall be defined as the entire scheduled work day of an employee. A session shall be defined as that portion of a tour of duty which occurs from the time an employee reports for work until excused for meal time or from the time returned from excused meal time until completion of scheduled day of work. A day in the waiting period shall be considered as an absence of eight (8) hours from scheduled time on one (1) day or on two (2) consecutive scheduled work days. If the absence, beginning on a scheduled work day, equals a full session (as defined above), then that session becomes a part of the waiting period in the event of continuous absence. In the application of shortened tours, the resulting number of hours shall be considered as eight (8) hours.
- 3.9 If an employee reports for duty and is forced by reason of illness to leave work after having worked any portion of a regularly assigned session, payment at basic wage rate plus applicable differentials and/or premium payments shall be made for the remainder of the regularly assigned session. Sickness Benefit Payments shall be paid beginning with the next regularly assigned session in accordance with the waiting periods as set forth in this Plan.
- 3.9.1 The benefits of this provision are intended for those eligible employees who develop disabling illnesses after reporting at the commencing time of the scheduled session. In the event of

abuse by any employee, the Company may require evidence of actual illness, and may exercise its inherent authority to maintain appropriate controls.

- 3.10 In case a holiday occurs during a period when employees are receiving Sickness Benefits, employees shall be entitled to receive their basic wage rate, plus applicable differentials and/or premium payments. If, however, the holiday should occur during a waiting period, the holiday shall not be considered as one (1) of the waiting days.

PART B ACCIDENT DISABILITY BENEFITS

Section 1. Computation of Benefits

- 1.1 The Company, as an employer, is subject to the "State Workers Compensation Laws". These laws provide, in effect, that employees who are injured in the course of their employment or while they are engaged in the business of the Company shall, during the period of their resulting disability, receive the compensation prescribed by the various laws, and accordingly the Company carries a policy of Workers' Compensation Insurance to protect its employees in compliance with these laws. Under the provisions of these laws, however, insurance compensation does not commence until after certain "waiting periods" have elapsed following the date of injury. Such waiting periods are set out below or as may be amended by legislation:

Texas: Waiting period - Seven (7) calendar days (provided if and after disability has continued for four (4) weeks after date of injury, compensation shall be paid for the first seven (7) days).

- 1.2 In order to reduce the loss of earnings which will be suffered during the disability period, the Company will pay benefits to such injured employees in accordance with the following sections:

- 1.2.1 All regular employees who are injured in the course of their employment while engaged in the business of the Company, whose claim for compensation under the "Workers' Compensation Laws" of the various states are acceptable under the terms of those laws, shall be paid an amount which when added to Workers' Compensation payments will aggregate either 100% of regular basic daily wage (full pay) or 50% of regular basic daily wage (half pay) as outlined below:
- 1.2.1.1 If the term of employment has been less than sixty (60) months - full pay twenty-six (26) weeks, half pay twenty-six (26) weeks.
- 1.2.1.2 If the term of employment has been sixty (60) months but less than one hundred twenty (120) months - full pay thirty-nine (39) weeks, half pay thirteen (13) weeks.

- 1.2.1.3 If the term of employment has been one hundred twenty (120) months or more - full pay fifty-two (52) weeks.
 - 1.2.1.4 Such disability not to extend beyond the effective date of the beginning of total and Permanent Disability under Group Life Insurance or the granting of a disability pension.
 - 1.2.1.5 The Compensation Laws of Texas provide that compensation will be paid for the first seven (7) day "waiting period" if the period of disability continues for four (4) weeks. If the period of disability extends four (4) weeks, the Company shall deduct from future payments to employees the amount in excess of that normally received by the employee for the first seven (7) calendar days.
- 1.2.2 Temporary employees will be eligible to receive full pay for only the first ten (10) work days of absence due to occupational injury.

Section 2. Administrative Instruction -Injury

- 2.1 Employees who are injured and are required to leave their work at any time during their regularly assigned session shall be paid in full at their basic wage rate, plus applicable differentials and/or premium payments for the remainder of the day and shall commence to receive benefits as provided in Section 1.1 and 1.2 of this Article with the work day following the day of their injury.
- 2.2 If an employee is injured and required to leave work during a holiday session, payment of basic wage rate, plus applicable differentials and/or premium payments shall be made.
- 2.3 Computation of weekly Workers' Compensation benefits shall be in accordance with applicable state laws.
- 2.4 In ascertaining the period during which Accident Disability Benefits shall be paid, the period of disability shall be taken as commencing upon the first day on which, because of disability, a full day's wages is not paid. Successive periods of disability from accident shall be counted together if from the same accident and separately if from different accidents.
- 2.5 Accidental injuries shall be considered as arising out of and in the course of employment only where the injury has resulted solely from accident during and in direct connection with the performance of duties to which employees are assigned in the service of the Company, or which they are directed to perform by proper authority, or involuntarily protecting the Company's property or interests, and there must be a clear and well-established history of the cause and circumstances of injury accidentally

inflicted, and they must be sufficient to have produced the alleged injury, and there must be satisfactory evidence that such injury renders the employee unable to perform their duty in the service of the Company.

PART C GENERAL PROVISIONS

- Section 1.** During the periods of Sickness or Accident Disability for which benefits are paid, employees shall not accumulate net credited service for the purpose of qualifying for benefits under this Plan.
- Section 2.** Assignment of benefits under the Plan will not be permitted or recognized.
- Section 3.** Benefits shall not be payable for both accident and sickness at the same time to the same person.
- Section 4.** Employees separated from the services of the Company shall have no claim to any benefit or allowance under the Plan unless the right to such benefit has accrued prior to such separation.
- Section 5.** "Full pay" and "half pay" for the purposes of this Plan shall be based on the number of hours per week, not including overtime, and shall be computed at the employees' basic rate of pay, plus permanent differential payments and night premium will be included if the premium was in full effect for the four (4) weeks preceding the employees' being placed on disability payroll, at the time the disability began, provided, however, that the benefits shall at no time exceed the pay the employees would receive based on their rate of pay and the general schedule of hours per week constituting a full week's service at the time the disability began.
- 5.1 "Full pay" shall be computed as above during the first seven (7) calendar days of any disability.
- 5.2 After the first seven (7) continuous calendar days of disability, "full pay" shall be computed so as to result in that net amount, after applications of taxes, which would have been payable had the employee remained at work. This computation shall be effected by deducting an amount equivalent to the total of all taxes which the Company would have been required to withhold by Federal and State laws if the payment were being made as compensation for services performed for the Company.
- 5.2.1 Such deduction shall be limited to produce an equivalent net payment to such extent as these disability benefit payments be exempt from taxes normally applicable to earnings.
- 5.2.2 The Company will not, as permitted by law, again make tax deductions from the computed net amount for later recovery by the employee.

5.3 Part-time employees shall be paid benefits at their basic wage rates, based on their average scheduled work week computed from the six (6) month period immediately preceding their disability period.

Section 6. Benefits under this Plan may be suspended or terminated in cases of conduct prejudicial to the interest of the Company.

Section 7. All employees who shall be absent from duty on account of sickness or on-the-job injury must at once notify their immediate supervisor and furnish evidence of disability satisfactory to the Company. The employee shall not be entitled to benefits for time previous to such notice unless delay shall be shown to have been unavoidable and satisfactory evidence of disability is furnished.

Section 8. Benefits shall not be payable to employees who are physically disabled by reason of injuries directly arising from employment with any other employer, nor from circumstances directly associated with the pursuit of self-employment for profit in a personal business or occupation.

8.1 For purposes of this provision, work conducted for or on behalf of the Union wherein the employee retains normal employment with the Company, even though the employee may receive incidental payments from the Union, shall not be construed as engagement with another employer.

Section 9. Whenever an employee entitled to Disability Benefits under this Plan is disabled by injury caused either intentionally or by the negligence of a third party, such employee need not elect whether to take such Disability Benefits or to pursue a remedy against such third party, but may proceed to accept applicable benefits under this Plan.

9.1 In the event that the employee elects to pursue a remedy against such third party, the Company shall have a lien on the proceeds of any recovery from such third party, whether by judgment, settlement, or otherwise, after the deduction of reasonable and necessary expenditures, including attorney's fees, incurred in effecting such recovery to the extent of the total amount of disability benefits provided by this Plan and paid.

9.2 Notice of such action by the employee against the third party shall be given within ninety (90) days thereafter to the Company. No compromise of any such course of action by the employee in an amount less than the benefits provided by the Plan shall be made in the absence of written consent of the Company.

Section 10. Disability benefits remaining unpaid for any period prior to the death of an employee shall be payable to the named beneficiary or to the estate of said employee.

**ARTICLE 30
MILITARY LEAVE AGREEMENT**

Section 1.

- 1.1 Military leaves of absence will be granted to regular employees of the Company entering military services of the United States under any law which is now in effect or may in the future be enacted by the United States.
- 1.2 Application for reemployment must be made within ninety (90) days of release from active duty. If at the time of application for reemployment by an employee who has been in the military services, no vacancy exists, one may be created by discharge, layoff, transfer or demotion, and in such cases the discharge, layoff, transfer or demotion will be in seniority order.

Section 2.

- 2.1 Regular employees, other than those employed on a regular part-time basis, who are members of the reserve components of the Armed Forces of the United States, shall be excused for a period not to exceed fourteen (14) calendar days in any calendar year to attend military training and they will be paid the difference, if any, between the total pay they received from the government for the fourteen (14) day tour of duty and their basic wage rate from the Company for ten (10) workdays, provided military pay is the lower of the two. The employee must provide a copy of his/her military orders to the supervisor prior to the commencement of leave showing the dates of the leave.
 - 2.1.1. The above maximums will be increased to fifteen (15) calendar days in any calendar year to attend military training and eleven (11) workdays pay if the employee's training begins on a Friday.
 - 2.1.2. Regular part-time employees shall be excused without pay for a period not to exceed two (2) weeks (or fifteen calendar days if the leave begins on a Friday) in any calendar year to attend military training.

Section 3. Employee Benefits Granted to Employees on Military Leave

- 3.1 Employee benefits to those regular employees who are granted military leave of absence are as follows:
 - 3.1.1 Group Life Insurance
Group Life Insurance for an employee will be continued by the Company for one hundred twenty (120) days after the beginning of the leave and then cancelled at the end of the one hundred twenty (120) day period. Upon reinstatement, the employee may have Group Life Insurance reinstated without a physical examination provided the employee makes application for such reinstatement within ninety (90) days after returning to work.

3.1.2 Pension Plan

An employee shall be given full service credit under the Plan for Employees' Pensions for the term of a military leave of absence, provided, however, that such credit shall be given only if the employee is covered by the Plan for Employees' Pensions at the time the military leave became effective.

3.1.3 Vacation

Employees who enter military service may receive a lump sum payment in lieu of vacation to which such employees were entitled at the time they leave the Company to enter military service. Upon reinstatement with the Company, vacation privileges will be reinstated and the time spent on military leave will be counted as credited service for the purposes of computing vacation eligibility.

3.1.4 Sick Leave Credit

Upon reinstatement after a military leave of absence, employees will be granted the same amount of sick benefit credit they had at the time of the beginning of the leave.

3.1.5 Service Pins

Military leave of absence service will be counted as credited service for purposes of computing service pin eligibility.

3.1.6 Telephone Concession

Telephone concessions that may be in effect at the time a military leave of absence is granted will be continued at one-half (1/2) the regular filed tariff rate for the period of the military leave. This service would normally be given only where the employee concerned had maintained a home with those dependent upon the employee for support.

3.1.7 Wages and Wage Progression

Military leave of absence service will be considered as service with the Company in the determination of credited service for purposes of scheduled wage increases or other wage purposes.

3.1.8 Seniority

An employee will accumulate net credited service for seniority during the period of military leave.

Section 4. General Provisions

4.1 An employee who is presently on military leave of absence and who is eligible for benefits upon reinstatement will be granted such benefits in accordance with the provisions of Section 3 of this Agreement.

4.2 This Agreement supersedes any and all plans or agreements covering military leave of absence of this Company or any predecessor companies.

**ARTICLE 31
CONTENTS AND VALIDATION**

Section 1. Contents of Agreement

- 1.1 This Agreement contains the entire agreement between the Company and the Union. There are no oral agreements which have not been reduced to writing for inclusion in this Agreement, and no changes shall be effective until reduced to writing and signed by an officer of the Company and by an officer of the Union.

Section 2. Federal and State Laws

- 2.1 In the event any applicable and effective Federal or State Law affects any one or more practices or provisions of this Agreement, the practices or provisions so affected shall be made to comply with the requirements of such law, and in all other respects, the Agreement shall continue in full force and effect.

**ARTICLE 32
DURATION**

Section 1. Duration of Agreement

- 1.1 This Agreement shall be effective August 16, 2001 and shall remain in effect for an initial period to and including August 15, 2004, and shall continue in effect thereafter unless terminated by a sixty (60) day prior written notice given by either party to the other, in which event this Agreement shall terminate sixty (60) days following the receipt of such notice.

Section 2. Negotiations at Ending of Initial Term

- 2.1 At any time after sixty (60) days prior to the expiration of the initial term, either party may serve written notice on the other party of its desire to negotiate revisions, changes, modifications and amendments to this Agreement. In such event, the parties agree to commence collective bargaining within thirty (30) days after receipt of such notice by other party unless mutually agreed otherwise. Both parties agree to make bona fide bargaining attempts to resolve any differences during such negotiations.
- 2.2 It is mutually agreed that no notice of termination of this Agreement shall be given by the party having given notice of desire to amend prior to thirty (30) days after the beginning of such period of bargaining upon amendments. It is further agreed, however, that a notice of termination given under this provision of this Section 2 of this Article shall be effective to terminate this Agreement thirty (30) days following receipt of such notice by the other party rather than as set forth in this Article in Section 1 thereof.

EXECUTED this 16th day of August 2001, Irving, Texas

VERIZON SOUTHWEST INCORPORATED

APPROVE:

R. B. Johnson
Director - Labor Relations West

T. J. Smith
Manager – Labor Relations

COMMUNICATIONS WORKERS OF AMERICA

APPROVE:

Donna Bentley
CWA Representative

Mike Simmons
President – CWA Local 6171

APPENDIX A**TOWN CLASSIFICATIONS****Class 1-A**

Arcola	Argyle	Azle	Bacliff
Baytown	Beach City	Bryan	Caddo Mills
Carrollton	College Station	Crosby	D/FW Airport
Denton	Dickinson	Ferris	Garland
Georgetown	Grapevine	Highlands	Hitchcock
Huffman	Irving	Justin	Keller
Kemah	League City	Lewisville	Mont Belvieu
Nassau Bay	Plano	Quinlan	Reno
Rowlett	Springtown	Stafford	Wylie

Class A

Agua Dulce	Alba	Aransas Pass	Ballinger
Bangs	Bardwell	Barnhart	Bartonville
Batson	Bells-Savoy	Ben Wheeler	Bertram
Big Lake	Big Sandy	Birthright	Bishop
Blanco	Blanket	Blessing	Bloomington
Blue Ridge	Boerne	Boling	Bonham
Brady	Brashear	Briggs	Bristol
Bronte	Brownwood	Buchanan Dam	Buda
Burnet	Burton	Caldwell	Canton
Carlsbad	Cash	Celeste	Charlotte
Christoval	Coleman	Collinsville	Comanche
Como	Coupland	Deanville	Del Rio
Devers	Dilley	Dime Box	Dorchester
Dripping Spring	East Bernard	Ector	Eden
Eldorado	Emhouse	Emory	Falfurrias
Fayetteville	Fentress	Floresville	Fredericksburg
George West	Giddings	Gillett	Gladewater
Goldthwaite	Gonzales	Gordonville	Grand Saline
Granger	Granite Shoals	Gunter	Gustine
Hallsville	Hardin	Hawkins	Henderson
Howe	Hull	Ingleside	Jackson
Jacksonville	Jarrell	Johnson City	Josephine
Jourdanton	Junction	Kilgore	Kingsland
Kosciusko	Kurten	Kyle	La Feria
La Grange	Lake Brownwood	Lavernia	Leonard
Lexington	Liberty City	Llano	London
Lone Oak	Lyford	Lytton Springs	Marble Falls
Martindale	Mason	Maypearl	McDade
Menard	Merit	Mertzon	Miles
Miller Grove	Mount Vernon	Myrtle Springs	Nevada
New Summerfield	New Waverly	Nixon	Northrup
Oakland	Odem	Orange Grove	Ozona
Paige	Paint Rock	Palacios	Palmer
Pickton	Pilot Point	Pine Mills	Point
Point Comfort	Port Lavaca	Port O'Connor	Portland
Poth	Premont	Quitman	Raymondville
Raywood	Red Springs	Rice	Rio Grande City
Roane	Robert Lee	Robstown	Roma

Rosharon
San Angelo
Schulenburg
Shirley
Somerville
Sulphur Springs
Telephone
Tivoli-Austwell
Turnertown
Venus
Webster
Whitesboro
Wilmer
Winnsboro

Round Mountain
San Gabriel
Seadrift
Smiley
Sonora
Sutherland Springs
Thorndale-Thrall
Tom Bean
Van
Wallis
Weimar
Whitewright
Wimberley
Winters

Rowena
Santa Rosa
Shepherd
Snook-Tunis
Sterling City
Taft
Three Rivers
Tow
Van Alstyne
Water Valley
Weslaco
Willis
Windom
Zephyr

Rusk
Saratoga
Sherman
Somerset
Stonewall
Tawakoni
Tioga
Trenton
Vanderbilt
Weaver
Whitehouse
Willow City
Windfield

