

GENERAL AGREEMENT



Lucent Technologies
Bell Labs Innovations



Effective

May 31, 1998

between

**Lucent Technologies
Optoelectronics Center**

and

**International Brotherhood
of
Electrical Workers**

**Local 1522
Local 1560**

**PRODUCTION & MAINTENANCE
& SALARIED GRADED**

OPTOELECTRONICS CENTER

1998 GENERAL AGREEMENT

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PREAMBLE

- 1 GENERAL AGREEMENT made this 30th day of May, 1998, by and between Lucent Technologies, hereinafter called the "Company" and Locals 1522 and 1560, of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter called the "Union."
- 2 And, WHEREAS, the parties have engaged in collective bargaining for the purpose of developing a general agreement on wages, hours of work, and other conditions of employment;
- 3 NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree with each other as follows with respect to the employees of the COMPANY recognized as being represented by the UNION:

ARTICLE 1 - RECOGNITION

- 1 The COMPANY hereby recognizes the UNION as the exclusive representative of weekly-rated employees at the Optoelectronics Center (formerly Solid State Technology Center), Route 222, Breinigsville, Pennsylvania whose Occupational Job Classifications appear in APPENDIX 8-A to this Agreement, but excluding professional employees, technical employees, professional-administrative employees, confidential employees, guards and supervisors as defined in the Act.

ARTICLE 2 - RIGHTS AND OBLIGATIONS

1 Management of the Business

The right to manage the business and to direct the working forces and operation of the business, subject to the limitations imposed by this Agreement, is vested in, and retained by, the COMPANY.

2 Federal and State Laws

In the event that any provision of this Agreement should be modified or deleted to conform to any federal or state law or regulation, or any order, determination, ruling or regulation of a federal or state executive or administrative agency or court, the COMPANY shall notify the UNION in writing. Negotiations shall then take place if requested by the UNION. In the event of such negotiations, the changes shall not be implemented until (a) agreement is reached, or (b) the COMPANY determines that timely action is required by the law, regulation, order, determination or ruling, whichever occurs sooner.

3 Nondiscrimination

- (a) There shall be no discrimination on the part of the COMPANY or the UNION, or its officers, members, representatives or agents, against any employee because of membership or non-membership in the UNION.
- (b) No employee shall be subjected to prejudice or discrimination because of action taken by representatives of the UNION in presenting grievances instituted for such employee under the provisions of this Agreement.
- (c) Neither the UNION, nor its officers, members, representatives or agents, will intimidate or coerce employees into joining or continuing their membership in the UNION.
- (d) Neither the COMPANY nor the UNION shall discriminate against any employee because of such employee's race, color, creed, religion, national origin, citizenship, sex, sexual preference or orientation, marital status, age, physical or mental disability or status as a disabled veteran or a veteran of the Vietnam era.

ARTICLE 3 - DEFINED TERMS

- 1 The following definitions are applicable to terms in this and any other agreements between the COMPANY and the UNION:

(a) **Adjusted Rate---**

An employee's total rate, resulting from the sum of his or her Standard Rate and any applicable Wage Protection Allowance, Special Supplementary Wage Treatment and Additional Special Supplementary Wage Treatment.

(b) **Agent---**

An individual who is not an employee of the COMPANY in the bargaining unit recognized in accordance with Paragraph 2(a) of ARTICLE 4, UNION REPRESENTATION.

(c) **Assignment---**

One of various stand alone tours of duty within a specific Occupational Job Classification.

(d) **Control Rate---**

A rate of pay on the progression scale for an Occupational Job Classification in Wage Schedule G beyond which an employee assigned to such Occupational Job Classification shall not progress until after demonstrating the ability to perform effectively the full range of work as described in the applicable Occupational Job Classification description.

(e) **Day In Lieu of Saturday--- (Pending Conversion to SAP)**

For a 7-DAY COVERAGE EMPLOYEE, the first (1st) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the sixth (6th) scheduled day in the WORKWEEK when operations are on a 6-day schedule basis.

(f) **Day in Lieu of Saturday--- (Upon Conversion to SAP)**

For a 7-DAY COVERAGE EMPLOYEE, the second (2nd) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the sixth (6th) scheduled day in the WORKWEEK when operations are on a 6-day schedule basis.

(g) **Day In Lieu of Sunday--- (Pending Conversion to SAP)**

For a 7-DAY COVERAGE EMPLOYEE, the second (2nd) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the one (1) NONSCHEDULED day in the WORKWEEK when operations are on a 6-day schedule basis.

(h) **Day in Lieu of Sunday--- (Upon Conversion to SAP)**

For a 7-DAY COVERAGE EMPLOYEE, the first (1st) NONSCHEDULED DAY in the WORKWEEK when operations are on a 5-day schedule basis, or the one (1) NONSCHEDULED DAY in the WORKWEEK when operations are on a 6-day schedule basis.

(i) **Dismissed---**

Termination due to poor or marginal performance, employee's unsuitability on present assignment, poor attendance or excessive lateness or unsatisfactory conduct.

(j) **Double Time---**

Pay at two hundred percent (200%) of an employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

(k) **Double Time and One-Half---**

Pay at two hundred and fifty percent (250%) of an employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

(l) **Lateral Transfer---**

A re-assignment to another classification or assignment at the same pay level.

(m) **Layoff or Laid Off---**

A termination of employment arising out of a reduction in the force due to lack of work. Under the following circumstances an employee's services shall not be considered terminated by LAYOFF nor shall an employee be considered LAID OFF: (1) when the employee's services are temporarily interrupted because of, but not limited to, such causes as material shortage, equipment failure, power failure, labor dispute, or other circumstances which cause a temporary cessation or reduction in operations; (2) when the employee is not reinstated from Leave of Absence.

(n) **Loaned Employee---**

An employee whose normal assignment has been changed for a period of time not to exceed four (4) weeks, without change in the employee's employment and payroll records.

(o) **Maximum Rate---**

The top rate of the progression scale for a specific Wage Schedule.

(p) **Minimum Rate---**

The minimum rate of the progression scale for a specific Wage Schedule.

(q) **Net Credited Service---**

See TERM OF EMPLOYMENT.

(r) **Night Tour---**

When the employee's SCHEDULED DAILY TOUR -- normally eight (8) hours -- falls wholly or in part between 6:00 p.m. and 6:00 a.m.

(s) **Night Work Bonus---**

A bonus of ten percent (10%) of an employee's ADJUSTED RATE.

(t) **Nonscheduled Day---**

A day outside the SCHEDULED WEEKLY TOUR.

(u) **Officer---**

An AGENT or REPRESENTATIVE who has been so designated by the UNION in accordance with Paragraph 2(a) of ARTICLE 4, UNION REPRESENTATION.

(v) **Representative--**

An employee of the COMPANY in the bargaining unit recognized in accordance with ARTICLE 1, RECOGNITION, who has been so designated by the UNION in accordance with Paragraph 2(a) of ARTICLE 4, UNION REPRESENTATION.

(w) **Scheduled Daily Tour---**

The hours in a day an employee is scheduled to work, excluding any unpaid meal or overtime periods. An entire tour which begins four (4) hours or less before midnight shall be considered to be a tour on the following calendar day.

(x) **Scheduled Weekly Tour---**

The portion of the WORKWEEK comprised of SCHEDULED DAILY TOURS but excluding NONSCHEDULED DAYS, which for:

- (1) Other than a 7-DAY COVERAGE EMPLOYEE, shall be from Monday through Friday, including the Friday night shift which extends into Saturday when the employee was not scheduled to work the previous Sunday night shift extending into Monday.
- (2) A 7-DAY COVERAGE EMPLOYEE shall be arranged by the COMPANY on any days within the WORKWEEK, frequently including Saturdays and/or Sundays.

(y) **7-Day Coverage Bonus---**

A bonus of ten percent (10%) of an employee's ADJUSTED RATE.

(z) **7-Day Coverage Employee---**

An employee whose SCHEDULED WEEKLY TOUR involves special or rotating shifts which frequently include working on calendar Saturdays and/or Sundays, and who works on a 7-DAY COVERAGE JOB.

(aa) **7-Day Coverage Job---**

A job which, because of the nature of the work or the demands of the business, regularly requires operations on all seven (7) days of the WORKWEEK.

(bb) **Standard Rate---**

A rate of pay assigned to an employee based on the employee's Occupational Job Classification.