APPENDIX B

WAGE SCHEDULE GUIDE

SCHEDULE AU

House Utilities Attendant

SCHEDULE SC

Retail Sales Consultant

SCHEDULE A

Office Clerk

SCHEDULE B

Reports and Records Clerk

SCHEDULE C

Dispatch Clerk

General Clerk

Keypunch Operator A

SCHEDULE D

Administrative Clerk

Cable Splicer Helper

Customer Service Representative

Customer Technician Intern

Equipment Installer Helper

Equipment Specialist

Facility Provisioning Assistant

Frame Worker

Garage Mechanic Helper

Ground Worker

Lead Dispatch Clerk

Multilith Operator I

Remittance Clerk

Switching Services Support Clerk

SCHEDULE DD

Customer Service Representative –
CSSC

SCHEDULE DDD

Customer Contact Sales Associate

SCHEDULE E

Business Account Representative

Business Customer Support Rep

Coin Collector/Maintainer

Customer Relations Specialist

Graphics Operator

Network Assistant

Plant Assignment Clerk

Public Access Sales Technician

SCHEDULE E (CONT)

Senior Remittance Clerk

SCHEDULE EE

Business Customer Representative

SCHEDULE F

Access Billing Representative

Access Ordering Representative

Business Sales Support Specialist

Customer Care Advocate

Customer Inquiry Advocate

Facility Provisioning Specialist

Fleet Mechanic

Garage Mechanic

Switch Provisioning Specialist

SCHEDULE G

Lineworker

SCHEDULE H

Construction Cable Splicer

Customer Zone Technician II

SCHEDULE HH

Building Services Specialist

Building Services Technician

Chief Garage Mechanic

Customer Equipment Technician

Customer Zone Technician I

Equipment Installer

Equipment Repair Technician

Facility Assigner

Fleet Technician

Monitor & Control Technician

Outside Plant Technician

SCHEDULE I

Customer Engineer – Data Application

Verizon Southwest Incorporated
Class 1-A Exchange
Wage Schedule A

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.06	7.34	7.64	7.94
1	8.07	8.39	8.73	9.08
2	8.60	8.94	9.30	9.67
3	9.18	9.55	9.93	10.33
4	9.79	10.18	10.59	11.01
5	10.44	10.86	11.29	11.74
6	11.14	11.59	12.05	12.53
7	11.89	12.37	12.86	13.37
8	12.68	13.19	13.71	14.26

Titles: Office Clerks

Verizon Southwest Incorporated
Class 1-A Exchange
Wage Schedule B

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.47	7.77	8.08	8.40
1	8.58	8.92	9.28	9.65
2	9.17	9.54	9.92	10.32
3	9.79	10.18	10.59	11.01
4	10.48	10.90	11.34	11.79
5	11.19	11.64	12.10	12.59
6	11.95	12.43	12.93	13.44
7	12.79	13.30	13.83	14.39
8	13.66	14.21	14.77	15.37

Titles: Reports & Records Clerk

Verizon Southwest Incorporated
Class 1-A Exchange
Wage-Schedule-C-

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	8.01	8.33	8.66	9.01
1	9.20	9.57	9.95	10.35
2	9.84	10.23	10.64	11.07
3	10.53	10.95	11.39	11.84
4	11.25	11.70	12.17	12.65
5	12.03	12.51	13.01	13.53
6	12.88	13.40	13.93	14.49
7	13.79	14.34	14.92	15.51
8	14.74	15.33	15.94	16.58

Titles: Dispatch Clerk, General Clerk, Keypunch Operator A

Verizon Southwest Incorporated
 Class 1-A Exchange
 Wage Schedule D.

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	8.31	8.64	8.99	9.35
1	9.59	9.97	10.37	10.79
2	10.31	10.72	11.15	11.60
3	11.11	11.55	12.02	12.50
4	11.93	12.41	12.90	13.42
5	12.83	13.34	13.88	14.43
6	13.80	14.35	14.93	15.52
7	14.81	15.40	16.02	16.66
8	15.94	16.58	17.24	17.93

Titles: Administrative Clerk, Cable Splicer Helper, Customer Service Representative, Customer Technician Intern, Equipment Installer Helper, Equipment Specialist, Facility Provisioning Assistant, Frame Worker, Garage Mechanic Helper, Ground Worker, Lead Dispatch Clerk, Multilith Operator I, Remittance Clerk, Switching Services Support Clerk

Verizon Southwest Incorporated
 Class 1-A Exchange
 -Wage-Schedule-DD-

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 2/16/03	Hourly Rate Effective 8/17/03
Start	8.31	8.64	9.16	9.34	9.72
1	9.59	9.97	10.57	10.78	11.21
2	10.31	10.72	11.37	11.59	12.06
3	11.11	11.55	12.25	12.49	12.99
4	11.93	12.41	13.15	13.41	13.95
5	12.83	13.34	14.14	14.43	15.00
6	13.80	14.35	15.21	15.52	16.14
7	14.81	15.40	16.33	16.65	17.32
8	15.94	16.58	17.57	17.92	18.64

Titles: Customer Service Representative - CSSC

Verizon Southwest Incorporated
Class 1-A Exchange
Wage Schedule DDD

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.54	7.84	8.16	8.48
1	8.69	9.04	9.40	9.78
2	9.33	9.70	10.09	10.49
3	10.06	10.46	10.88	11.32
4	10.80	11.23	11.68	12.15
5	11.62	12.08	12.57	13.07
6	12.49	12.99	13.51	14.05
7	13.42	13.96	14.52	15.10
8	14.44	15.02	15.62	16.24

Titles: Customer Contact Sales Associate

Verizon Southwest Incorporated
 Class-1-A-Exchange-
 Wage Schedule E

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	8.63	8.98	9.33	9.71
1	10.02	10.42	10.84	11.27
2	10.82	11.25	11.70	12.17
3	11.70	12.17	12.65	13.16
4	12.63	13.14	13.66	14.21
5	13.66	14.21	14.77	15.37
6	14.75	15.34	15.95	16.59
7	15.94	16.58	17.24	17.93
8	17.23	17.92	18.64	19.38

Titles: Business Account Representative, Business Customer Service Representative, Coin Collector/Maintainer, Customer Relations Specialist, Graphics Operator, Network Assistant, Plant Assignment Clerk, Public Access Sales Technician, Senior Remittance Clerk

Verizon Southwest Incorporated
Class 1-A Exchange
Wage Schedule EE

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 2/16/03	Hourly Rate Effective 8/17/03
Start	8.26	8.59	9.11	9.29	9.66
1	9.52	9.90	10.49	10.70	11.13
2	10.24	10.65	11.29	11.51	11.97
3	11.04	11.48	12.17	12.41	12.91
4	11.89	12.37	13.11	13.37	13.90
5	12.81	13.32	14.12	14.40	14.98
6	13.81	14.36	15.22	15.53	16.15
7	14.89	15.49	16.41	16.74	17.41
8	16.05	16.69	17.69	18.05	18.77

Titles: Business Customer Representative

Verizon Southwest Incorporated
~~Class 1-A-Exchange~~
 Wage Schedule F

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.30	9.67	10.06	10.46
1	10.80	11.23	11.68	12.15
2	11.69	12.16	12.64	13.15
3	12.62	13.12	13.65	14.20
4	13.63	14.18	14.74	15.33
5	14.74	15.33	15.94	16.58
6	15.93	16.57	17.23	17.92
7	17.22	17.91	18.63	19.37
8	18.60	19.34	20.12	20.92

Titles: Access Billing Representative, Access Ordering Representative, Business Sales Support Specialist, Customer Care Advocate, Customer Inquiry Advocate, Facility Provisioning Specialist, Fleet Mechanic, Garage Mechanic, Switch Provisioning Specialist

Verizon Southwest Incorporated
Class 1-A Exchange
Wage Schedule G

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.67	10.06	10.46	10.88
1	11.27	11.72	12.19	12.68
2	12.26	12.75	13.26	13.79
3	13.32	13.85	14.41	14.98
4	14.49	15.07	15.67	16.30
5	15.73	16.36	17.01	17.69
6	17.08	17.76	18.47	19.21
7	18.55	19.29	20.06	20.87
8	20.18	20.99	21.83	22.70

Titles: Lineworker

Verizon Southwest Incorporated
 Class-1-A-Exchange
 Wage Schedule H

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.71	10.10	10.50	10.92
1	11.36	11.81	12.29	12.78
2	12.38	12.88	13.39	13.93
3	13.49	14.03	14.59	15.17
4	14.71	15.30	15.91	16.55
5	16.03	16.67	17.34	18.03
6	17.47	18.17	18.90	19.65
7	19.04	19.80	20.59	21.42
8	20.76	21.59	22.45	23.35

Titles: Construction Cable Splicer, Customer Zone Technician II

Verizon Southwest Incorporated
 Class 1-A Exchange
 Wage Schedule HH

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	10.25	10.66	11.09	11.53
1	12.00	12.48	12.98	13.50
2	13.07	13.59	14.14	14.70
3	14.25	14.82	15.41	16.03
4	15.53	16.15	16.80	17.47
5	16.92	17.60	18.30	19.03
6	18.44	19.18	19.94	20.74
7	20.10	20.90	21.74	22.61
8	21.90	22.78	23.69	24.63

Titles: Building Services Specialist, Building Services Technician, Chief Garage Mechanic, Customer Equipment Technician, Customer Zone Technician I, Equipment Installer, Equipment Repair Technician, Facility Assigner, Fleet Technician, Monitor & Control Technician, Outside Plant Technician

Verizon Southwest Incorporated
 Class-1-A-Exchange-
 Wage Schedule I

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	13.98	14.54	15.12	15.73
1	15.45	16.07	16.71	17.38
2	16.61	17.27	17.97	18.68
3	17.89	18.61	19.35	20.12
4	19.28	20.05	20.85	21.69
5	20.79	21.62	22.49	23.39
6	22.43	23.33	24.26	25.23
7	24.22	25.19	26.20	27.24
8	26.17	27.22	28.31	29.44

Titles: Customer Engineer – Data Application

Verizon Southwest Incorporated
Wage Schedule SC

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	6.21	6.46	6.72	6.99
1	6.83	7.10	7.39	7.68
2	7.21	7.50	7.80	8.11
3	7.61	7.91	8.23	8.56
4	8.05	8.37	8.71	9.06
5	8.51	8.85	9.20	9.57
6	8.98	9.34	9.71	10.10
7	9.49	9.87	10.26	10.67
8	10.51	10.93	11.37	11.82

Titles: Retail Sales Consultant

Verizon Southwest Incorporated
-Wage-Schedule-AU-

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	6.79	7.06	7.34	7.64
1	7.60	7.90	8.22	8.55
2	8.14	8.47	8.80	9.16
3	8.71	9.06	9.42	9.80
4	9.34	9.71	10.10	10.51
5	10.00	10.40	10.82	11.25
6	10.73	11.16	11.61	12.07
7	11.49	11.95	12.43	12.92

Titles: House Utilities Attendant

Verizon Southwest Incorporated
Transitional Schedule
Wage Schedule A

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	6.69	7.08	7.49	7.94
1	7.72	8.15	8.59	9.08
2	8.24	8.69	9.16	9.67
3	8.78	9.26	9.78	10.33
4	9.35	9.87	10.42	11.01
5	9.98	10.53	11.12	11.74
6	10.63	11.23	11.85	12.53
7	11.34	11.98	12.65	13.37
8	12.07	12.76	13.48	14.26

Titles: Office Clerk

Verizon Southwest Incorporated
Transitional-Schedule-
Wage Schedule B

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.08	7.49	7.93	8.40
1	8.23	8.68	9.15	9.65
2	8.79	9.27	9.77	10.32
3	9.37	9.88	10.43	11.01
4	10.01	10.57	11.16	11.79
5	10.72	11.31	11.92	12.59
6	11.45	12.07	12.73	13.44
7	12.22	12.90	13.62	14.39
8	13.05	13.78	14.54	15.37

Titles: Reports & Records Clerk

Verizon Southwest Incorporated
 Transitional Schedule
 Wage Schedule C

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.63	8.06	8.52	9.01
1	8.86	9.33	9.82	10.35
2	9.42	9.94	10.48	11.07
3	10.12	10.66	11.23	11.84
4	10.82	11.40	12.00	12.65
5	11.54	12.16	12.82	13.53
6	12.36	13.03	13.73	14.49
7	13.21	13.93	14.69	15.51
8	14.11	14.88	15.70	16.58

Titles: Dispatch Clerk, General Clerk, Keypunch Operator A

Verizon Southwest Incorporated
 Transitional-Schedule_
 Wage Schedule D

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	7.92	8.37	8.84	9.35
1	9.23	9.72	10.24	10.79
2	9.91	10.44	11.00	11.60
3	10.65	11.23	11.84	12.50
4	11.45	12.07	12.72	13.42
5	12.28	12.95	13.67	14.43
6	13.22	13.94	14.70	15.52
7	14.20	14.97	15.79	16.66
8	15.25	16.09	16.98	17.93

Titles: Administrative Clerk, Cable Splicer Helper, Customer Service Representative, Customer Technician Intern, Equipment Installer Helper, Equipment Specialist, Facility Provisioning Assistant, Frame Worker, Garage Mechanic Helper, Ground Worker, Lead Dispatch Clerk, Multilith Operator I, Remittance Clerk, Switching Services Support Clerk

Verizon Southwest Incorporated
 Transitional Schedule
 Wage Schedule E

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	8.20	8.67	9.17	9.71
1	9.63	10.15	10.69	11.27
2	10.39	10.95	11.54	12.17
3	11.22	11.83	12.47	13.16
4	12.13	12.78	13.47	14.21
5	13.09	13.80	14.56	15.37
6	14.13	14.90	15.72	16.59
7	15.27	16.10	16.99	17.93
8	16.49	17.40	18.35	19.38

Titles: Business Account Representative, Business Customer Service Representative, Coin Collector/Maintainer, Customer Relations Specialist, Graphics Operator, Network Assistant, Plant Assignment Clerk, Public Access Sales Technician, Senior Remittance Clerk

Verizon Southwest Incorporated
 Transitional-Schedule—
 Wage Schedule F

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	8.82	9.33	9.88	10.46
1	10.35	10.91	11.51	12.15
2	11.17	11.79	12.45	13.15
3	12.07	12.74	13.44	14.20
4	13.04	13.76	14.52	15.33
5	14.09	14.87	15.69	16.58
6	15.23	16.07	16.96	17.92
7	16.45	17.36	18.33	19.37
8	17.77	18.76	19.80	20.92

Titles: Access Billing Representative, Access Ordering Representative, Business Sales Support Specialist, Customer Care Advocate, Customer Inquiry Advocate, Facility Provisioning Specialist, Fleet Mechanic, Garage Mechanic, Switch Provisioning Specialist

Verizon Southwest Incorporated
 Transitional Schedule
 Wage Schedule G

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.15	9.69	10.26	10.88
1	10.81	11.40	12.01	12.68
2	11.72	12.37	13.05	13.79
3	12.73	13.44	14.18	14.98
4	13.85	14.62	15.43	16.30
5	15.04	15.87	16.75	17.69
6	16.34	17.24	18.19	19.21
7	17.76	18.73	19.76	20.87
8	19.30	20.37	21.49	22.70

Titles: Lineworker

Verizon Southwest Incorporated
Transitional Schedule
Wage Schedule H

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.16	9.71	10.29	10.92
1	10.85	11.45	12.09	12.78
2	11.82	12.48	13.18	13.93
3	12.88	13.60	14.36	15.17
4	14.05	14.83	15.66	16.55
5	15.31	16.16	17.06	18.03
6	16.68	17.61	18.59	19.65
7	18.19	19.20	20.27	21.42
8	19.82	20.93	22.10	23.35

Titles: Construction Cable Splicer, Customer Zone Technician II

Verizon Southwest Incorporated
 Transitional Schedule
 Wage Schedule HH

	Current Hourly Rate Effective 2/18/01	Hourly Rate Effective 8/19/01	Hourly Rate Effective 8/18/02	Hourly Rate Effective 8/17/03
Start	9.67	10.25	10.87	11.53
1	11.45	12.09	12.77	13.50
2	12.49	13.18	13.92	14.70
3	13.60	14.36	15.16	16.03
4	14.82	15.65	16.53	17.47
5	16.15	17.05	18.01	19.03
6	17.61	18.59	19.63	20.74
7	19.20	20.27	21.40	22.61
8	20.92	22.08	23.31	24.63

Titles: Building Services Specialist, Building Services Technician, Chief Garage Mechanic, Customer Equipment Technician, Customer Zone Technician I, Equipment Installer, Equipment Repair Technician, Facility Assigner, Fleet Technician, Monitor & Control Technician, Outside Plant Technician

MEMORANDUM OF AGREEMENT
between-
Verizon Southwest Incorporated
and
Communications Workers of America

ACCESS BILLING REPRESENTATIVE

Verizon Southwest and Communications Workers of America agree to the following:

1. This title will be responsible for bill explanations, dispute resolution and receivables management of billings for wholesale services.
2. These positions will be staffed initially with the 53 Access Ordering Representatives currently performing this work in the San Angelo Access Customer Service Center. These Access Ordering Representatives will be retitled as Access Billing Representatives.
3. Future positions will be filled according to the Job Application Procedures outlined in Article 12. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations
West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

ADOPTION ASSISTANCE

1. Effective July 1, 2002, 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 incurred on or after the effective date 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 August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

R. B. Johnson
Director - Labor Relations West

Date

**COMMUNICATIONS WORKERS
OF AMERICA**

Donna Bentley
CWA Representative

Date

MEMORANDUM OF AGREEMENT
between
Verizon-Southwest-Incorporated-
and
Communications Workers of America

ARBITRATION PROCEDURE

Verizon Southwest, Incorporated and Communications Workers of America agree to the provisions concerning Arbitration Procedures set forth in this Memorandum of Agreement.