(cc) **Term of Employment---**

A period of credited employment as computed by the COMPANY under the Lucent Technologies Pension Plan.

(dd) **Time and One-Half---**

Pay at one hundred and fifty percent (150%) of an employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES.

(ee) **Workweek--- (Pending Conversion to SAP)**

Seven (7) consecutive calendar days beginning with Monday, except that for employees on shifts which start less than four (4) hours before Sunday midnight and extend into Monday, the WORKWEEK shall be considered as beginning with the start of such shifts.

(ff) **Workweek--- (Upon Conversion to SAP)**

Seven (7) consecutive calendar days beginning with Sunday, except that for employees on tours which start less than four (4) hours before Saturday midnight and extend into Sunday, the WORKWEEK shall be considered as beginning with the start of such tours.

2 Gender References

The use of the masculine or feminine gender or titles in this and any other agreement between the COMPANY and the UNION shall be construed as including both genders and not as a sex limitation unless the agreement clearly requires a different construction.

ARTICLE 4 - UNION REPRESENTATION

1 Collective Bargaining Procedure

- (a) Collective bargaining shall be conducted by authorized bargaining representatives of the COMPANY and of the UNION. The parties shall notify each other initially in writing of the names of their authorized bargaining representatives and thereafter of any changes which may occur. All such written communications from the UNION shall be signed by the Presidents of Locals 1522 and 1560 of the UNION.
- (b) Neither the COMPANY nor the UNION shall be represented ordinarily in collective bargaining meetings by more than five (5) persons.
- (c) Collective bargaining meetings shall be held at times and places mutually convenient at the request of either party. The party requesting the meeting shall inform the other reasonably in advance of the subjects to be discussed. Except in urgent cases, such notification shall be in writing.
- (d) The COMPANY'S designated Bargaining Agent shall not be required to bargain collectively unless at least two (2) UNION representatives, one from each Local, designated for such purpose, are present.

2 Authorization Procedures for Bargaining Representatives

- (a) The UNION shall advise the COMPANY in writing of the names of its REPRESENTATIVES and AGENTS and their respective authorities (including titles of the UNION OFFICERS). Such notification shall be signed by the applicable Local President of the UNION.
- (b) It is agreed that there shall be no more than one (1) such UNION REPRESENTATIVE for each thirty-five (35) employees in the bargaining unit as of the close of the previous fiscal month. There shall be a minimum of four (4) such UNION REPRESENTATIVES in the bargaining unit.

3 Excused Absences for UNION Duties

- (a) Upon request, the COMPANY will excuse a REPRESENTATIVE from COMPANY duties to perform UNION duties, provided the work situation permits and provided the REPRESENTATIVE:
 - (1) Arranges with his or her supervisor for the period of such time off;
 - (2) Obtains certification of the time the REPRESENTATIVE leaves his or her COMPANY duties;
 - (3) Makes the necessary arrangements with the supervisor with whom the employee wishes to confer or with the supervisor in charge of the area where the observation of a work operation or condition is necessary;
 - (4) Notifies his or her supervisor upon return to assigned COMPANY duty and obtains certification of the time of return;
 - (5) Complies at all times with the COMPANY'S time recording and pass routines; and,

- (6) Carries out the UNION duties involved in such manner that there is the least interference with COMPANY activities.
- (b) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duty when conferring with Management during such REPRESENTATIVE'S SCHEDULED DAILY TOUR, however, the following limitations shall ordinarily apply:

Meetings With	Number of REPRESENTATIVES to be paid
1st Level Managers	1
2nd, 3rd Level Managers	2
4th or higher Level Managers	3
COMPANY Bargaining Agents	4

- (1) A REPRESENTATIVE shall not be paid for time spent in collective bargaining meetings.
- (2) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duty for such time while attending a meeting between a supervisor and an employee in which discipline is to be announced.
- (3) The COMPANY and the UNION agree that the UNION will have the opportunity to meet with newly hired and transferred employees as part of the overall orientation process for the purpose of furnishing them with information about the UNION. The UNION'S segment of this process will be limited to a maximum of sixty (60) minutes. Time spent during the REPRESENTATIVE'S SCHEDULED DAILY TOUR will be paid as time worked.
- (4) In addition, the COMPANY also agrees to introduce employees transferring into a different work group to the local UNION REPRESENTATIVE assigned to that area.

4 Limitations on Non-Paid Time Off

- (a) A REPRESENTATIVE may be excused from his or her COMPANY duties to perform UNION duties for purposes other than those covered in Paragraphs 3(b), 3(b)(2) and 3(b)(3). Such time off shall not be paid for by the COMPANY. A REPRESENTATIVE shall be limited to a maximum of one thousand (1000) hours of such non-paid excused time off during such REPRESENTATIVE'S SCHEDULED DAILY TOUR in a calendar year.
- (1) For a maximum of three (3) such REPRESENTATIVES at each Location in the Bargaining Unit, such limitation shall be sixteen hundred (1600) hours in a calendar year.
- (2) The above limitations shall be reduced for newly elected or appointed REPRESENTATIVES as follows:

Date Elected or Appointed	--Maximum Limitation--	
	1000 Hours	1600 Hours
January - March 31	1000	1600
April 1 - June 30	750	1200
July 1 - September 30	500	800
October 1 - December 31	250	400

- (3) Excused time off in excess of the limitations contained in Paragraphs 4(a), 4(a)(1) or 4(a)(2) shall result in a requirement for a REPRESENTATIVE to take a Leave of Absence for UNION Business in accordance with the provisions of Paragraph 5(a).
- (b) Upon written request by the Local President or his or her designee and subject to the routines prescribed in Paragraph 3(a), a reasonable number of employees who have been selected by the UNION to perform UNION duties shall be excused from their assigned COMPANY duty for a reasonable length of time (not to exceed one (1) month), without pay. Each absence shall be for a stated period, but can be terminated before the expiration of said period by the return of the employee to assigned COMPANY duty. However, the COMPANY may refuse to excuse an employee at a time when such absence from work will seriously interfere with the operation of the business, and may limit such excused absences for employees other than those designated as REPRESENTATIVES to a cumulative period of one (1) month in a calendar year.
 - (1) A REPRESENTATIVE or other employee shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time lost from assigned COMPANY duties during his or her STANDARD DAILY TOUR to participate in joint UNION-Management activities.
 - (2) For certain joint UNION-Management activities, a REPRESENTATIVE may also be treated as follows:
 - (i) A REPRESENTATIVE shall be paid at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for reasonable travel time associated with such joint UNION-Management activities.
 - (ii) Such REPRESENTATIVE shall also be reimbursed for reasonable travel and board and lodging expenses which are directly related to participation in such activities.
 - (iii) Payments in accordance with the provisions of Paragraphs 4(b)(2)(i) and 4(b)(2)(ii) are limited to those activities which have been specifically designated by the National Bargaining Committee.

- (3) Where the UNION represents more than one bargaining unit at the same Lucent Technologies work location and an employee has been designated as a REPRESENTATIVE of one unit and an AGENT in the other unit, such employee will be considered as a REPRESENTATIVE in both bargaining units for purposes of eligibility to pay for time lost from assigned COMPANY duties under Paragraphs 3(b), 3(b)(1), 3(b)(2), 3(b)(3), 4(b)(1) and 4(b)(2). The limitations on non-paid time off specified in Paragraphs 4(a), 4(a)(1) and 4(a)(2) shall apply to such employee as if he or she were serving a single bargaining unit.