1. Whenever the Union notifies the Company in writing of its election to arbitrate a grievance pursuant to Article 3, Grievance Procedure, of the 2001 Agreement of Recognition, Bargaining Procedure and Operating Contract, and in the same writing also notifies the Company: (1) that the election to arbitrate is involved in the Union's internal appeal process, and (2) that the notice of election to arbitrate is therefore being given solely to preserve the Union's right to arbitrate in the event that the appeal is upheld, the parties agree that the running of the 90-day limit provided for in Section 9 of Article 3 shall be frozen as of the postmarked date of the written notice. Furthermore, it is understood that during the period of time the union is processing its internal appeal, the Company shall assume no back pay or other grievance liability for the grievance(s) in question.

2. With respect to any grievance as to which notice is given to the Company in accordance with the terms of Paragraph 1., above, the Union shall notify the Company promptly in writing of the outcome of its internal appeal process, and at the same time:
 - a) If the appeal is upheld, the Union shall notify the Company of its intent to proceed to arbitration, and the running of the 90-day time limit shall resume as of the postmarked date of the written notice.

 - b) If the appeal is denied, the Union shall also notify the Company of withdrawal of its previous notice election to arbitrate the subject grievance.

3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004, and shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZONSOUTHWEST
INCORPORATED**

R. B. Johnson
Director - Labor Relations West

Date

**COMMUNICATIONS WORKERS
OF AMERICA**

Donna Bentley
CWA Representative

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

BUSINESS ATTIRE

Verizon Southwest, Incorporated and Communications Workers of America recognize the necessity to enhance and promote a professional businesslike image in the highly competitive telecommunications marketplace. Therefore, standard business attire may be required of employees in classifications with customer contact, as designated by the Company. The Company will be responsible for 100% of the expenses associated with providing the required attire.

The Company will determine what the appropriate business attire will be and reserves the right to change or modify the required attire. However, such a change could not result in any cost to employees in the designated classification.

While normal wear and tear is anticipated, clothing items that are lost, misused or abused will be replaced at the employee's expense. The employee will be responsible for the normal cleaning and continued upkeep of the items provided.

It is further the intent of this Memorandum of Agreement that all employees will exercise good judgment and common sense in projecting the proper professional image appropriate for their assignment and at all times be neat, clean and well groomed.

The parties agree the provisions of this Memorandum of Agreement will be implemented only if a Verizon-wide agreement on Business Attire is not reached by September 15, 1998. Should a Verizon-wide agreement between the CWA and Verizon be reached, the provisions of such agreement will supercede the provisions of this Memorandum of Agreement.

This Memorandum of Agreement will become effective upon ratification and remain in effect until August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

**BUSINESS SOLUTIONS GROUP
INCENTIVE COMPENSATION PLAN**

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Business Solutions Group Incentive Compensation Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Business Solutions Group Incentive Compensation Plan.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

**BUSINESS SOLUTIONS GROUP
INCENTIVE COMPENSATION PLAN**

I. OVERVIEW

The Business Solutions Group Incentive Compensation Plan (hereinafter referred to as THE PLAN) described below has been developed as the standard Incentive Compensation Plan for the Verizon Southwest (Verizon SW) Business Solutions Group. It is a tool designed to maximize revenue attainment, improve quality and increase sales efficiency and productivity.

II. PLAN OBJECTIVES

- A. Increase sales of products and services.
- B. Increase small business quality results to the small business market.
- C. Reward and incent employees performing at 75% of their objectives.
- D. Increase total compensation above current levels for those employees performing above target.

III. ELIGIBILITY

The Plan is designed solely for Business Customer Representatives within the Business Solutions Group.

IV. INCENTIVE COMPENSATION STRUCTURE

The Compensation Plan is a combination of base wage plus commission, with commission paid on individual monthly sales.

A. Commission Payout

Business Customer Representative

Compensation will be based on the achievement of individual and/or team/center plan objectives.

i.e. Revenue on products/services
Quality Results

Note: Weighting for the components is determined by management

B. Minimum Quota Attainment Qualifier

Compensation payouts may be limited where management

establishes a need for a minimum quota attainment level in one or more product/service(s) category(ies).

Example:

Compensation on total revenue attainment will be capped at 110% unless 100% of monthly quota is achieved in all assigned product categories.

C. **Frequency of Payments**

Commission 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.

V. **PROGRAM TRACKING**

Results will be accumulated from the first day worked in the month to the last day worked in the month. Additions and deletions of products and services will be handled in accordance with current Business Solutions Group procedures/policies. Reasonable advance notice will be provided to employees whenever additions or deletions of products or services are made. The Company reserves the right to establish and revise the procedures/policies in accordance with business needs.

The Company agrees to meet with the Union at periodic intervals (6 months or longer) to review and provide a status report on the Plan(s). It is understood that these meetings are not intended to be negotiation sessions, but rather information sharing sessions to provide a better understanding of how this new approach to compensation is working.

VI. **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 the Business Solutions Group, Human Resources and Business Analysis. 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 the year, the employee will be eligible for all associated commissions earned.

B. Modification

The Business Solutions Group may at any time modify, in whole or in part, the provisions of the Plan. The Business Solutions Group may at any time modify objectives, product line categories, qualifiers and thresholds as business needs may dictate. Any modification shall not affect sales commissions already earned under this 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" (Appendix A).

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 participants. 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 a situation resulting in a change of volume of sales from that anticipated by management in setting objectives and incentive results that are more than 200% of objective prior to payment. Management reserves the right to adjust any portion of the Plan to bring the compensation in line with reasonable objective attainment.

H. Benefits

Generally speaking, commission payments are typically included in the calculations of many Company benefits. Appendix B

outlines those specific benefits which include or exclude commission earnings.

I. Grievance/Arbitration

The Incentive Compensation Plan shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.

J. Time Away From Work

The methodology for up-front quota adjustments includes the following:

- (1) Calculate time away from job.
Available hours less:
 - Holidays
 - Vacation per employee
 - Training hours per employee
 - Other time away from job

Other objective adjustments (which are not done up front) include the following:

- (2) Objective is adjusted and available dollars are adjusted for:
 - Sickness - five consecutive days or more
 - FMLA - five consecutive days or more
 - Union Business Unpaid - five days or more in the entire month
 - Part-time - no minimum time off-line requirement
 - New Hire
 - Other unpaid absences
- (3) Objective is adjusted and available dollars are not adjusted for:
 - Vacation - day by day
 - Union paid - day by day
 - Other paid - five (5) consecutive days or more
 - Training
 - Jury Duty
 - Military Leave
 - and, "company-paid"

K. Suspension/Termination of Plan

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

L. Compensation - Adjustments

In the event an employee or the company believe an overpayment/underpayment has occurred a Company

representative and the employee or their union representative agree to meet to review relevant facts. If it is determined that an overpayment/underpayment has occurred, the Company will appropriately adjust future sales compensation payouts to address the situation. However, the Company will not require the employee to payback any overpayment from his/her base salary. If the employee moves to a position that is not covered by a BSG 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 BSG Sales Incentive Plan.

APPENDIX A

**BUSINESS SOLUTIONS GROUP
INCENTIVE COMPENSATION PLAN
STATEMENT OF ACCEPTANCE**

The undersigned hereby acknowledges that he/she has read and fully understands the 2001 Business Solutions Group Incentive Compensation Plan and accepts the provisions thereof, and that he/she has been provided a copy of the Plan for his/her retention. Further, the undersigned acknowledges that the above mentioned Plan contains the entire understanding between the Business Solutions Group and the undersigned, and neither party shall be bound by oral or other provisions not contained herein.

The undersigned also hereby authorizes recovery for amounts paid as incentives which were not earned in accordance with the terms and conditions contained herein from future salaries, incentives, or any other appropriate remedy. The undersigned further acknowledges that incentives paid but not earned shall be treated like an indebtedness owed Verizon Southwest, Incorporated and will be recovered in full by the Company. Upon termination, the undersigned acknowledges that such indebtedness shall be a personal liability which shall survive the termination of the employment relationship, and authorizes Verizon Southwest, Incorporated to recover such indebtedness in any manner the Company deems appropriate.

<u>Date</u>	<u>Signed</u> Plan Participants
<u>Date</u>	Signed in the Presence of: <u>Supervisor – Business Solutions Group</u>
<u>Date</u>	<u>Signed</u> Manager – Business Solutions Group

APPENDIX B

WAGE-RELATED BENEFITS

YES or NO

Vacations

No

Holidays

No

Short Term Disability

No

Pension Plan

Yes

Contributory Life Insurance

Yes

Non-Contributory Life Insurance

Yes

Separation Pay

No

Hourly Savings Plan

Yes

MEMORANDUM OF AGREEMENT

Between

Verizon Southwest Incorporated
And
Communications Workers of America

COMMON CONTROL SCHEDULING

Verizon Southwest, Incorporated and Communications Workers of America agree to the following Common Control Scheduling for employees in Customer Sales and Solutions Centers, Business Solutions Groups, and Repair Resolution Centers.

1. The weekly assignments for the calendar week shall be posted to show each regular employee the scheduled days they are to work the following week beginning Sunday. This schedule shall be posted no later than 5:00 p.m. on Monday of the week preceding the period covered by the posted schedule.
2. Employees may change tour preferences any time they wish provided a card listing the new preferences is filed no later than 9:00 a.m. Thursday preceding the Monday posting of the schedule in which the change is to be effective.
3. A card listing preferences of the holiday tour will be filed by employees on the list no later than 9:00 a.m. Thursday preceding the Monday posting date. If no employees are willing to work, the Company will assign the tours by inverse order of seniority. If more employees are willing to work than needed, the Company will assign the tours by seniority.

Employees who will be scheduled to work on a holiday and the tours to be worked will be posted no later than one (1) week before the Monday posting of the affected schedule.

4. Reclassified employees shall file preference cards for their new classification no later than 9:00 a.m. Thursday preceding the Monday posting date of the schedule in which the change is to be effective.
5. A customer contact employee recalled from force adjustment, returning from leave of absence or transferring from another location or any job may be assigned for two (2) weeks, the last tour after all others have been assigned. The employee will file preference cards no later than 9:00 a.m. Thursday on the first week and assignments for the third week will be made in accordance with the employee's preferences and seniority date.

Employees may, at their own option, file a preference card prior to reporting to work. Depending on the date the preference card is filed, an assignment will be made in accordance with the employee's preference and seniority date.

6. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to Common Control Scheduling in Customer Sales and Solutions Centers, Business Solutions Groups, and Repair Resolution Centers, shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

COMPREHENSIVE MEDICAL PLAN

1. Verizon Southwest, Incorporated and the Communications Workers of America agree to continue the provisions of the Comprehensive Medical Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled, Comprehensive Medical Plan Highlights.
3. Some of the major provisions include:
 - A. Deductible Levels:
 - \$150 Employee
 - \$300 Employee plus one
 - \$450 Family
 - B. First dollar deductible on all comprehensive benefits
 - C. Out-of-pocket maximums
 - \$1,500 Employee
 - \$3,000 Employee plus one
 - \$4,500 Family Maximum
 - D. Maintenance of Benefits permitted to the level of benefits provided in the Comprehensive Medical Plan.
 - E. Continue Preferred Provider Organizations (PPOs) where available.
 - F. Lifetime benefit limits \$1,000,000. Effective July 1, 2002, lifetime benefit limits will increase to \$2,000,000.
 - G. Effective January 1, 2002, coverage under the Plan begins after ninety (90) days net credited service is achieved or the date which the employee enrolls, which ever is later.
 - H. Continue Patient Advocate.
 - I. Continue Verizon Standard Mental Health and Substance Abuse Benefit outlined in this Memorandum of Agreement.

- J. 100% payment of the covered expenses for an approved second surgical opinion, annual Pap test, biennial mammogram (for women 40 years of age or older), routine childhood immunizations and outpatient care for high risk maternity cases with no deductible.
 - K. Effective January 1, 2003, 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 24 pay periods 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.
 - L. Effective July 1, 2002, 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 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.
 - M. For eligible surviving Spouse, dependents, and registered domestic partners (RDP) of an active employee who participates in the Comprehensive Medical Plan, shall be provided medical coverage at no charge for twenty-four (24) months following the death of the employee.
4. 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. 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.

5. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Comprehensive Medical Plan, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZONSOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director – Labor Relations
West**

**Donna Bentley
CWA Representative**

Date

Date

**COMPREHENSIVE MEDICAL PLAN
HIGHLIGHTS**

<u>Benefits</u>	<u>PPO Available & Used or PPO Not Available</u>	<u>PPO Available and Not Used</u>
Hospital Services		
Room and Board	80% of semi-private charge after deductible satisfied	70% of semi-private charge after deductible satisfied
Intensive and Cardiac Care Units	80% of semi-private charge after deductible satisfied	70% of semi-private charge after deductible satisfied
Emergency Outpatient for Accidents	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Pre-admission Tests; Inpatient Services Supplies	80% of R&C after deductible satisfied	70% of R&C after deductible satisfied
Maternity	80% of R&C after deductible satisfied	70% of R&C after deductible satisfied
Professional Services		
Doctor's Surgical Charges	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Outpatient Surgery	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Doctor's Office Visits (non-routine)	80% of R&C after deductible satisfied; \$15 per visit if PPO Network is available	80% of R&C after deductible satisfied
Doctor's Office Visits (routine)	Not covered	Not covered
Doctor's Hospital Visits	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied

**COMPREHENSIVE MEDICAL PLAN
HIGHLIGHTS**

<u>Benefits</u>	<u>PPO Available & Used or PPO Not Available</u>	<u>PPO Available and Not Used</u>
Maternity	80% of R&C after deductible satisfied: \$15 per visit if PPO Network is available	80% of R&C after deductible satisfied
Other Services		
Chiropractor Services	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Diagnostic X-ray, Lab Tests	80% of R&C after deductible satisfied	70% of R&C after deductible satisfied
Radiation Therapy	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Organ Transplants	Kidney and Bone Marrow - same as hospital and surgical coverage. Individual consideration given to other transplants. Restrictions may apply to donor.	Kidney and Bone Marrow - same as hospital and surgical coverage. Individual consideration given to other transplants. Restrictions may apply to donor.
Prescription Drugs	See Prescription Drug Card and Mail Order Prescription Plan MOAs	See Prescription Drug Card and Mail Order Prescription Plan MOAs
Corrective Appliances and Artificial Limbs	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Home Rental of Durable Medical Equipment	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Oral Surgeries	80% of R&C after deductible for gingivectomies, impactions, certain cutting procedures and accidental injury to natural teeth	70% of R&C after deductible for gingivectomies, impactions, certain cutting procedures and accidental injury to natural teeth

**COMPREHENSIVE MEDICAL PLAN
HIGHLIGHTS**

<u>Benefits</u>	<u>PPO Available & Used or PPO Not Available</u>	<u>PPO Available and Not Used</u>
Voluntary Sterilization	80% of R&C after deductible satisfied	70% of R&C after deductible satisfied
Home Health Care	80% of R& C after deductible satisfied	80% of R&C after deductible satisfied
Skilled Nursing Facility	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Hospice Care	80% of R&C after deductible satisfied	80% of R&C after deductible satisfied
Second Surgical Opinion	100% of R&C; no deductible	100% of R&C; no deductible
Annual Pap Test	100% of R&C; no deductible	100% of R&C; no deductible
Biennial Mammogram (women over 40 years of age)	100% of R&C; no deductible	100% of R&C; no deductible

**VERIZON-STANDARD-MENTAL-HEALTH-AND
SUBSTANCE ABUSE BENEFIT**

<u>BENEFITS</u>	<u>IN VERIZON STANDARD MH/SA NETWORK</u>	<u>OUTSIDE VERIZON STANDARD MH/SA NETWORK</u>
Mental Health And Substance Abuse		
Inpatient 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
Outpatient up to 50 visits per calendar year	100% after \$10 co- payment per visit	\$0
Supplemental Benefit		
After annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of \$1,000,000 (Effective July 1, 2002, maximum increases to \$2,000,000.)	\$0

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

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
And
Communications Workers of America

CONSUMER SALES
INCENTIVE COMPENSATION PLAN

1. Verizon Southwest, Incorporated and Communication Workers of America agree to implement the Consumer Sales Incentive Compensation Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Consumer Sales Incentive Compensation Plan.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

R. B. Johnson
Director - Labor Relations
West

Date

**COMMUNICATIONS WORKERS
OF AMERICA**

Donna Bentley
CWA Representative

Date

**CONSUMER SALES
INCENTIVE COMPENSATION PLAN**

I. OVERVIEW

The Consumer Sales Incentive Compensation Plan (hereinafter referred to as THE PLAN) described below has been developed as the standard Incentive Compensation Plan for the Verizon Southwest, Incorporated Consumer Sales. It is a tool designed to maximize revenue attainment, improve quality and increase sales efficiency and productivity.

II. PLAN OBJECTIVES

- A. Increase sales of High Value new and non-traditional products and services.
- B. Reward sales employees competitively based on sales performance, efficiency, quality and productivity.
- C. Improve service order accuracy.
- D. Reward and incent employees performing at 75% of their objectives.
- E. Increase total compensation above current levels for those employees performing above target.

III. ELIGIBILITY

The Plan is designed solely for Customer Contact Sales Associates in Consumer Sales.

IV. INCENTIVE COMPENSATION STRUCTURE

A. **Performance Measures**

The Compensation Plan is a combination base wage plus commission, with commission paid on individual monthly sales results.

B. **Minimum Quality Attainment**

A minimum attainment level on the quality objective must be met before commission payout occurs on any of the objectives.

C. Commission Payout

Commissions are based on:

Points Per Call

Gross Sales

Efficiency - Average Handling Time (AHT)

Commission payouts are based on actual attainment on each objective at the end of each month.

The monthly objectives are assigned by management. Specific percentage attainment payout for each measure/category is determined by management.

Note: Minimum attainment level on the quality objective must be met before the employee is eligible for commission.

D. Frequency of Payments

Commission 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.