5 Leaves of Absence for UNION Business

- (a) Upon request of the President or Business Manager of the UNION Local, a reasonable number of employees who have been selected by the UNION to perform UNION duties which will take them from their assigned COMPANY duty for a continuous period of more than one (1) month shall be granted Leaves of Absence. However, the COMPANY may refuse to excuse an employee at a time when such absence from assigned COMPANY duty will seriously interfere with the operation of the business.
 - (1) All absences of more than one (1) month shall be covered by a formal Leave of Absence stating the purpose for which the Leave of Absence is granted and the conditions pertaining thereto. TERM OF EMPLOYMENT will be broken and such Leave of Absence will automatically terminate if and when an employee ceases to engage in the activities for which the Leave of Absence was granted, or if and when any part of the absence is used for activities other than for which the Leave of Absence was granted.
 - (2) Upon the expiration date of such a Leave of Absence, the employee shall either be reinstated in accordance with Paragraph 5(a)(6) or action taken in accordance with Paragraph 5(a)(3).
 - (3) Such a Leave of Absence shall be granted for a stated period in excess of one (1) month but not in excess of one (1) year, and extensions shall be granted for periods, not in excess of one (1) year each.
 - (4) Such Leaves of Absence shall be:
 - (i) without pay;
 - (ii) with credit in TERM OF EMPLOYMENT for previous credited service (upon subsequent reinstatement from the Leave of Absence);
 - (iii) with credit in TERM OF EMPLOYMENT for the time absent (upon subsequent reinstatement from the Leaves of Absence);
 - (iv) with eligibility to Sickness Disability Benefits under and pursuant to the Sickness and Accident Disability Benefit Plan beginning on the eighth (8th) calendar day following the expiration date of the Leave of Absence;
 - (v) with eligibility to Sickness and Accident Death Benefits and pension under and pursuant to the Lucent Technologies Pension Plan;
 - (vi) with eligibility to continued insurance under and pursuant to the Group Life and Accidental Death or Dismemberment Insurance Program;
 - (vii) with eligibility to continue participation in the Supplementary Group Life Insurance Program;

- (viii) with eligibility to continue coverage under and pursuant to the Dental Expense Plan by the employee paying one hundred per cent (100%) of the premium;
 - (ix) without eligibility to continued coverage under the Long Term Disability Plan;
 - (x) with eligibility for coverage under and pursuant to the Medical Expense Plan;
 - (xi) with eligibility for coverage under and pursuant to the Vision Care Plan, by the employee paying one hundred percent (100%) of the premium.
 - (xii) with eligibility for participation in the Lucent Technologies Inc. Lucent Service Anniversary Award on the same terms and conditions as active employees.
- (5) Effective January 1, 1999, the annual amount of basic life insurance which the COMPANY provides to employees who are actively at work on UNION business while on a UNION Leave of Absence will be determined based on the amount of the employee's current pay.
 - (6) Effective January 1, 1999, employees who are actively at work on UNION business while on a UNION Leave of Absence may purchase an amount of supplementary life insurance under the Lucent Technologies Inc. Supplementary Life Insurance Plan that will be determined based on the amount of the employee's current pay.
 - (7) An employee on a UNION Leave of Absence shall be able to make fund exchanges among his or her accounts in the Lucent Technologies Inc. Long Term Savings and Security Plan in the same manner and with the same frequency as participants who are active employees of the COMPANY.
 - (8) An employee's TERM OF EMPLOYMENT will be broken if the employee fails to return to work on or before the day following the expiration date of such a Leave of Absence except when prior arrangements for extension have been completed. Such a Leave of Absence may be terminated prior to the expiration date, if the employee gives the COMPANY'S Bargaining Agent ten (10) days prior written notice of intention to return to work and returns to work on the date specified.
 - (9) Upon return from such a Leave of Absence an employee shall, subject to the provisions of ARTICLE 9, MOVEMENT OF PERSONNEL, be reinstated at work generally similar to that in which last engaged prior to the Leave of Absence and for which the employee is qualified.
 - (10) Upon reinstatement, the employee shall be placed on the payroll at the STANDARD RATE received when such Leave of Absence began, adjusted for any changes in wage level made during the period of absence. Adjustments shall also be made for any changes in Occupational Job Classification in accordance with existing practices.
 - (11) No physical or other examinations shall be required as a requisite of reinstatement except when the COMPANY finds that an obvious physical or mental condition exists which requires medical advice regarding job placement or fitness for work.

6 Agency Shop Provisions (Applicable where permitted by Law)

- (a) Each employee who is a member of the UNION or who is obligated to tender to the UNION amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all employees entering into the bargaining unit on or after the effective date of this Agreement, shall as a condition of employment, pay or tender to the UNION amounts equal to the periodic dues applicable to members, for the period from such effective date or, in the case of employees entering into the bargaining unit after the effective date, on or after the thirtieth (30th) day after such entrance, whichever of these dates is later, until the termination of this Agreement.
- (b) Each employee who is a member of the bargaining unit on or before the effective date of this Agreement and who on the effective date of this Agreement was not required as a condition of employment to pay or tender to the UNION amounts equal to the periodic dues applicable to members, shall, as a condition of employment, pay or tender to the UNION amounts equal to the periodic dues applicable to members for the period beginning thirty (30) days after the effective date of this Agreement, until the termination of this Agreement.
- (c) The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit (transfers out of the Bargaining Unit, removal from the payroll of the COMPANY and Leaves of Absence for more than one (1) month duration) by any such employee but shall reapply to such employee on the thirtieth (30th) day following his or her return to the bargaining unit.