V. PROGRAM TRACKING

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

Additions and deletions of products and services will be handled in accordance with current Customer Sales procedures/policies. The Company reserves the right to establish and revise the procedures/policies in accordance with business needs.

The Company agrees to meet with the Union at periodic intervals (6 months or longer) to review and provide a status report on the Plan(s). It is understood that these meetings are not intended to be negotiation sessions, but rather information sharing sessions to provide a better understanding of how this new approach to compensation is working.

VI. 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 Consumer Sales, Human Resources and Business Analysis. 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 the year, the employee will be eligible for all associated commissions earned.

B. Modification

Consumer Sales may at any time modify, in whole or in part, the provisions of the Plan. Consumer Sales may at any time modify objectives, product line categories, qualifiers and thresholds as business needs may dictate. Any modification shall not affect sales commissions already earned under this Plan.

The annual/monthly payout associated with the Goal Attainment Percentage in the attached Payout Schedule will remain in effect for the duration of the contract.

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" (Appendix A).

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 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 sale, over which a Plan participant has no direct control and which was not, or could not, have been anticipated. The Administrative Committee is to review all incentive results that are over 200% of objective prior to payment. The Committee may approve or adjust the payment based on the circumstances of reaching over 200% of objective. Management reserves the right to adjust any portion of the Plan to bring the compensation in line with reasonable objective attainment.

H. Benefits

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

I. Grievance/Arbitration

The Incentive Compensation Plan shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.

J. Time Away From Work

The methodology for up-front quota adjustments includes the following:

- (1) Calculate time away from job.
Available hours less:
 - Holidays
 - Training hours per employee
 - Other time away from job

Other objective adjustments (which are not done up front) include the following:

(2) Objective is adjusted and available dollars are adjusted

for:

- Sickness - five consecutive days or more
- FMLA - five consecutive days or more
- Union Business Unpaid - five days or more in the entire month
- Part-time - no minimum time off-line requirement
- New hire
- Other unpaid absences

(3) Objective is adjusted and available dollars are not adjusted for:

- Vacation - day by day
- Union paid - day by day
- Other paid - five (5) consecutive days or more
 - Training
 - Jury Duty
 - Military Leave
 - "Company Paid"

K. Suspension/Termination of Plan

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

L. 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 to offset any overpayment. However, the Company will not require the employee to payback any overpayment from the employee's base salary. If the employee moves to a position that is not covered by a Consumer Sales – Incentive Compensation Plan, or is separated from the Company, the employee 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 Consumer Sales - Incentive Compensation Plan.

APPENDIX A

**CONSUMER SALES
INCENTIVE COMPENSATION PLAN
STATEMENT OF ACCEPTANCE**

The undersigned hereby acknowledges that he/she has read and fully understands the 2001 Consumer Sales Incentive Compensation Plan and accepts the provisions thereof, and that he/she has been provided a copy of the Plan for his/her retention. Further, the undersigned acknowledges that the above mentioned Plan contains the entire understanding between Consumer Sales and the undersigned, and neither party shall be bound by oral or other provisions not contained herein.

The undersigned also hereby authorizes recovery for amounts paid as incentives which were not earned in accordance with the terms and conditions contained herein from future salaries, incentives, or any other appropriate remedy. The undersigned further acknowledges that incentives paid but not earned shall be treated like an indebtedness owed Verizon Southwest, Incorporated and will be recovered in full by the Company. Upon termination, the undersigned acknowledges that such indebtedness shall be a personal liability which shall survive the termination of the employment relationship, and authorizes Verizon Southwest, Incorporated to recover such indebtedness in any manner the Company deems appropriate.

Date _____

Signed _____
Plan Participants

Date _____

Signed in the Presence of:

Supervisor – Consumer Sales

Date _____

Signed _____
Manager – Consumer Sales

APPENDIX B**WAGE-RELATED BENEFITS****YES or NO**

Employee Stock Purchase

Yes

Vacations

No

Holidays

No

Short Term Disability

No

Pension Plan

Yes

Contributory Life Insurance

Yes

Non-Contributory Life Insurance

Yes

Separation Pay

No

Hourly Savings Plan

Yes

PAYOUT SCHEDULE

Level of Attainment	Payout Percentage
QUALITY	
3 Points or less under objective	100%
3.1 - 6 Points under objective	90
6.1 - 9 Points under objective	80
Under 9 Points under objective	no payout

POINTS PER CALL (40%)
 SALES (30%)
 EFFICIENCY (30%)

<u>Goal Attainment</u>	<u>Monthly Individual Payout</u>	<u>Annual Individual Payout</u>
74.9%	\$0.00	\$0
75.0%	\$187.50	\$2,250
76.0%	\$190.00	\$2,280
77.0%	\$192.50	\$2,310
78.0%	\$195.00	\$2,340
79.0%	\$197.50	\$2,370
80.0%	\$200.00	\$2,400
.		
90.0%	\$225.00	\$2,700
.		
100.0%	\$250.00	\$3,000
101.0%	\$252.50	\$3,030
102.0%	\$255.00	\$3,060
103.0%	\$257.50	\$3,090
104.0%	\$260.00	\$3,120
105.0%	\$262.50	\$3,150
.		
150.0%	\$375.00	\$4,500
151.0%	\$377.50	\$4,530
152.0%	\$380.00	\$4,560
153.0%	\$382.50	\$4,590

NO CAP (Provided thresholds and qualifiers are met, if required)
 Goal Attainment not shown above will pay consistent with the above schedule.
 (Example: 154% = 154% X \$225 = \$385.00 monthly)
 (Example: 95% = 95% X \$225 = \$237.50 monthly)

MEMORANDUM OF AGREEMENT

between

**Verizon Southwest Incorporated
and
Communications Workers of America**

CONTRACT LABOR

Verizon Southwest, Incorporated and Communications Workers of America agree to exclude the following contract labor from the contract labor cap (cap) in Article 27:

1. Installation and Maintenance associated with Texas A&M University, University of North Texas, Texas Woman's University, Goodfellow Air Force Base, and FEMA.
2. The exclusion for Texas A&M University will be limited to two (2) occasions of thirty (30) consecutive days per year.
3. The exclusion for University of North Texas and Texas Woman's University will be limited to one occasion of thirty (30) consecutive days per year and one occasion of fifteen (15) consecutive days per year.
4. The exclusion for Goodfellow Air Force Base will be limited to one (1) occasion of fifteen (15) consecutive days per year.
5. The exclusion for FEMA will be limited to those occasions where FEMA is activated to assist in emergency/disaster situations and will not exceed a total of fifteen (15) days per occasion.
6. The aggregate bargaining unit workforce will be reduced by the number of bargaining unit employees dedicated to working in the above listed institutions for the month(s) in which the exceptions are exercised.
7. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS OF
AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

CONTRACT LABOR REPORTING

The Company and the Union agree to administer the reporting of Contract Labor by using the following specifics:

1. The base for calculating the contract labor cap (cap) will be determined monthly. The number of employees in the bargaining unit will be determined by the number of employees on the payroll in the second payroll period of each month for the succeeding month.
2. The Company will provide a summary to the Union of its utilization of contract labor on a monthly basis. This monthly summary will be an average of the weekly information compiled during the month. The company will also provide the Union weekly detail information with its monthly summary.
3. Additionally, it is agreed weekly detail will consist of the following:
 - Name or names of the contract firms.
 - Number of contract employees performing work for each contract firm.
 - Location (exchange) where work is performed.
 - Brief description of the work being performed.
 - Start/Completion date of the work order where work is being performed.
4. If the Company exceeds the cap in any given month as a result of employees not being offered overtime, the appropriate remedy will be to offer overtime (to the extent the cap was exceeded) to those employees who normally perform the work contracted at the location(s) the cap was exceeded. This overtime will be offered as job requirements warrant the need for overtime, but no later than in the month immediately succeeding the month the cap was exceeded.
5. The parties agree the provisions of this Memorandum of Agreement are subject to the grievance and arbitration procedures as outlined in the Collective Bargaining Agreement.

6. Neither the Union nor the Company waive any right existing under the National Labor Relations Act concerning access to or providing information relative to specific grievances on contract labor.
7. This Memorandum of Agreement is effective on August 16, 2001. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement relating to contract labor shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

CUSTOMER TECHNICIAN INTERN

Verizon Southwest, Incorporated and Communications Workers of America recognize the mutual goal of developing the workforce of tomorrow in the highly competitive and technological telecommunications industry. Therefore, a rotational, end-to-end, process focused developmental program is being established to produce "ready-now" candidates for anticipated technical vacancies.

The staffing of the CUSTOMER TECHNICIAN INTERN position may either be new direct hires or may be existing employees who have an interest in this developmental opportunity. Current employees selected for the program will either remain in their current wage schedule or be placed into Wage Schedule D whichever is greater. Since this is intended to be a developmental assignment, employees selected for the program may not bid on other job opportunities, unless subject to force adjustment. Upon completion of all necessary training activities, the successful completion of any testing and proficiency requirements of the developmental program, and the passing of the required tests for the CZT II position, the employee will be awarded the position of Customer Zone Technician II. The location will be determined by the Company with input from the employee, based upon availability and service requirements. This placement will occur in no more than eighteen (18) months following the date the employee entered the program.

During the program, employees will be tested periodically to determine skill, knowledge and proficiency level. A satisfactory score must be attained to continue employment in the developmental program. A direct hire may be released from employment with the Company at any time during the eighteen (18) months at the Company's discretion if he/she is not successful in passing training classes and meeting performance expectations as designated. Further, if the direct hire is unable to successfully pass the Customer Zone Technician II testing requirements within the eighteen (18) months, the Customer Technician Intern will be released from employment with the Company. Employees released as outlined in the forgoing will have no recourse through the grievance and or arbitration process as outlined in the Collective Bargaining Agreement.

A current employee who is selected to participate in this program and is unsuccessful in meeting expectations as outlined, shall be returned to their previous position and reporting location, if available. Should the previous position not be available for any reason, the participant may be placed into any other vacancy for which he/she is qualified as determined by the Company. Being qualified includes successfully passing any required job tests associated with the position. Should the employee be unsuccessful in obtaining a position, he/she will be released from the Company.

If a reduction-in-force becomes necessary, employees in this classification, who were direct hires, will not be permitted to bump into other classifications. However, they will be permitted to bid on other positions within the Company. Bumping options for current employees will be based upon their prior position before entering the program. Because of the developmental nature of this position, the classification will not be available for other employees to exercise bumping options.

The curriculum for this developmental assignment will be a combination of work related experiences, which may include but not be limited to, formal classroom training, ride-a-longs, on-the-job training and performance of actual job duties of the rotational positions. During this developmental program, employees will not be eligible for out-of-classification differentials. Because of the rotational nature of this classification, employees in this classification will not be assigned to work in a definite location or specific headquarters.

The program is intended to provide the following job and process rotations:

SERVICE FULLFILLMENT:

Job Activities
Frameworker OJT
CZT Installation/OJT

SERVICE PROVISIONING:

Job Activities
Facility Assigner/OPT/OJT
Cable Splicer/OJT
Facility Provisioning Assistant OJT
Lineworker OJT

SERVICE ASSURANCE:

Job Activities
CZTI / CZTII OJT
CZTI Switching OJT

This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson

Donna Bentley

Director - Labor Relations West

CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

DENTAL PLAN

1. Verizon Southwest, Incorporated and Communications Workers of America agree to extend the provisions of the Dental Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attached booklet, Your Dental Benefits. The annual deductible will be \$25.00 per individual for all regular and part-time employees. Effective January 1, 2003, 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).
3. Effective January 1, 2002, coverage under the Plan begins after ninety (90) days net credited service is achieved or the date which the employee enrolls, which ever is later.
- 4.. Maintenance of Benefits (MOB) permitted to the level of benefits provided in the Dental Plan.
Effective January 1, 2003:
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 person annual maximum from \$1,000 to \$1,500.
5. The monthly employee contribution shall be in accordance with Article 28 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 August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Dental Plan, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

FACILITY PROVISIONING SPECIALIST

Verizon Southwest and Communications Workers of America agree to the following:

1. This title will be responsible for the facility and inventory assignments for residential and business services order request including POTS, ISDN, Centranet, special services and CLEC/DLEC activity.
2. These positions will be staffed initially with the 12 Complex Line Assigners, 66 Plant Assignment Clerks and 4 ViViD Advocates currently performing this work in the Irving and San Angelo Assignment Provisioning Centers. These Complex Line Assigners, Plant Assignment Clerks and ViViD Advocates will be retitled as Facility Provisioning Specialists. In addition, the 66 Plant Assignment Clerks will be upgraded and placed on the appropriate step of Wage Schedule F of the current Collective Bargaining Agreement.
3. Future positions will be filled according to the Job Application Procedures outlined in Article 12. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations
West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

1. Verizon Southwest, Incorporated and Communications Workers of America agree to the provisions concerning Family and Medical Leaves of Absence under the Family and Medical Leave Act of 1993 (FMLA), 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."
 - 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, employees will be required 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, calculated on a "rolling" twelve (12) months. Effective January 1, 2002, the total period of this leave will be up to twelve (12) work weeks within a twelve (12) month period, calculated based on a twelve (12) month calendar year.
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.

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 Department 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 employees for the duration of the leave without affecting or being affected by the Article 27 (Contract Labor) of the Collective Bargaining Agreement.
9. Employees shall be required to present, to the satisfaction of the Company's Human Resources Services Department, documentation concerning the basis for the requested leave of absence. Failure to provide medical certification within fifteen (15) days of the request for leave may result in denial of leave.
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 employees, the leave period will be restricted to a total of twelve (12) work weeks for both, except to care for a child with a serious health condition or for reasons provided in 2.c.
12. While on FMLA leave, eligible employees shall continue to receive company-paid life insurance and medical/dental benefits to the extent provided to active employees.
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 workforce that may have occurred during the leave of affected employees.
16. Employees who wish to change their projected return date may request

the change and the Company will endeavor to accommodate such requests.

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 Part 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 August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

FAMILY HEALTH SYSTEM (FHS)

In a continuing effort to help contain the rising cost of medical care and improve the quality of health care for employees and their dependents, Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Family Health System (FHS), as set forth in this Memorandum Agreement.

1. For a summary of details, refer to the attachment entitled, Family Health System.
2. Some of the major provisions include:
 - A. Voluntary participation by all employees and their eligible dependents covered by the Comprehensive Medical Plan, whose principal residence is within San Angelo and within the following counties:

Tom Green	Mason	Kimble
Sutton	Howard	Callahan
Runnels	Mitchell	Glasscock
Coleman	Nolan	Sterling
Reagan	Taylor	Coke
Irion	Menard	Concho
Schleicher	McCullough	Crockett
Brown		
 - B. For employees and their eligible dependents who elect not to participate in the FHS, the provisions of the Comprehensive Medical Plan shall apply.
 - C. Employees and their eligible dependents who elect to participate in the FHS, are responsible for:
 1. A \$15 co-payment, or a \$5 co-payment for children under age 13, per FHS physician visit per day, regardless of the length of the visit or the number of visits on a given day. Outpatient diagnostic, therapeutic, and surgery services and supplies provided by Shannon Hospital are fully covered.

2. A \$15 co-payment per FHS physician visit for the first visit only for maternity as explained in Item E below.
 3. A \$25 co-payment for FHS Urgent Care Center use. Should outpatient services be required and provided by Shannon Hospital, those benefits would be fully covered.
 4. A \$50 co-payment for FHS Emergency Care Center use (waived if admitted to Shannon Hospital). Should outpatient services be required and provided by Shannon Hospital, those benefits would be fully covered. Employees and their eligible dependents who are referred to Shannon Emergency Care Centers from Shamrock Urgent Care Centers on the same day will have their twenty-five dollar (\$25.00) urgent care co-payment waived.
- D. Employees and their eligible dependents who elect to participate in the FHS will have 100% coverage for extended consultation with the FHS physician, lab work, or a referral to a FHS specialty physician on the same day of the initial \$15 co-payment visit (with the exception of maternity and other services listed on the attachment).
- E. Eligible participants will be offered a Free Babies Program which includes delivery services at no additional cost by FHS physicians for inpatient services, outpatient services, physician services and routine diagnostic testing (sonograms included, amniocentesis excluded). A fifteen dollar (\$15.00) co-payment first physician office visit will still be required. High risk pregnancies will be fully covered. Post delivery intensive care requirements will be fully covered at FHS facilities or by the Comprehensive Medical Plan.
- F. Employees and their eligible dependents may participate in a Primary Care Physician Introduction Visit once every two (2) years at no cost to the Participant. During these visits, the primary care physician will generally take the patient history, perform a basic physical and establish a physician/patient relationship.
- G. Some services not covered by FHS include, but are not limited to:
1. Services that are not medically necessary.
 2. Cosmetic procedures, except for certain congenital deformities in children or injury related deformities, as covered by the Comprehensive Medical Plan.