ARTICLE 5 - UNION-MANAGEMENT RELATIONS

1 Conducting UNION Business on COMPANY Premises

- (a) Neither the UNION nor any employee shall solicit UNION membership on COMPANY premises during the assigned working time of the employees involved in the solicitation, nor shall any other UNION business be conducted on COMPANY premises except:
 - (1) Collective bargaining or conferring with COMPANY representatives, or the observation of a work operation or condition related to a specific grievance when such observation can properly be conducted only during the working time of the employees involved, in which case observation shall be limited to the SCHEDULED WEEKLY TOUR of the employees involved.
 - (2) The distribution of UNION material such as but not limited to papers, leaflets, handbills or literature may be made by the UNION or an employee, provided such distribution is not made in working areas (as designated by the COMPANY) or during the assigned working time of the employees involved, and provided such distribution does not interfere with work operations or provoke disorder, or result in littering of the premises.

2 Access of UNION AGENTS and/or Officials to COMPANY Premises

- (a) Accredited UNION AGENTS and/or officials not employed by the COMPANY will have reasonable access to COMPANY premises for the purposes of conferring with Management and/or to conduct UNION business provided:
 - (1) Application for such access is approved in advance by the COMPANY'S Bargaining Agent or such Bargaining Agent's delegate.
 - (2) There is compliance with the COMPANY'S pass routines and rules covering access to and movement of visitors within COMPANY premises.

3 Notices to the UNION

- (a) The COMPANY shall notify the UNION REPRESENTATIVE designated by the UNION, on standard Notice to the Union form, in advance when practicable, of the following:
 - (1) Names of employees hired, rehired, reinstated from Leaves of Absence or transferred into the bargaining unit
 - (2) Transfers involving changes of an employee's Occupational Job Classification
 - (3) LAYOFFS - such notice shall be a minimum of thirty (30) days
 - (4) Leaves of absence, resignations, retirements or transfers out of the bargaining unit
 - (5) Changes of shift assignments of individual employees
 - (6) Changes in overtime schedules
 - (7) Disciplinary action (including new probationary employees)
 - (8) Job Postings, Placement Sheets, and Selection Sheets

- (9) Surplus and placement of surplus employees
- (10) Changes of employee's home address
- (b) When an employee is suspended or DISMISSED, the UNION shall be notified as soon as practicable after the employee is notified.
- (c) When an employee is DISMISSED, such notice to the UNION shall precede the effective date of the dismissal except when the COMPANY considers it necessary to remove an employee immediately from COMPANY premises, it may do so without advance notice. In such case, the UNION shall be advised forthwith.
- (d) In order to afford the UNION an opportunity to arrange for such replacements as may be necessitated by the transfer of UNION REPRESENTATIVES, the COMPANY agrees to notify the UNION in writing of the transfer of any UNION REPRESENTATIVE outside the recognized bargaining unit. Such notice shall be given as far in advance as possible, but not less than one (1) week prior to the effective date of the transfer.

4 Payroll Dues Deduction Procedures

- (a) Upon receipt of a "Payroll Deduction Authorization" from an employee, in the form attached hereto as Appendix 5-A, Lucent Technologies will initiate deduction for amounts equal to Union Dues (and, if authorized, an Initiation Fee) from such employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments.
- (b) Deduction shall be made from the employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payment as follows:

<u>Employees Paid</u>	<u>Deductions</u>
Weekly	Installments in the first 4 fiscal weeks each month;
Bi-weekly	installments in the first 2 fiscal bi-weekly periods each month;
Monthly	each month.

- (c) Deductions shall begin during the first (1st) payroll period in the month following receipt of a newly executed "Payroll Deduction Authorization" by the Lucent Technologies Payroll Office, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:
 - (1) those required by law, and,
 - (2) those authorized for Group Life Insurance and Medical Expense Plan premiums.
- (d) If the scheduled deduction for amounts equal to Union dues cannot be made in the period(s) above, such deduction(s) will be made during the consecutive payroll periods ending no later than the last payroll period in the following month.

- (e) "Payroll Deduction Authorizations" shall be suspended when an employee:
 - (1) is transferred to a job that is not represented by the International Brotherhood of Electrical Workers,
 - (2) goes on a Leave of Absence of more than one (1) month; or,
 - (3) is removed from the payroll of Lucent Technologies.
- (f) "Payroll Deduction Authorizations" suspended in accordance with Paragraph 4(e) shall be reactivated on the first (1st) payroll period following the return of an employee to a job that is represented by the Union.
- (g) Except as provided in Paragraph 4(e), "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by Lucent Technologies unless canceled by such employee. Such cancellation must be individually sent to the Lucent Technologies Payroll Office and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement.
- (h) In the event an employee who cancels a "Payroll Deduction Authorization", in accordance with the above paragraph, wishes to resume deductions for amounts equal to Union Dues, such employee shall be obligated to complete a new "Payroll Deduction Authorization".
- (i) By written certification, the Union shall keep Lucent Technologies currently informed of the amount of regular monthly dues lawfully in effect in each Local having jurisdiction over any employees in the bargaining unit. Such amount or formula shall be uniform for all employees represented by the Local.
- (j) Certifications which change the amounts equal to Union dues for any Local will be accepted by the Company no more than three (3) times in any calendar year.
- (k) Amounts deducted in accordance with the above provisions shall be remitted to the Union no later than the end of the second (2nd) week following the months during which the deductions were made, the COMPANY shall deliver to the UNION a check for the amount due, payable to the UNION, accompanied by a list showing the names of employees from whose pay:
 - (1) Regular deductions have been made.
 - (2) No deduction has been made because of cancellation of authorization.
 - (3) No deduction has been made because of revocation of authorization.
 - (4) No deduction has been made because of insufficient earnings in this pay period.
 - (5) Deduction has been made for a prior month.
- (l) It is recognized that the suspension, reactivation and cancellation procedures for "Payroll Deduction Authorizations" contained herein shall be observed for all employees in the bargaining unit on the effective date of this collective bargaining agreement.

- (m) It is understood that Lucent Technologies assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither Lucent Technologies nor any of its officers, agents or employees shall in any way be held liable or responsible for any loss.

5 Bulletin Boards

- (a) The COMPANY will furnish, install and maintain a reasonable number of the standard type of bulletin boards in locations satisfactory to the COMPANY and the UNION and shall be the property of the COMPANY. These bulletin boards shall be clearly marked to indicate they are for the use of the UNION.
- (b) Such bulletin boards shall be used for posting of UNION notices. Such notices shall be subject to advance approval of the COMPANY which may, however, give blanket approval for the posting of routine notices.

6 Maintenance of Work Operations

- (a) There shall be no strikes, work stoppages, slowdowns, or other interferences with or interruptions of work operations, including absences from assigned COMPANY duties to attend UNION meetings at any time during the period of this Agreement. No OFFICER, AGENT or REPRESENTATIVE of the UNION shall authorize, instigate or condone any such activity. No employee shall participate in any such activity. By way of penalty for any violation of the foregoing the COMPANY shall have the right to take disciplinary action including termination of employment, against any employee participating in the violation.
- (b) The COMPANY shall not institute a lockout of employees (meaning thereby - to temporarily shutdown the operations with an intent unlawfully to affect the rights of employees in respect to UNION representation).

APPENDIX 5-A

PAYROLL DEDUCTION AUTHORIZATION

_____-_____-_____
Social Security Number

Name _____
Last First Init

I hereby authorize Lucent Technologies to deduct from my salary or wages, sickness or disability payments, or other benefit payments or vacation payments, an amount equal to regular monthly Union dues. If for any reason Lucent Technologies fails or is unable to make a deduction, I authorize Lucent Technologies to make such deduction in a subsequent payroll period.

The amount equal to regular monthly Union dues shall be that which is certified to Lucent Technologies by the International Brotherhood of Electrical Workers for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes, if applicable.

This authorization shall remain in effect when I am employed by Lucent Technologies unless canceled by me. Such cancellation must be individually sent to my Lucent Technologies Payroll Office and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent Collective Bargaining Agreement, and shall be effective on the first payroll period in the following month.