3. Well care, except annual well-woman exams and childhood inoculations.
 4. Surgery for eye refraction and any related expenses.
 5. Hearing aids, eye glasses, and eye exams, except injury related.
 6. Dental services, except oral surgery for traumatic injury, impacted teeth and gum or mouth disease.
 7. Custodial care.
 8. Care covered by Workers Compensation or Medicare.
 9. Care provided free, and for which the employee is not legally required to pay.
3. The Family Health Service will be administered solely in accordance with its provisions, and no matter concerning the Family Health Service or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Health Care Plan Administrator, the administration of the Family Health Service 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.
 4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Family Health Service, shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

FAMILY HEALTH SYSTEM (FHS)

<u>Benefits</u>	<u>Out-of- Network Benefits</u>	<u>FHS Network Benefits</u>
General		
Individual annual deductible	\$150	\$0
Two person annual deductible	\$300	\$0
Three (+) person deductible	\$450	\$0
Individual maximum out-of-pocket	\$1,500	\$1,500
Two person maximum out-of-pocket	\$3,000	\$3,000
Three (+) person maximum out-of-pocket	\$4,500	\$4,500
Maximum Lifetime Benefit	\$1,000,000	\$1,000,000

Patient Advocate - Penalty of \$200 for failure to call 800/334-4515

Inpatient Hospital

Hospital Days (semi-private room) (FAC)	80/20 Plan	100%
Diagnostic Lab Test, X-ray, etc. (FAC)	80/20 Plan	100%
Intensive and Coronary Care Units (FAC)	80/20 Plan	100%
Medical Services and Supplies (FAC)	80/20 Plan	100%
Operating and Recovery Rooms (FAC)	80/20 Plan	100%
Special Duty Nursing as Preauthorized (FAC)	80/20 Plan	100%
Anesthesia (FAC)	80/20 Plan	100%
Physicians and Medical Consultants (PROF)	80/20 Plan	100%
Surgical Charges (PROF)	80/20 Plan	100%
Preadmission Tests (PROF)	100% of R&C	100%

Surgery (Medically Necessary Procedures)

Physicians Surgical Charges (PROF)

Physician's Office or Outpatient Ambulatory Center	80/20 Plan	\$15 co-pay
Inpatient Hospital or Outpatient	80/20 Plan	100%

Facility Charges (FAC)

Inpatient Hospital or Outpatient Hospital or Outpatient Ambulatory Center	80/20 Plan	100%
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Physician's Office

Doctor's Visit (Covered charges (PROF) Children under age 13	80/20 Plan	\$5 co-pay
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FAMILY HEALTH SYSTEM (FHS)

<u>General</u>	<u>Out-of- Network Benefits</u>	<u>FHS Network Benefits</u>
Introductory PCP visit once every 2 yrs.	80/20 Plan	No Charge
Consultation and Treatment by a Specialist Physician (PROF)	80/20 Plan	\$15 co-pay
Lab, X-ray, and other Diagnostic Procedures (PROF) (Lab work done in the Dr.'s office included in \$15 co-pay)	80/20 Plan	\$15 co-pay
Lab, X-ray, and other Diagnostic Procedures (FAC)	80/20 Plan	100%
Allergy Testing Visit (PROF)		
Children under age 13	80/20 Plan	\$5 co-pay
Children over age 13 and adults	80/20 Plan	\$15 co-pay
Allergy Injections and Serum (PROF)	80/20 Plan	\$5 co-pay
Emergency and Urgent Care		
Ambulance Service (AMB)	80/20 Plan	*80/20 plan
Hospital Emergency Room Services (PROF & FAC)	\$50 co-pay	80/20 Plan (waived if admitted)
Urgent Care Center (PROF & FAC) (1)(Shamrock Urgent Care Center Co-pay waived if patient is referred to Shannon ER on same day)	80/20 Plan	\$25 co-pay(1)
Preventive Care Service		
Childhood Immunizations, e.g. DPT, Measles, Polio (PROF)	100% R&C	100%
Office visit, if included with childhood immunizations (PROF)	Not covered	\$5 co-pay
Annual Well-Woman Examination (PROF):		
Office visit	Not covered	100%
Pap Smear	100% R & C	100%

FAMILY HEALTH SYSTEM (FHS)

<u>Benefits</u>	<u>Out-of- Network Benefits</u>	<u>FHS Network Benefits</u>
Mammograms (one every 2 yrs. through age 49; once a year thereafter) (PROF)	100% R & C	100%
Routine Physical Exams (includes well-child visit) (PROF) (2) A "PCP introductory Visit" benefit exists for FHS	Not covered	Not covered (2)
Home Health Care (PROF)	80/20 Plan max. 52 visits/yr.	*80/20 Plan
Skilled Nursing Care Facility (FAC)	80/20 Plan 120 days/yr.	*80/20 Plan
Hospice (FAC)	80/20 Plan	*80/20 Plan
Mental Health and Substance Abuse		
Inpatient (PROF & FAC)	see Verizon Standard MH/SA Benefit	*see Verizon Std. MH/SA Benefit
Outpatient (PROF & FAC)	See Verizon Standard MH/SA Benefit	*see Verizon Std. MH/SA Benefit
(Administered by Managed Health Network 1-800-777-7991)		
Maternity Care		
Office Visit to confirm pregnancy	80/20 Plan	\$15 co-pay
Subsequent Office Visits	80/20 Plan	100%
Inpatient Hospital Delivery (PROF)	80/20 Plan	100%
Inpatient Hospital Delivery (FAC)	80/20 Plan	100%
Newborn Exam (PROF)	80/20 Plan	100%
Voluntary Sterilization (Reversal not covered) (PROF)		

FAMILY HEALTH SYSTEM (FHS)

<u>Benefits</u>	<u>Out-of- Network Benefits</u>	<u>FHS Network Benefits</u>
Outpatient	80/20 Plan	\$15 co-pay
Inpatient	80/20 Plan	100%
In-Vitro Fertilization		
Physicians Charges (PROF)	80/20 Plan	*80/20 Plan
Facility Charges (FAC)	80/20 Plan	*80/20 Plan
Artificial Insemination (See benefit description for exclusions)	80/20 Plan	*80/20 Plan
Physical Therapy	80/20 Plan	*80/20 Plan
Durable Medical Equipment (Determined to be medically necessary)	80/20 Plan	*80/20 Plan
Chiropractic Services	80/20 Plan	*80/20 Plan
Prescription Drugs		
Pharmacy	See Prescription Identification Card (PIC)	*See Prescription Identification Card (PIC)
Mail Order	See Mail Order Prescription Plan	* See Mail Order Prescription Plan

(Administered by MEDCO 1-800-GTE-RX95)

*** Not an FHS service, but is provided under the regular 80/20 plan.**

**FAC = Facility Services
PROF = Professional Services**

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

FLEET MECHANIC
FLEET TECHNICIAN

Verizon Southwest, Incorporated and Communications Workers of America agree to the following:

1. FLEET MECHANIC AND FLEET TECHNICIAN

- A. The Company will assess and communicate in these job title classifications the employee's current qualifications for the new classification. The opportunity to prepare for the certification requirement will include Company provided funding for initial testing for the required Automotive Service Excellence (ASE) certifications. The Company will provide funding for the initial retesting for the required ASE certifications.
- B. Company provided training necessary to prepare for the qualification criteria will be on Company time. Supplemental training sought by the employee through tuition aid will be on the employee's time.
- C. Employees who qualify will be reclassified to the job title classification of Fleet Mechanic or Fleet Technician as soon as practical.

Fleet Mechanics meeting the Fleet Technician qualification criteria will be reclassified to Fleet Technicians.

- 2. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement Fleet Mechanic and Fleet Technician shall terminate on August 15, 2004, and shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

FLEXIBLE REIMBURSEMENT PLAN (FRP)

1. Verizon Southwest, Incorporated and Communications Workers of America agree to make available the Flexible Reimbursement Plan (FRP).
2. For a summary of details, refer to the attached booklet, Your Reimbursement Plan.
3. Effective January 1, 2002, coverage begins after ninety (90) days net credited service is achieved or the date which the employee enrolls, whichever is later.
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 August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Flexible Reimbursement Plan, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

FORCE ADJUSTMENT

The Company and the Union agree that the following applies to force adjustments anticipated to occur during the term of this Memorandum of Agreement:

1. A maximum of thirty-one (31) employees may be "protected" from the Force Adjustment Procedure during the term of this Memorandum of Agreement. The number of "protected" employees shall be limited to fourteen (14) business customers. A list of "protected" employees and the fourteen (14) business customers shall be furnished to the Union and kept current.
2. No employee shall be "protected" on more than two occasions from a force adjustment in which the employee would have been impacted during the term of this Memorandum of Agreement.
3. The number of "protected" employees and the number of business customers outlined in Section 1 can be modified during the term of this Memorandum of Agreement by mutual agreement between the parties.
4. All other Force Adjustment issues shall be referred to a joint Union-Company committee comprised of an equal number of representatives. Any changes must be mutually agreed to between the parties.
5. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement relating to force adjustment shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless specifically agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America
FORCE ADJUSTMENT BOUNDARIES

Verizon Southwest, Incorporated and Communications Workers of America agree to the following provisions regarding the force adjustment boundaries under Article 17.

1. The division structures and boundaries for the purposes of force adjustment shall be as they exist on the effective date of this Memorandum of Agreement (see Attachment A).
2. Any changes to the division structure or boundaries listed in Attachment A will be provided to the Union.
3. The General Offices in San Angelo and Las Colinas will each be considered part of the division in which they are geographically located, for purposes of this MOA.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

DIVISION STRUCTURES AND BOUNDARIES

NORTHEAST DIVISION

Metro District

Exchange

Azle
Grapevine
Keller
Springtown

D/FW Airport
Irving
Reno

North Central District

Exchange

Argyle
Bells-Savoy
Bonham
Collinsville
Dorchester
Gordonville
Howe
Leonard
Pilot Point
Telephone
Tom Bean
Van Alstyne
Whitewright

Bartonville
Blue Ridge
Celeste
Denton
Ector
Gunter
Justin
Lewisville
Sherman
Tioga
Trenton
Whitesboro
Windom

Twin Cities District

Exchange

Carrollton
Plano
Wylie

Garland
Rowlett

Eastern District

Exchange

Alba
Ben Wheeler
Birthright
Bristol
Canton
Como
Emory
Gladewater
Hallsville
Henderson
Jacksonville
Kilgore

Bardwell
Big Sandy
Brashear
Caddo Mills
Cash
Emhouse
Ferris
Grand Saline
Hawkins
Jackson
Josephine
Liberty City

Lone Oak
Merit
Mount Vernon
Nevada
Oakland
Pickton
Point
Quitman
Rice
Rusk
Sulphur Springs
Turnertown
Venus
Whitehouse
Winfield

Maypearl
Miller Grove
Myrtle Springs
New Summerfield
Palmer
Pine Mills
Quinlan
Red Springs
Roane
Shirley
Tawakoni
Van
Weaver
Wilmer
Winnsboro

SOUTHWEST DIVISION

University District

Exchange
Burton
Caldwell
Coupland
Dime Box
Giddings
La Grange
McDade
Paige
Schulenburg
Snook-Tunis
Weimar

Bryan
College Station
Deanville
Fayetteville
Kurten
Lexington
Northrup
San Gabriel
Somerville
Thorndale-Thrall

Gulf District

Exchange
Arcola
Batson
Beach City
Crosby
Dickinson
Hardin
Hitchcock
Hull
League City
Nassau Bay
Raywood
Saratoga
Stafford
Webster

Bacliff
Baytown
Boling
Devers
East Bernard
Highlands
Huffman
Kemah
Mont Belvieu
New Waverly
Rosharon
Shepherd
Wallis
Willis

Valley District

Exchange

Agua Dulce
Bishop
Bloomington
Dilley
Floresville
Gillett
Ingleside
Kosciusko
Lavernia
Nixon
Orange Grove
Point Comfort
Port Lavaca
Poth
Raymondville
Robstown
Santa Rosa
Smiley
Sutherland Springs
Three Rivers
Weslaco

Aransas Pass
Blessing
Charlotte
Falfurrias
George West
Gonzales
Jourdanton
La Feria
Lyford
Odem
Palacios
Portland
Port O'Connor
Premont
Rio Grande City
Roma
Seadrift
Somerset
Taft
Tivoli-Austwell
Vanderbilt

West Central District

Exchange

Ballinger
Barnhart
Blanket
Bronte
Carlsbad
Coleman
Del Rio
Eldorado
Gustine
Lake Brownwood
Mason
Mertzon
Ozona
Robert Lee
San Angelo
Sterling City
Winters

Bangs
Big Lake
Brady
Brownwood
Christoval
Comanche
Eden
Goldthwaite
Junction
London
Menard
Miles
Paint Rock
Rowena
Sonora
Water Valley
Zephyr

Hill District

Exchange

Bertram
Boerne
Buchanan Dam

Blanco
Briggs
Buda

Burnet
Fentress
Georgetown
Granger
Johnson City
Kyle
Lytton Springs
Martindale
Stonewall
Willow City

Dripping Spring
Fredericksburg
Granite Shoals
Jarrell
Kingsland
Llano
Marble Falls
Round Mountain
Tow
Wimberley

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

FOUR-DAY WORKWEEK

Verizon Southwest, Incorporated and Communications Workers of America recognize that in certain administrative work units or work groups, it may be beneficial to employees and in the best interest of the business to establish a four-days-per-week, ten-hours-per-day (four-day workweek) schedule as a normal workweek.

The provisions of the Agreement of Recognition, Bargaining Procedure and Operating Contract, and any existing Union-Management agreements will continue to apply to bargaining unit employees on four-day workweek schedules except as noted in the parameters and implementation procedures listed below.

1. The Company shall determine the eligible job classifications and locations. Participation in the ten-hour, four-day week shall be determined by a majority vote of the eligible work group.

If an employee should be unable to work the ten-hour, four-day week because of overriding domestic reasons, the schedule shall not be made mandatory.

2. The Company reserves the right to revert back to a 5/8 workweek in a work group or location where the 4/10 workweek proves not to be in the Company's best interest.

Management and the Union will jointly, at the local level, work together to implement the four-day workweek schedule for a particular work group.

3. Transfers/changes to or from a four-day workweek should, when practical, be made at the beginning of the workweek.
4. The normal workweek shall consist of four, ten-hour tours. The four, ten-hour tours must be scheduled on consecutive days unless a service emergency clearly dictates an exception or the eligible work group agrees by majority vote to one non-consecutive work day. For the purposes of this Agreement a "tour" shall be defined as - "The entire scheduled work day of an employee, which will be ten (10) hours or less."
5. Overtime will be paid when an employee works in excess of ten (10) hours per day, or in excess of forty (40) hours in a workweek for employees covered under this Memorandum of Agreement.

6. Holidays

A. Designated Holidays

Whenever a designated holiday occurs during the week, management can change the 4/10 schedule to a 5/8 schedule. Employees whose schedules are not changed to a 5/8 schedule will receive ten (10) hours holiday pay.

B. Personal Holidays

These holidays will be converted to hours up to a maximum of forty hours (40) (effective January 1, 2002, forty-eight (48) hours). An employee scheduled off for a Personal Holiday will be compensated for up to ten (10) hours. The compensated hours will be deducted from the employee's total holiday hours.

Holidays must be scheduled in increments of ten (10) or eight (8) hours, unless the remaining total hours are less than eight (8) hours.

Employees with less than eight (8) hours may, with management's consent schedule the remaining hours during days off or on scheduled days and be compensated at the straight time rate only for the remaining balance of hours.

Personal Holidays scheduled on days off will not count toward the workweek for overtime purposes.

7. Absence for Jury, Witness or Election Duty will be compensated on a ten-hour basis.

Employees who are required to be absent to attend a funeral as outlined in Article 20 will receive up to ten (10) hours pay for the two (2) regular working days indicated in paragraph 2.1.

A maximum of two (2) additional days, compensated at ten (10) hours per day, may be authorized for compensation under the "Plan for Employee Disability Benefits" as outlined in Paragraph 2.1.1.

8. Employees electing to take day-at-a time vacations will do so on a four-day, ten-hour basis. In no case shall they receive in excess of forty (40) hours vacation pay per week. Weekly vacation will be taken on a five-day, eight-hour basis.

9. Incidental absences due to illness will be compensated on a ten-hour basis. Employees who are absent forty (40) scheduled hours within a workweek will receive forty (40) hours of Sickness Disability Benefits. An illness waiting day consists of ten (10) consecutive scheduled hours.

10. Employees working the four-day, ten-hour schedule will be reimbursed for evening meal expense of six dollars (\$6.00) if the employee works in excess of thirteen (13) hours that day without a meal break during the last session.
 - A. This section shall not apply to unlocated employees, employees receiving per diem expenses, or to employees eligible for an evening or night premium.
 - B. Under no circumstances will the per diem allowances set forth in Article 14, Section 6, paragraph 5.2.1 and the evening meal allowance in paragraph 9 be paid for the same day.
11. Employees working a four-day, ten-hour schedule who are assigned to a higher classification for one (1) full working hour or more shall be paid for the time worked on the temporary assignment in accordance with Article 13.
12. Disputes arising out of the application or intent of this agreement, except for paragraph 2 above, shall be subject to the Grievance and Arbitration procedure.
13. This memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

GROUP UNIVERSAL LIFE (GUL) INSURANCE

1. Verizon Southwest, Incorporated and Communications Workers of America agree to make available, without endorsement, the opportunity for employees to enroll in Group Universal Life (GUL) Insurance.
2. For a summary of details, refer to the attached booklet, Group Universal Life.
3. 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.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Group Universal Life Insurance, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

HOME DISPATCH

Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Home Dispatch Program which will operate under the following provisions.

1. The Company shall determine the eligible job classifications and work groups. The Home Dispatch Program may be presented on an individual basis or 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 thirteen (13) weeks.
3. Under this program, employees will report directly to a work site or sites and will travel on their own time. The scheduled workday will commence at the time designated by management, and the employee's scheduled tour will begin at the designated work site. The employee's first and last assignments should normally be within the exchange(s) which serves as their headquarters location. On occasions when the first or last assignment is outside the home exchange(s), employees will be paid for the reasonable time to travel from their headquarters location to the first job site or return to their headquarters location from the last job site.
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.
5. Employees must live within thirty-five (35) miles of their Headquarters locations to be eligible to participate in the Home Dispatch Program. Should the employee live beyond the thirty-five (35) mile limit, the employee and the Company may find suitable parking for the vehicle within the thirty-five (35) mile limit.
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 judgement in the use, storage and care of the Company vehicle.

8. The contents of this Memorandum of Agreement shall be subject to the Grievance and Arbitration procedures as set forth in Article 3, Grievance Procedure.
9. The Company will be responsible for providing all insurance coverage for participating employees and their assigned Company vehicle just as it does for other Company employees and vehicles during normal working hours.
10. Should an employee's headquarters location change after implementation of the Home Dispatch program, the affected employee(s) will have the option to discontinue participation in the program during the thirteen-(13) week minimum participation period.
11. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

HOURLY EMPLOYEES' PENSIONS

1. Verizon Southwest, Incorporated and Communications Workers of America agree to the provisions of the Plan for Hourly Employees' Pensions.

2. The following provisions continue to be in place:

<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 July 1, 2002, 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

4. This Agreement shall become effective as of August 16, 2001, and shall remain in effect until midnight, August 15, 2004, 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.

5. 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.

**VERIZON SOUTHWEST
INCORPORATED**

**R. B. Johnson
Director - Labor Relations West**

Date

**COMMUNICATIONS WORKERS
OF AMERICA**

**Donna Bentley
CWA Representative**

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

HOURLY SAVINGS PLAN (HSP)

1. Verizon Southwest, Incorporated and Communications Workers of America will make the Verizon Hourly Savings Plan (HSP) available to regular full or part-time hourly employees of the Company who are covered by the Collective Bargaining Agreement.
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 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, 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 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 the 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 procedure 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.
8. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the HSP, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

INCOME SECURITY PLAN (ISP)

1. Verizon Southwest, Incorporated and Communications Workers of America 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 ISP Termination Allowance:
 - A. \$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 intent of the ISP Expense Allowance is to assist the employee to defray out-of-pocket expenses which include, but are not limited to, relocation cost, tuition or training cost, or job placement.

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 paid to a regular full-time employee.

5. 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.
6. Reemployed employees must complete one (1) full year of accredited service with the Company before coming eligible again for termination benefits. In subsequent terminations to which this Agreement 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.

7. All benefits payable under the Plan are subject to legally required deductions.
8. 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.
9. 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.
10. This Agreement will be implemented prior to invoking the provisions of Article 17 (Force Adjustment) of the Collective Bargaining Agreement, when conditions set forth in Section 1 of this Agreement exist as determined by the Company.
11. 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 grievance/arbitration procedure of the Collective Bargaining Agreement.
12. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

JOB TESTING

Communications Workers of America (CWA) acknowledges Verizon Southwest, Incorporated (Verizon SW) may use standardized tests to establish employee qualifications for a job title classification.

1. Validated tests for aptitude, knowledge or skills may be utilized when employees transfer or bid into job title classifications. The Company may use such validated tests to determine qualifications for a job title classification.
2. No bargaining unit employee will be required to take a test(s) to remain qualified for their current job unless a job title classification is significantly altered, merged or amended. It is not the Company's intent to test employees for the sole purpose of removing employees from their current job classification.
3. Bargaining unit employees shall be considered to hold valid passing test scores for the tests required in their current job title classification and shall not be required to take those test(s) to be qualified for another position requiring the same test(s).
4. The current seniority provisions outlined in Article 12, Job Application Procedures and Article 17, Force Adjustment, will apply. An employee's test score however may preclude consideration for placement under the aforementioned articles. In situations where force surplus employees are seeking to displace another employee via bumping, the provisions of Article 17, Force Adjustment, will apply.
5. Any such test will be equally applied and administered to all employees covered by the Agreement between Verizon SW and CWA. The form, content, and administration of such tests, provided such tests are reasonably related to the essential functions of the particular job title classification, shall be at the sole discretion of Verizon SW.
6. Verizon SW will meet, discuss and review with appropriate CWA representatives and/or qualified outside consultants, an employee's consensus summary ratings, an employee's percentile scores, and specific standardized test validation information. In agreeing to do so, CWA agrees to ensure the confidentiality of all materials reviewed.

7. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall not survive the expiration of the Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

LIVING BENEFIT RIDER (LBR)

1. Verizon Southwest, Incorporated 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 face 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 on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

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**Donna Bentley
CWA Representative**

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MEMORANDUM OF AGREEMENT
between
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LONG TERM DISABILITY

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 Southwest, Incorporated and Communications Workers of America agree to establish a Long-Term Disability (hereinafter referred to as LTD) plan subject to the following provisions:

1. Regular full-time employees are eligible to participate in the LTD plan, subject to the following requirements:
 - A. Effective January 1, 2002, completion of ninety (90) days of continuous employment (new hires).
 - B. Effective January 1, 2002, enrollment during the first ninety (90) days of employment (new hires).
 - C. Enrollment during periods not mentioned additionally requires regular full-time employees to submit evidence of good health at their expense and subject to approval by the Plan Administrator.
 - D. When opting up or increasing the LTD benefits level, employees are required to submit evidence of good health at their expense and subject to approval by the Plan Administrator.
 - E. 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:
 - A. Up to 50% of the employee's basic monthly earnings, up to a maximum of \$3,000 per month, or
 - B. 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 Worker's Compensation (or its equivalent), primary and dependent disability or retirement benefits from the Federal Social Security Act, payments under any other State or Federal disability benefits law, Company-provided salary continuation plan (ISP, layoff allowances) or the Railroad Retirement Act, or payments under any other plan which provides income benefits.

- 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. LTD 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 care of a physician.
- A. 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 earnings potential.
 - B. Monthly benefits 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 perform.
 - C. If eligible employees become disabled prior to age sixty (60), benefits will be paid up to their sixty-fifth (65th) birthday.
 - D. 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</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

- E. Disabilities as a result of a mental health disorder, alcoholism or drug addiction, will generally result in monthly LTD benefits for no longer than twelve (12) months.
 - F. If the disability is not caused by participation in an assault, crime or illegal occupation, an intentionally self-inflicted injury, war or act of war.
 - G. If the disability does not result from Pre-existing Conditions that existed within three (3) months before the date LTD coverage began. Coverage for Pre-existing Conditions begins twelve (12) months after the coverage effective date.
5. During the period LTD benefits are paid, eligible employees will continue to receive medical, dental and life insurance coverage in accordance with the Collective Bargaining Agreement between Verizon Southwest, Incorporated and Communications Workers of America. Accredited Service will be applied toward eligible employees' pension calculations until the disability benefits end or the eligible employee retires, quits or dies.
 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 procedures set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

LUMP SUM PAYMENT OPTION

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the lump sum payment option under the Plan for Hourly Employees' Pensions (hereinafter referred to as the Plan).
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 on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

MAIL ORDER PRESCRIPTION PLAN (MOPP)

1. Verizon Southwest, Incorporated and Communications Workers of America agree to extend the provisions of the Mail Order Prescription Plan (MOPP) to regular full-time and part-time employees.
2. A 90-day prescribed supply of medication will be provided at a \$5.00 per generic prescription or \$15.00 per brand name prescription 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 this Mail Order Prescription Plan on the same basis as active employees. MOPP is not available to participants in Health Maintenance Organizations (HMO's).
4. MOPP will be administered solely in accordance with its provisions, and no matter concerning MOPP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the MOPP Carrier, the administration of MOPP 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.
5. The Company shall have the right to amend MOPP in any way, including the selection of the MOPP 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.
6. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Mail Order Prescription Plan, shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

R. B. Johnson
Director - Labor Relations West

Date

**COMMUNICATIONS WORKERS
OF AMERICA**

Donna Bentley
CWA Representative

Date

MEMORANDUM OF AGREEMENT
Between
Verizon Southwest Incorporated
And
Communications Workers of America

NETWORK ASSISTANT

Verizon Southwest, Incorporated and Communications Workers of America agree to the following:

1. The title of Network Assistant will be responsible for providing assistance to the central office based CZT I switch technician in the installation, operation, and maintenance of communications equipment such as digital and analog carrier and switching systems, microwave and associated equipment, trunking equipment, fiber optics systems, alarm systems, test equipment, etc. Also responsible for providing assistance in the repair of such equipment and systems.
2. This title is intended to be an entry level developmental position for new direct hires or existing employees that wish to be "ready now" candidates for central office based CZT I technical positions within Network Operations. Employees in this title shall be awarded the respective higher classification automatically, should the time in the Network Assistant title exceed a maximum of twenty-four (24) consecutive months of accredited service, and, the employee has successfully completed all appropriate training, CZT I prerequisite testing, and performance requirements. Staffing of the Network Assistant title is intended for workforce augmentation and not as a substitute for CO based CZT I replacement openings. An employee in the Network Assistant title will be afforded no more than two (2) opportunities to successfully complete the prerequisite CZT I testing in order to be placed in the higher classification. Provisions for those employees that are unsuccessful in meeting expectations as outlined are detailed in item 4 of this document
3. Employees in the Network Assistant title will be placed in Wage Schedule E. Since this title is intended to be a developmental position, employees in the Network Assistant title may not bid on other job opportunities, unless they are subject to force adjustment. Upon successful completion of all training, testing, and performance requirements, and the passing of the required tests for the CZT I position, the employee will be awarded the position of central office based Customer Zone Technician I. The location will be determined by the company with input from the employee, based upon availability and service requirements.
4. If an employee in the Network Assistant title is a direct hire and is unable to successfully meet expectations as outlined, the employee will be released from employment with the Company. Employees released as outlined in the forgoing will have no recourse through the grievance and/or arbitration

process as outlined in the Collective Bargaining Agreement.

An existing employee who accepts the Network Assistant title and is unsuccessful in meeting expectations as outlined, shall be returned to their previous position and reporting location, if available. Should the previous position not be available for any reason, the employee may be placed into any other vacancy for which he/she is qualified as determined by the Company. Being qualified includes successfully passing any required job test associated with the position. Should the employee be unsuccessful in obtaining a position, the employee will be released from the Company,

5. Network Assistant positions will be filled according to the Job Application Procedures outlined in Article 12. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.
6. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004 and shall not survive the expiration of this Memorandum of Agreement.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations
West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

NON-PRECEDENT SETTING AGREEMENT

Verizon Southwest, Incorporated (Verizon SW) and Communications Workers of America (CWA) agree to continue a non-precedent setting arrangement for grievances heard at the first step of the grievance procedure.

1. The resolution of these grievances shall not be binding on either party and cannot be used as precedent-setting examples in future disputes between the Company and the Union.
2. This Memorandum of Agreement is not intended to circumvent existing contract language but is intended to allow for an increased problem-solving environment on those issues which are more localized in nature.
3. The Company and the Union agree that this Agreement is not intended to encourage the filing of grievances but is intended to encourage and reinforce a problem-solving environment in the day-to-day relationships between the parties.
4. This Memorandum of Agreement is effective August 16, 2001, and may be terminated by either party with a thirty (30) day written notification to the other.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

ON-CALL PREMIUM PAY

Verizon Southwest, Incorporated and Communications Workers of America agree to continue the following On-Call guidelines:

1. Management will utilize the on-call plan to primarily respond to the following customer service issues:
 - Switch/Processor Outages
 - Single Line Business Outages
 - Direct Management of Quality (DMOQ) - Customer Lines of Business
 - Toll Degradation and Isolations
 - Government Accounts
 - Top 50 Southwest Company Accounts
 - E-911 Services
 - Emergency Services
 - Acts of God
 - Public and Health Emergencies

Construction personnel would not normally be required to hold themselves available for on-call schedules.

2. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PAYROLL DEDUCTION FOR COPE

Verizon Southwest, Incorporated and Communications Workers of America agree to implement the following provisions for the payroll deduction of CWA COPE (Committee on Political Education).

1. The Company will make collection of CWA/PAC funds once each month through payroll deduction from employee's pay, upon receipt of a written authorization form signed by the individual employee and delivered by the Union to the respective Company.
2. The Company also agrees to remit the amounts so deducted to the designated representative of the Union, and to furnish the Union one (1) copy of the list of employees for whom such deductions have been made and the amount of each deduction. The Company also agrees to furnish the Union one (1) copy of a list of employees for whom no deductions have been made together with the reasons therefor.
3. The Company shall bear the full cost of the undertaking set forth herein except that the Union agrees to furnish the CWA/PAC deduction authorization forms.
4. The Union agrees to hold harmless and indemnify the Company against liabilities resulting from the process of CWA/PAC collection from the employees and subsequent transfer to the Union.
5. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless specifically agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PERSONAL LINES OF INSURANCE

1. Verizon Southwest, Incorporated 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 difference 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.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

POINT OF SERVICE (POS) PLAN FOR DALLAS/FORT WORTH AREA

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the provisions of the Point of Service (POS) Plan for Dallas/Ft. Worth Area set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled, Point of Service (POS) Plan for Dallas/Ft. Worth Area.
3. Some of the major provisions include:
 - A. A network of managed care providers has been established to provide benefits as outlined in "Network Benefits."
 - B. Employees whose principal residence is in network areas, who opt to use non-network providers, will receive benefits as outlined in "Non-Network" benefits.
 - C. Employees whose principal residence is outside any and all "Network Areas" will receive benefits as outlined in "Comprehensive Medical Plan," unless they opt to enroll in an established "Network Area."
 - D. First dollar deductible benefits where applicable.
 - E. Maintenance of Benefits permitted to the level of benefits provided in the POS Plan where applicable.
 - F. Continue Patient Advocate where applicable.
 - G. Continue Verizon Standard Mental Health and Substance Abuse Benefit as outlined in this Memorandum of Agreement where applicable.
 - H. Effective January 1, 2002, coverage under the Plan begins after ninety (90) days net credited service is achieved or the date, which the employee enrolls, whichever is later.
 - I. Effective January 1, 2003, 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 24 pay periods 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.

- J. Effective July 1, 2002, a hearing aid benefit will be added to the Point of Service 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 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.
 - K. For eligible surviving spouse, dependents, and registered domestic partners (RDP) of an active employee who participates in the Point of Service Plan, shall be provided medical coverage at no charge for twenty-four (24) months following the death of the employee.
- 4. The Point of Service (POS) Plan will be administered solely in accordance with its provisions and no matter concerning the Point of Service (POS) Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Health Care Plan Administrator, the administration of the Point of Service (POS) 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.
 - 5. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Point of Service (POS) Plan shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

Point of Service (POS) Plan for Dallas/Fort Worth Area

<u>Benefits</u>	<u>Network Benefits</u>	<u>Non- Network Benefits</u>
General:		
Individual annual deductible	None	\$350
Two person annual deductible	None	\$700
Three (+) person deductible	None	\$1,050
Individual maximum out-of-pocket	None	\$2,000
Two person maximum out-of-pocket	None	\$4,000
Three (+) person max out-of-pocket	None	\$6,000
Maximum lifetime benefits- active employee	\$1,000,000 (Effective July 1, 2002, maximum increases to \$2,000,000.)	\$1,000,000 (Effective July 1, 2002, maximum increases to \$2,000,000.)
Hospital Services - Inpatient:		
(Acute) Semi-pvt. Room, ICU; etc.	Fully covered	75% of R&C
(Psych) Semi-pvt room; etc.	Verizon Standard Mental Health/Substance Abuse (MH/SA) Benefit	\$0
(Chemical Dep) Semi-pvt.	Verizon Standard MH/SA Benefit	\$0
Hospital Services - Outpatient:		
Surgery (service & supplies)	Fully covered	75% of R&C
Emergency Room (for medically necessary services)	\$50 co-pay, waived if admitted	75% of R&C
Urgent Care	\$25 co-pay	75% of R&C
Radiology & Laboratory	Fully covered	75% of R&C
Physician Services:		

Point of Service (POS) Plan for Dallas/Fort Worth Area

<u>Benefits</u>	<u>Network Benefits</u>	<u>Non-Network Benefits</u>
Surgeon and asst. surgeon	Fully covered	75% of R&C
Anesthetist, phys. hosp. visits	Fully covered	75% of R&C
Physician home or office visits	FC after \$25 co-pay	75% of R&C
Radiology & Laboratory	Fully covered	75% of R&C
Physiotherapist	Fully covered	75% of R&C
Alternative Care:		
Home health care	Fully covered	75% of R&C
Hospice care	Fully covered	75% of R&C
Skilled nursing facility	100 day annual limit	75% of R&C up to 60 days/year
Birthing Center	Fully covered	75% of R&C
Psychiatric or chemical dependency treatment in approved facility	Verizon Standard MH/SA Benefit	\$0
Other Services:		
Ambulance	Fully covered	75% of R&C
Blood	Fully covered	75% of R&C
Prosthetics and durable medical equipment	Fully covered	75% of R&C
Private duty nursing	Fully covered if ordered by primary care physician	75% of R&C \$10,000 annual limit

Point of Service (POS) Plan for Dallas/Fort Worth Area

<u>Benefits</u>	<u>Network Benefits</u>	<u>Non-Network Benefits</u>
Dental care *Coverage: Dental bone fractures and oral surgery for malignancies. Not to include routine dental services, restorative or cosmetic surgery, or TMJ.	See comment*	75% of R&C
Outpatient psychiatric	Verizon Standard MH/SA Benefit	\$0
Outpatient chemical dependency	Verizon Standard MH/SA Benefit	\$0
Chiropractic Care	FC after \$25 co-pay if ordered by primary care physician	50% of R&C \$10,000 annual limit
Podiatry	FC after \$25 visit if ordered by primary care physician	75% of R&C
Prescription drugs - carry out	\$7-\$10 co-pay; Mandatory Class A generic Substitution Network Pharmacies only	0% non-network pharmacy, except in an emergency or where non-network pharmacy is available: (\$7-\$10 co-pay mandatory Class A generic substitution; Network pharmacies only)

Point of Service (POS) Plan for Dallas/Fort Worth Area

<u>Benefits</u>	<u>Network Benefits</u>	<u>Non-Network Benefits</u>
Prescription drugs - mail order	\$5-\$10 co-pay; no deductible; up to 90 day supply	Not applicable
Newborn Exam	Fully covered	75% for one inpatient pediatric exam
Well child care	FC after \$25 per visit co-pay	0%
Routine child immunizations	FC after \$25 per visit co-pay	0%
Routine health assessments	FC after \$25 per visit co-pay	0%
Routine mammograms - Biennial Over 40 years	FC after \$25 per visit co-pay	75% R&C
High Risk Maternity - Outpatient	FC after \$25 per visit co-pay	75% R&C
Second Surgical Opinion	FC after \$25 per visit co-pay	75% R&C
Routine Pap Tests - Annual	FC after \$25 per visit co-pay	75% R&C
Mental Health and Substance Abuse		
Inpatient 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%

Point of Service (POS) Plan for Dallas/Fort Worth Area

<u>Benefits</u>	<u>Network Benefits</u>	<u>Non- Network Benefits</u>
Outpatient Up to 50 visits per calendar year	100% after \$10 co-payment per visit	\$0
Supplemental Benefit After annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of \$1,000,000 (Effective July 1, 2002, maximum increases to \$2,000,000.)	\$0

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PRE-RETIREMENT SPOUSE'S PENSION

1. Verizon Southwest and Communications Workers of America 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 modifications will be contingent upon receipt of necessary approvals, and the effective date will be the earlier of January 1 or July 1 following six months after this Memorandum of Agreement is signed.
2. Specific language will be prepared to modify the present Plan for Hourly Employees' Pensions to provide a survivor benefit to an employee who is actively employed on the effective date and who is vested in the Plan.
3. 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. For unmarried employees, a valid beneficiary designation must be on file for the pre-retirement survivor benefit to be paid. A single individual must be named as beneficiary; an estate or trust may not be named, nor may multiple individuals.
4. Subject to the small benefits provision contained in the Plan, the survivor will have the option of choosing between a 50% survivor annuity or the lump sum equivalent in the event of the death of the employee.
5. 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.

6. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PRESCRIPTION IDENTIFICATION CARD (PIC)

1. Verizon Southwest, Incorporated and Communications Workers of America agree to offer the Prescription Identification Card for employees and their eligible dependents within 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. Eligible employees may purchase prescription medications from participating network pharmacies at a Verizon discounted rate. Employees who use participating network pharmacies will have an annual \$25.00 deductible and a twenty (20) percent co-payment.
4. Eligible employees purchasing prescription medications from non-network pharmacies will have an annual \$75.00 deductible and a twenty (20) percent co-payment.
5. 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.
6. 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.
7. 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.

8. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PUBLIC COMMUNICATIONS INCENTIVE COMPENSATION PLAN

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Public Communications Incentive Compensation Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Public Communications Incentive Compensation Plan.
3. This Memorandum of Agreement is effective August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

PUBLIC COMMUNICATIONS INCENTIVE COMPENSATION PLAN

I. OVERVIEW

The Public Communications Incentive Compensation Plan (herein after referred to as the Plan) described below has been developed as the standard Incentive Compensation Plan for Verizon Southwest, Incorporated Public Communications. It is designed to maximize revenue attainment, improve quality and increase sales efficiency and productivity.

II. PLAN OBJECTIVES

- A. Increase sales of products and services.
- B. Increase Public Communications quality results to the small business market.
- C. Reward and provide an incentive to employees performing at expected levels of performance.
- D. Increase total compensation above current levels for those employees performing above target.

III. ELIGIBILITY

The Plan is designed solely for Public Access Sales Technicians within the Public Communications Sales Organization.

IV. INCENTIVE COMPENSATION STRUCTURE

The compensation Plan is a combination base wage plus commission, with commissions paid on quarterly objective results.

Commission Payout

Public Access Sales Technician

Compensation will be based on the achievement of individual and or team plan objectives.

Example: Revenue on products/service - quality results.

Note: Weighting for the objectives is determined by management.

A. Minimum Objective Attainment Qualifier

Compensation payouts may be limited where management established a need for a minimum quota attainment level in one or more product(s)/service(s) category(ies).

Example:

Compensation on total revenue attainment will be capped at 110% unless 100% of monthly quota is achieved in all assigned product categories.

B. Frequency of Payments

Commissions are to be paid on a quarterly basis. Commission payments earned during a quarter will be paid within two (2) months following the quarter in which the commissions were earned.

V. PROGRAM TRACKING

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

Additions and deletions of products and services will be handled in accordance with current Public Communications procedures/policies. Reasonable advance notice will be provided to employees whenever additions or deletions of products or services are made. The Company reserves the right to establish and revise the procedures/policies in accordance with business needs.

The Company agrees to meet with the Union at periodic intervals (six (6) months or longer) to review and provide a status report on the Plan(s). It is understood that these meetings are not intended to be negotiation sessions, but rather information-sharing sessions to provide a better understanding of how this new approach to compensation is working.

VI. 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 Public Communications, Human Resources and Business Analysis. 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 all associated commissions earned.

B. Modifications

Public Communications may at any time modify, in whole or in part, the provisions of the Plan. Public Communications may at any time modify objectives, product line categories, qualifiers, and thresholds as business needs may dictate. Any modification shall not affect sales commission already earned under this 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 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" (Appendix A).

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 participants. 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 transfer or promotion. Such commissions shall be computed and paid when awards are paid to other Plan participants.

G. Windfalls

A windfall is a situation resulting in a change of volume of sale 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. 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 and/or incentive compensation attainment.

H. Benefits

Generally speaking, commission payments are typically included in the calculations of many Company benefits. Appendix B shows an approved list of specific benefits which either include, or exclude, commission earnings.

I. Grievance/Arbitration

The Incentive Compensation Plan shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.

J. Suspension/Termination of Plan

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

K. Compensation - Adjustments

In the event an employee or the Company believe an overpayment/underpayment has occurred a Company representative and the employee or their union representative agrees to meet to review relevant facts. If it is determined that an overpayment/underpayment has occurred, the Company will appropriately adjust future sales compensation payouts to address the situation. However, the Company will not require the employee to payback any overpayment from his/her base salary. If the employee moves to a position that is not covered by a Public Communications 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 Public Communications Incentive Plan.

APPENDIX A

**PUBLIC COMMUNICATIONS
INCENTIVE COMPENSATION PLAN**

STATEMENT OF ACCEPTANCE

The undersigned hereby acknowledges that he/she has read and fully understands the 2001 Public Communications Incentive Compensation Plan and accepts the provisions thereof, and that he/she has been provided a copy of the plan for his/her retention. Further, the undersigned acknowledges that the above mentioned Plan contains the entire understanding between Public Communications and the undersigned, and neither party shall be bound by oral or other provisions not contained herein.

The undersigned also hereby authorizes recovery for amounts paid as incentives which were not earned in accordance with the terms and conditions contained herein from future salaries, incentives, or any other appropriate remedy. The undersigned further acknowledges that incentives paid but not earned shall be treated like an indebtedness owed Verizon Southwest, Incorporated and will be recovered in full by the Company. Upon termination, the undersigned acknowledges that such indebtedness shall be a personal liability which shall survive the termination of the employment relationship, and authorizes Verizon Southwest, Incorporated to recover such indebtedness in any manner the company deems appropriate.

Date _____

Signed _____

Plan Participants

Signed in the Presence of:

Date _____

Supervisor – Public
Communications

Date _____

Signed _____

Manager – Public Communications

APPENDIX B

WAGE-RELATED BENEFITS

YES or NO

Vacations

No

Holidays

No

Short Term Disability

No

Pension Plan

Yes

Contributory Life Insurance

Yes

Non-Contributory Life Insurance

Yes

Separation Pay

No

Hourly Savings Plan

Yes

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

PURCHASE OPTICAL PRODUCTS

1. Verizon Southwest, Incorporated and Communications Workers of America will make available to employees and their dependents the opportunity to purchase safety glasses and optical products that are covered under an Agreement between the Company and the Cabot Safety Corporation (CSC). Both prescription and plan safety glasses are available through the plan. Special safety glasses for operators of video display terminals (VDT's) are available through CSC. The cost of eye examinations and/or prescriptions is not covered under this plan.
2. In the event CSC is unable to fulfill its contractual obligations with the Company, this Memorandum of Agreement will be immediately terminated.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Purchase of Optical Products, shall also terminate on and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

RELOCATION ALLOWANCES

Verizon Southwest, Incorporated and Communications Workers of America agree to the following relocation allowance provisions as set forth in this Memorandum of Agreement, which may be granted in lieu of the provisions of Article 12 of the Agreement between Verizon Southwest, Incorporated and Communications Workers of America (the Agreement).

1. A lump sum relocation allowance of \$5,000, grossed up, may be considered if the following criteria are met:
 - a) The relocation is a result of a consolidation or movement of work centers.
 - b) The relocation of the work center is in excess of 50 miles.
 - c) The employee is relocating to approximately the same job classification.

2. Employee eligibility for the lump sum relocation allowance shall be determined by the Company, subject to the following:
 - a) The provisions of Article 12, Section 2, Job Application Procedures, Article 16, Section 2, Seniority, and Article 17 Force Adjustment, of the Agreement, which provides for consideration of seniority.
 - b) The employee must possess the training and/or experience established in the selection criteria.
 - c) The employee relocates their primary residence in excess of 50 miles.

3. If an eligible employee makes a decision not to relocate, or subsequently terminates employment with Verizon within one year after completion of the move (except for employees who are terminated as a result of Article 17 of the Agreement), the lump sum relocation allowance of \$5,000 shall be repaid to the Company in full.

4. Employees who receive the lump sum relocation allowance waive any other relocation assistance provided by the Agreement. If relocation expenses do not exceed the lump sum amount, the Company will not require employees to return the remaining balance. In accepting the lump sum relocation allowance, the employee agrees that the Company and the Union assumes no responsibility in connection with any tax responsibilities associated with this allowance. It is understood and agreed that neither the Company nor the Union nor any of its Officers or Agents shall be held liable in any way by virtue of this Memorandum of Agreement.
5. The provisions of Section 1(c) and Section 2 of this Memorandum of Agreement shall be subject to the grievance and arbitration procedure of the Agreement.
6. The Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004 or may be terminated by either party with a 30-day written notification to the other. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

RETAIL SALES INCENTIVE COMPENSATION PLAN

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Retail Sales Incentive Compensation Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Retail Sales Incentive Compensation Plan.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

RETAIL SALES INCENTIVE COMPENSATION PLAN

I. 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 Southwest, Incorporated Retail Sales Channel. It is a tool designed to maximize revenue attainment, improve quality and increase sales efficiency and productivity.

II. 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.

III. ELIGIBILITY

The Plan is designed solely for Retail Sales Consultants (RSC), formerly referred to as Retail Sales Associates in the Retail Phone Marts.

IV. 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 revenue in comparison with total revenue quota on individual and team sales results.
- B. Payouts Beyond 120%

Plan participants will be eligible for increased incentive above 120% 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

New Products and Services is reserved solely for the launch of new products and services. Verizon Telops Headquarters Product Management and Retail Sales Management has 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 ONLY remain for 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.

V. PROGRAM TRACKING

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

Revenues will be tracked using the sales tracking system. Changes and/or errors in the store's/employee's daily revenue 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.

VI. 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 and Business Analysis. 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 or suspend, 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 or suspension 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 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" (Appendix A).

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 participants. 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 transfer or promotion. Such commissions shall be computed and paid when awards are paid to other Plan participants.

G. Windfalls

A windfall is a 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. Management reserves the right to adjust any portion of the Plan to bring the compensation in line with what it determines to be a reasonable objective and/or incentive compensation attainment.

H. Benefits

Generally speaking, commission payments are typically included in the calculations of many Company benefits. Appendix B shows an approved list of specific benefits which either include or exclude commission earnings.

I. Grievance/Arbitration

The Incentive Compensation Plan shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.

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

Any time away from work, such as 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 Phone Mart, 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 to offset any overpayment. However, the Company will not require the employee to payback 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 would have normally been paid.

VII. 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% of Total Revenue

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

- 80% of Total Revenue

- ~~.o. 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

RETAIL SALES

INCENTIVE COMPENSATION PLAN

STATEMENT OF ACCEPTANCE

The undersigned hereby acknowledges that he/she has read and fully understands the 2001 Retail Sales Incentive Compensation Plan and accepts the provisions thereof, and that he/she has been provided a copy of the plan for his/her retention. Further, the undersigned acknowledges that the above mentioned Plan contains the entire understanding between the Retail Sales Channel and the undersigned, and neither party shall be bound by oral or other provisions not contained herein.

The undersigned also hereby authorizes recovery for amounts paid as incentives which were not earned in accordance with the terms and conditions contained herein from future salaries, incentives, or any other appropriate remedy. The undersigned further acknowledges that incentives paid but not earned shall be treated like an indebtedness owed Verizon Southwest, Incorporated and will be recovered in full by the Company. Upon termination, the undersigned acknowledges that such indebtedness shall be a personal liability which shall survive the termination of the employment relationship, and authorizes Verizon Southwest, Incorporated to recover such indebtedness in any manner the company deems appropriate.

Date _____

Signed _____
Plan Participants

Date _____

Signed in the Presence of:

Supervisor – Retail Sales

Date _____

Signed _____
Manager – Retail Sales

APPENDIX B

WAGE-RELATED BENEFITS

YES or NO

Vacations

No

Holidays

No

Short Term Disability

No

Pension Plan

Yes

Contributory Life Insurance

Yes

Non-Contributory Life Insurance

Yes

Separation Pay

No

Hourly Savings Plan

Yes

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

RETIREE LIFE INSURANCE

1. Verizon Southwest, Incorporated and Communications Workers of America agree to make available to employees who retire on or after January 1, 1997, with a service or disability pension under the Verizon Southwest, Incorporated Pension Plan, a \$5,000 retiree life insurance benefit.
2. Employees who retire on or after July 1, 2002, with a service or disability pension under Verizon Southwest, Incorporated Pension Plan, a \$10,000 retiree life insurance benefit.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. 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 August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

SWITCH PROVISIONING SPECIALIST

Verizon Southwest and Communications Workers of America agree to the following:

1. This title will be responsible for switch provisioning for residential and business service order requests for POTS, Centranet and special services in the GTD5, 5ESS, DMS100, DMS10, and DCO central offices.
2. These positions will be staffed initially with the 30 Complex Line Assigners, 41 Plant Assignment Clerks and 1 ViViD Advocate currently performing this work in the Irving and San Angelo Recent Change Mechanized Assignment Centers. These Complex Line Assigners, Plant Assignment Clerks and ViViD Advocate will be retitled as Switch Provisioning Specialists. In addition, the 41 Plant Assignment Clerks will be upgraded and placed on the appropriate step of Wage Schedule F of the current Collective Bargaining Agreement.
3. Future positions will be filled according to the Job Application Procedures outlined in Article 12. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.
4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations
West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

TEAM PERFORMANCE AWARD

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue the Team Performance Award set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Team Performance Award.
3. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

TEAM PERFORMANCE AWARD

1. Verizon Southwest, Incorporated and Communications Workers of America agree to continue a Team Performance Award, which will provide participating employees the opportunity to earn compensation based upon collective/team performance results.

2. ELIGIBILITY

All full-time and part-time regular 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., BSG, Retail, Opns. Services).

3. AWARDS

Awards are 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 that 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 2001 target award is 4% payable in April 2002. The range is 0% to 120% based on achievement of objectives.
- B. The 2002 target award is 4% payable in April 2003. The range is 0% to 120 % based on achievement of objectives.
- C. The 2003 target award is 4% payable in April 2004. The range is 0% to 120% based on achievement of objectives.
- D. The 2004 target award is 4% payable in April 2005. The range is 0% to 120% based on achievement of objectives.

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

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.

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. *

* In case of Termination for Cause the individual situation will be reviewed to determine if the individual is eligible for an award.

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

4. TIME OFF FOR UNION ACTIVITIES

Excused time off for union activity will be counted as time worked when computing Team Performance Awards.

5. BENEFITS TREATMENT

Team Performance Award payments are recognized in the calculation of Pension Plan benefits, Group Life Insurance, and the Verizon Hourly Savings Plan. Such payments will be applicable in the year payment is received. This is in accordance with Verizon benefit plan definitions.

All other benefits are in accordance with the collective bargaining agreement and are based on rates shown in the hourly wage schedules.

6. 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.

7. 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:

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.

A Team Performance Award overtime payment will be included in the award payout.

8. OBJECTIVES/MEASURES

All hourly employees will normally 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 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.

<u>Level of Performance</u>	<u>Percent Target Award</u>
Below Minimum	0%
Minimum to Target	10-99%
Target	100%
Over Target to Maximum	101-120%

9. 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 shall not be subject to the grievance or arbitration provisions of the Collective Bargaining Agreement.

10. 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.

11. MODIFICATION OF THE TEAM PERFORMANCE PLAN

Verizon may at any time modify, in part or in whole, the Team Performance Award Plan. Any modification shall not affect awards already earned under this plan.

12. TERMINATION OF THE TEAM PERFORMANCE PLAN

The suspension or termination must be by mutual agreement of the parties.

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

TELEPHONE CONCESSION

Verizon Southwest, Incorporated (Verizon SW) and Communications Workers of America (CWA) agree to eliminate the telephone concession payment for employees living in non-Verizon (foreign) territory as follows:

1. Effective August 16, 1992, new hires living in non-Verizon territory will receive no telephone concession.
2. Effective March 1, 1993, current employees relocating to a new location which is in non-Verizon territory shall not be entitled to the telephone concession.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

VISION PLAN

1. Verizon Southwest, Incorporated and the Communications Workers of America 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 July 1, 2002.
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 eligible to participate in the Company-sponsored Point of Service or Indemnity Medical Plan are automatically 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 August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement,

relating to the Vision Plan, shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations West**

**Donna Bentley
CWA Representative**

Date

Date

VISION PLAN HIGHLIGHTS

Feature	Participating Provider	Non-participating Provider
Annual Deductible	None	None
Eye Exam (Once every 12 months)	You pay the network provider a \$25 co-payment. No claim filing is required.	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to \$25.
Lenses and Frames (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.
Contact Lenses (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.

* 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.
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.

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon Southwest, Incorporated (hereinafter referred to as the Company) and the Communications Workers of America (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 August 16, 1992 and August 15, 2004, with a service or disability pension under the Verizon Southwest, Incorporated 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.

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 heretofore described below or for any other purpose permitted by law
3. Effective January 1, 1997, the level and type of Retiree Medical Benefits for the Eligible Participants shall be governed by the Verizon RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 8 below.
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:

<u>Years of Accredited Service at Retirement</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage/Amount</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 January 1, 1997.
- (b) When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option under Verizon 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 toward Retiree Medical Benefits Premiums.

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$ 6,314
Retiree plus one dependant coverage	\$12,628
Family Coverage	\$14,144
Medicare covered retiree (per eligible life)	\$ 1,642

- (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 Benefits Premium exceeds the Maximum Company Contribution Amount.

7. The Capped Retiree Medical Benefits Premium 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 Benefit 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 options, 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 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.
10. This Memorandum of Agreement is effective on August 16, 2001, 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 August 15, 2004, and shall not survive the expiration of this

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

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director - Labor Relations West

Donna Bentley
CWA Representative

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
and
Communications Workers of America

WAGES

Verizon Southwest, Incorporated and Communications Workers of America agree to implement a wage increase as follows:

1. The parties agree that all employees will receive the following:
 - A 4.00% General Wage Increase, effective August 19, 2001
 - A 4.00% General Wage Increase, effective August 18, 2002
 - A 4.00% General Wage Increase, effective August 17, 2003

Additionally, employees covered by the Team Performance Award Plan (TPA) will be eligible to receive annual pay outs at target as follows:

- 4.0% for 2001
- 4.0% for 2002
- 4.0% for 2003
- 4.0% for 2004

Awards will be determined and administered in accordance with the Memorandum of Agreement concerning the Team Performance Award Plan.

2. **Business Customer Representative**

A two percent (2%) wage increase will be applied to each wage step of Wage Schedule EE for 1-A Exchanges prior to the computation and application of the General Wage Increase effective August 18, 2002, and February 16, 2003.

3. **Customer Service Representatives in the Customer Sales and Solutions Center**

A two percent (2%) wage increase will be applied to each step of Wage Schedule DD (newly established) for 1-A Exchanges prior to the computation and application of the General Wage Increase effective August 18, 2002, and February 16, 2003.

4. This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement relating

to wages shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless specifically agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

**R. B. Johnson
Director - Labor Relations
West**

**Donna Bentley
CWA Representative**

Date

Date

MEMORANDUM OF AGREEMENT
between
Verizon Southwest Incorporated
And
Communications Workers of America

“A” EXCHANGE TO “1-A” EXCHANGE
WAGE SCHEDULE TRANSITION UPGRADE

Verizon Southwest, Incorporated and Communications Workers of America agree to the provisions concerning upgrading “A” Exchange Wage Schedule rates to “1-A” Exchange Wage Schedule rates as set forth in this Memorandum of Agreement.

Those employees whose Company record headquarters location is established in Class “A” Exchanges shall have their wage rate transitioned to the higher Class “1-A” Exchange Wage Schedule.

This upgrade will take place over three (3) years as reflected in the attached transition wage schedules.

This Memorandum of Agreement is effective on August 16, 2001, and shall expire on August 15, 2004. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement relating to wages shall terminate on August 15, 2004, and shall not survive the expiration of this Memorandum of Agreement unless specifically agreed to by the parties in writing.

**VERIZON SOUTHWEST
INCORPORATED**

**COMMUNICATIONS WORKERS
OF AMERICA**

R. B. Johnson
Director – Labor Relations West

Donna Bentley
CWA Representative

Date

Date



August 7, 2001

Labor Relations

700 Hidden Ridge, HQW01H66
Irving, TX 75038
Phone 972/718-3258

Donna Bentley
CWA Representative
8150 Brook River Drive, #S300A
Dallas, TX 75247

Dear Donna:

As a result of 2001 negotiations between Verizon Southwest and the CWA, and in furtherance of the positive working relationship between the parties, the Company and Union agreed to establish a Texas Region Call Center Partnership sub-committee. The sub-committee will include Company and Union representatives from the Business Solutions Group (BSG) in Denton, the Verizon Repair Resolution Center (VRRRC) in Garland, and the Customer Sales and Solutions Center (CSSC) in Dallas.

The Texas Region Call Center Partnership sub-committee is being established under the auspices of the Verizon/CWA 6171 Partnership, holding closely to the Mission Statement, Guiding Principles and Guiding Behaviors of the Partnership.

The sub-committee will meet at minimum on a quarterly basis and include one union representative and one management representative from each center. Discussion will be related to Call Center business/employee topics. The sub-committee will not address grievance, arbitration or bargaining issues.

Sub-Committee recommendations will be submitted for review to the Texas Region Verizon/6171 CWA Partnership Core Team. A reporting mechanism will be developed to communicate the sub-committee's results to employees in the three Call Centers.

It is the intent of the Company and Union that this sub-committee will use its time and effort to improve the work place by full and open communication, involvement, adaptability, integrity, trust and respect involving common Call Center issues and synergy opportunities.

Sincerely,

Ron Johnson
Director Labor Relations-West

Donna Bentley
CWA Representative
(Concurred By)

August 7, 2001



Labor Relations

700 Hidden Ridge, HQW01H66
Irving, TX 75038
Phone 972/718-3258

Donna Bentley
CWA Representative
8150 Brook River Drive, #S300A
Dallas, TX 75247

Dear Donna:

As a result of 2001 negotiations between Verizon Southwest and the CWA, the parties agree to establish a video conferencing "trial" for select First Step Grievance meetings, for which a local Human Resources representative is not available to attend in person.

The trial will be held in West Central District in San Angelo and the Metro District in Irving and will be limited to discipline/discharge grievances for employees in these districts.

In order to ensure availability of the video conferencing facility, the normal time limits for hearing a grievance may be extended via mutual agreement.

Either party may cancel this trial with a thirty (30) day notice to the other party.

Sincerely,

Ron Johnson
Director Labor Relations-West

Donna Bentley
CWA Representative
(Concurred By)



August 11, 2001

Labor Relations

700 Hidden Ridge, HQW01H66
Irving, TX 75038
Phone 972/718-3258

Donna Bentley
CWA Representative
8150 Brook River Drive, #S300A
Dallas, TX 75247

Dear Donna:

As a result of 2001 negotiations between Verizon Southwest and the CWA, and in furtherance of the positive working relationship between the parties, the Company and Union agreed to establish a Texas Region Incentive Compensation Plan Partnership sub-committee. The sub-committee will include Company and Union representatives that will represent the various sales incentive compensation plans as well as the Team Performance Award (TPA).

The Texas Region Incentive Compensation Plan Partnership sub-committee is being established under the auspices of the Verizon/CWA 6171 Partnership, holding closely to the Mission Statement, Guiding Principles and Guiding Behaviors of the Partnership.

The sub-committee will meet at minimum twice yearly and include one union representative and one management employee representing each of the respective Incentive Compensation Plans; i.e., Retail Sales, Public Communication, Business Sales. Participation will also include one union employee and one management employee representing the total TPA plan. The company may call for specific participation, as needed, where communication solely affects one particular sales incentive plan or one particular TPA team. Discussion will be related to sales incentive/TPA issues. The sub-committee will not address grievance, arbitration or bargaining issues.

Sub-Committee recommendations will be submitted for review to the Texas Region Verizon/6171 CWA Partnership Core Team. A reporting mechanism will be developed to communicate the sub-committee's results to employees in the various sales incentive/TPA plans.

It is the intent of the Company and Union that this sub-committee will use its time and effort to improve the work place by full and open communication, involvement, adaptability, integrity, trust and respect involving sales incentive/TPA issues.

Sincerely,

Ron Johnson
Director Labor Relations-West

Donna Bentley
CWA Representative
(Concurred By)



August 11, 2001

Labor Relations

700 Hidden Ridge, HQW01H66
Irving, TX 75038
Phone 972/718-3258

Donna Bentley
CWA Representative
8150 Brook River Drive, #S300A
Dallas, TX 75247

Dear Donna:

As a result of 2001 negotiations between Verizon Southwest and the CWA, and in furtherance of the positive working relationship between the parties, the Company and Union agreed there is a need to establish timely discussions involving technical changes in equipment, organization, or methods of operation.

Currently, Common Interest Forums (CIF) are scheduled semi-annually to facilitate open communication of present and future issues of this nature critical to both parties. It is the recommendation of both parties that the CIF include a standing "Technological Change" agenda line item to discuss these types of issues. Issues critical to either party may require convening more frequently, which will be agreed to mutually.

Results of a CIF will be reported to employees using appropriate communication mechanisms.

It is the intent of the Company and Union that timely discussion in these areas will result in a more educated employee work force, greater continuity and more timeliness in communications between associates and management, and a mutual understanding of Verizon's direction to meet its daily competitive challenge.

Sincerely,

Ron Johnson
Director Labor Relations-West

Donna Bentley
CWA Representative
(Concurred By)

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. Understandings set forth in Exhibits I through VIII as listed below become effective January 1, 2002 according to their terms. These agreements shall supersede or replace existing provisions and shall be deemed to be incorporated into the existing collective bargaining agreements between the Verizon/GTE Companies and their CWA bargaining units except where the included companies or bargaining units may be expressly limited by the Understandings.

Exhibits I through VIII are:

EXHIBIT I	DOMESTIC PARTNER BENEFITS
EXHIBIT II	EDUCATION AND LIFE-LONG LEARNING
EXHIBIT III	HOLIDAYS
EXHIBIT IV	HOURLY SAVINGS PLAN (HSP)
EXHIBIT V	HOURLY SAVINGS PLAN
EXHIBIT VI	NEUTRALITY AND CONSENT ELECTION
EXHIBIT VII	UNION LEAVE OF ABSENCE
EXHIBIT VIII	VACATION CARRY FORWARD (BANKING)

2. These provisions shall be effective on January 1, 2002 subject to ratification by the membership by a national "pooled" vote of all CWA's former GTE bargaining units by secret written ballot.

3. The parties specifically agree that the terms and conditions set forth in Exhibits I through VIII shall terminate on July 1, 2004, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors to Exhibits I through VIII, they shall renew for one year.

VERIZON/GTE COMPANIES

COMMUNICATIONS WORKERS OF AMERICA

Date:

Date:

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

DOMESTIC PARTNER BENEFITS

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union 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 as part of an operation that is to be divested as part of former GTE's Video Services/Media Ventures Repositioning program are excluded from this Memorandum of Agreement.
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. The 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 Dependents)
 - 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 the relevant collective bargaining agreement.
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.

MEMORANDUM OF AGREEMENT

Exhibit 2

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

EDUCATION AND LIFE-LONG LEARNING

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

The Company and the Union 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 Communications, 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.

MEMORANDUM OF AGREEMENT

Exhibit 3

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

HOLIDAYS

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

The Company and the Union recognize the importance of providing exceptional customer service and also allowing additional flexibility for employees to observe holidays. To maximize these objectives the following holiday schedule will continue to be effective for CWA and Verizon/GTE Companies bargaining units (except Verizon Select Services, formerly GTE Customer Networks, and Verizon Buried Service Wire Group, formerly GTE Buried Cable Services Group):

- Seven designated holidays
 - New Years Day
 - Memorial Day
 - Fourth of July
 - Labor Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Day

- Five floating holidays (as a minimum)

All provisions related to scheduling holidays, observing holidays and working on holidays, etc. currently contained in collective bargaining agreements (CBA) will remain in effect. Phone Mart employees will have one additional floating holiday in lieu of the day after Thanksgiving as outlined in each CBA.

This MOA serves to modify the composition of holidays in each bargaining unit where different than outlined above (with exceptions as noted above).

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

HOURLY SAVINGS PLAN (HSP)

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union will make the Hourly Savings Plan (HSP) available to regular full or part-time hourly employees of the Company who are covered by a Collective Bargaining Agreement.
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 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, 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 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 the 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 recession 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 procedure 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.

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

HOURLY SAVINGS PLAN

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

The Company and the Union agree to increase the company matching contribution to the Hourly Savings Plan (HSP).

- Effective July 7, 2002, 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.
- Effective July 6, 2003, 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.

MEMORANDUM OF AGREEMENT

etween

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

NEUTRALITY AND CONSENT ELECTION

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

This agreement between Company and the Union covers all understandings between the parties concerning union organizing; access to employees and code of conduct applicable to union organizing efforts.

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.

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's former "GTE Network Services Companies" (Incumbent Local Exchange Carriers and Logistics) as defined by the National Labor Relations Act.

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.
- (c) 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(s) 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.
- (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.
- (c) 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
- (c) 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 Unions 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 CWA for access, Verizon Labor Relations Staff, in conjunction with local management and CWA representatives, will meet to discuss the details related to

~~reasonable access to the unit by the CWA representatives. The Union will be allowed reasonable opportunities for access to Verizon facilities. It is the intent and commitment of Verizon and the CWA 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.~~

If Verizon and the CWA 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 CWA 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 CWA representatives. It is the intent and desire of Verizon and the CWA 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 CWA 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 CWA 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 CWA 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 CWA.

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 CWA, 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.

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

UNION LEAVE OF ABSENCE

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

WHEREAS former GTE/CWA bargaining unit employees have become full-time employees of the CWA or its local affiliates:

WHEREAS the treatment of such CWA employees for Verizon/GTE pension benefit credit varies both among former GTE/CWA bargaining units and between CWA and local affiliate employment; and

WHEREAS other employers in Verizon's industry permit similarly situated employees greater pension benefits credit than does Verizon/GTE:

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. Any full time employee of a Verizon/GTE Company in a CWA bargaining unit who becomes a full-time employee of either CWA or a CWA 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 employee shall continue to accumulate seniority and shall retain return rights to the bargaining unit.
2. 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:
 - a. The Verizon/GTE-Union employee ends his/her full-time employment with the CWA or a local affiliate; or

- b. The Verizon/GTE-Union employee retires from Verizon/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.
 - i. Effective January 1, 2002 the aggregate length of all such leaves of absence equals eighteen (18) years.
 - ii. Effective January 1, 2004 the aggregate length of all such leaves of absence equals twenty (20) years.
3. This provision will apply retroactively, providing that to be eligible for retroactive leave of absence status and pension benefit credits as described hereinabove, the Verizon/GTE-Union employee must have been a current full-time CWA or local affiliate employee on March 1, 2000, and must not have as of that date retired or received a voluntary separation benefit from Verizon/GTE.
4. In the event that any court of competent jurisdiction finds this Agreement to be unlawful, it shall be null and void as of the date of its execution, but Verizon/GTE and the CWA will immediately negotiate in good faith to provide the most equivalent lawful benefit for Verizon/GTE-Union employees.

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

VACATION CARRY FORWARD (BANKING)

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union 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 for 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. Such carried forward vacation shall be subject to supervisory approval.
4. Future scheduling of such accumulated carried forward vacation time is subject to advanced written application and approval.

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

**COMMUNICATIONS WORKERS OF AMERICA
(CWA)**

SERVICE AND SENIORITY RECOGNITION

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

SERVICE RECOGNITION

1. Effective with the merger of fGTE and the former Bell Atlantic (fBA) on June 30, 2000, all service will be recognized prospectively at all "affiliate" companies for retirement eligibility and vesting purposes.
2. Effective January 1, 2002 any service previously recognized by pre-merger fBA for Net Credited Service (NCS) and ERISA Service of at least 1000 hours will be recognized by the fGTE "affiliate" companies for eligibility and vesting in pension plans (but not for calculation of pension benefits) and for eligibility for health and welfare plans and retiree medical plans.
3. Effective January 1, 2002 Verizon (fGTE) will recognize service for pension eligibility and vesting purposes (but not for calculation of pension benefits), for eligibility for health and welfare plans, and for retiree medical plans that meets the definition of eligible Portability service as described briefly below:
 - The employee must have been working at a Portability Company on December 31, 1983.
 - The employee had to be a non-supervisory employee (or a supervisory employee with a base pay of \$50,000 or less) on December 31, 1983 and at termination. The pay limit is adjusted monthly for inflation and it is based on the Consumer Price Index (CPI).
 - The employee must not have elected to waive Portability treatment at any point in their career at any company.

4. Individuals who are subsequently rehired will be eligible for recognition of prior service, as identified in paragraphs 1, 2 and 3 above, upon completion of 1,000 hours of continuous active service.
5. Employees will have until February 1, 2002 to request a review of prior service—subject to research and verification of employee records. In the event the employee's request is received after February 1, 2002, bridging will be effective upon verification.

SENIORITY RECOGNITION

Effective January 1, 2002 it is further agreed that all service recognized for pension and vesting eligibility and health and welfare benefits is recognized by all parties to this Agreement for seniority purposes for all represented employees subject to the following conditions:

1. Service, as defined in this Memorandum of Agreement, with a Verizon Company that is earned while the employee is represented by the Communications Workers of America is recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement.
2. Service, as defined in this Memorandum of Agreement, with a Verizon Company that is earned while the employee is represented by a union(s) other than the Communications Workers of America is recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement where the seniority provisions of that other union(s) are reciprocal.
3. Service, as defined in the Memorandum of Agreement, with a Verizon Company that is earned while the employee is not represented by a union will be recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement after the employee has been represented by the Communications Workers of America for one year, but in no event earlier than January 1, 2003.

This agreement shall supersede or replace existing relevant provisions and shall be deemed to be incorporated into the existing collective bargaining agreements between the Verizon/GTE Companies and their Communications Workers of America bargaining units.

VERIZON/GTE COMPANIES

COMMUNICATIONS WORKERS OF AMERICA

Date: _____

Date: _____

**COMMUNICATIONS WORKERS
OF AMERICA**

Local 6171
201 Lake St.
Krum, Texas 76249