This authorization is voluntarily made in order to pay my fair share of the Union's cost of representing me for purposes of collective bargaining, and this authorization is not conditioned on my present or future membership in the Union.

In addition, I authorize Lucent Technologies to deduct from my salary, wages or other payment an amount of \$ _____ in payment of my initiation fee.

Amounts deducted in accordance with this authorization are not deductible as charitable contributions for federal income tax purposes.

Signature of Employee

Date _____

Employee Work Location

Union Local

Lucent Technologies Organization	() Employee Business Telephone No.
-------------------------------------	--

Class of IBEW Membership

A _____ BA _____

ARTICLE 6 - GRIEVANCE PROCEDURE

1 General

- (a) To provide for the expeditious and mutually satisfactory settlement of grievances arising with respect to the interpretation or application of this Agreement or other terms and conditions of employment, the following procedures shall apply.
- (b) Any individual employee or group of employees shall have the right at any time to present matters in their own interest to the COMPANY and to have such matters adjusted, without the intervention of the UNION, as long as the adjustment is not inconsistent with this Agreement and provided the UNION has been given an opportunity to be present at such adjustment.
- (c) When an employee or group of employees wishes to have a grievance presented for settlement by the UNION, such grievance shall, except as otherwise provided in this or any other written agreement between the COMPANY and the UNION, be presented as outlined below and settlement sought at any one of the steps indicated.
- (d) After a REPRESENTATIVE has referred a grievance to the COMPANY for adjustment, the COMPANY will not discuss the matter with the employee involved nor adjust the grievance pending settlement with the UNION.

2 Disciplinary Matters

- (a) Any grievance involving the suspension or DISMISSAL of an individual employee shall be submitted in writing to the COMPANY'S Local Bargaining Agent within fifteen (15) standard working days after the UNION receives notice of the suspension or DISMISSAL. If such a grievance is not submitted within the fifteen (15) day period, the matter shall be considered closed.
- (b) The COMPANY shall submit a written answer to the grievance within ten (10) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or, if such an answer is not submitted within the ten (10) day period, the grievance shall be considered rejected and the grievance procedure shall be exhausted.
- (c) In the event the COMPANY determines that circumstances warrant, it may issue a "paper suspension" in lieu of an actual suspension. In such case, the COMPANY will specify the amount of time off that would have applied but the employee shall lose no time or pay as the result of such action.
 - (1) The COMPANY and the UNION agree that a "paper suspension" shall carry precisely the same impact as an actual suspension with regard to progressive discipline. The parties also agree that the imposition or failure to impose a "paper suspension" in lieu of an actual suspension shall not constitute a precedent with regard to any other case.

- (2) In the event the UNION wishes to challenge the imposition of a paper suspension it may do so by filing a written grievance specifying the precise grounds for its challenge. The action shall not be subject to arbitration, however, unless and until the employee is later DISMISSED by the COMPANY. Should that occur, and the case is otherwise arbitrable, the UNION, in contesting the DISMISSAL in arbitration, may also contest the "paper suspension" but only on the grounds raised in its written grievance.

3 Interim Status

- (a) Any grievance involving the INTERIM STATUS suspension of an individual employee shall be submitted in writing to the COMPANY Local Bargaining Agent within fifteen (15) standard working days after the LOCAL UNION receives notice of the suspension. If such a grievance is not submitted within the fifteen (15) day period, the matter shall be considered closed.
- (b) The COMPANY shall submit a written answer to the grievance within ten (10) standard working days of the receipt of the grievance. If the grievance is rejected in a timely manner or, if such an answer is not submitted within the ten (10) day period, the grievance shall be considered rejected and the grievance procedure shall be exhausted.

4 Local Contract Interpretation Issues

- (a) It is the desire of the parties that grievances involving local contract interpretation issues be settled informally between the REPRESENTATIVE and a First Level Supervisor (Step 1) or between not more than two REPRESENTATIVES and a Second Level Supervisor (Step 2) or between not more than two REPRESENTATIVES and a Third Level Supervisor (Step 3) without a formal written procedure. Grievances so presented shall be answered within two (2) standard working days at Steps 1 and 2 and within five (5) standard working days at Step 3, following the date of presentation by the UNION.
- (b) If a satisfactory settlement cannot be reached informally at Steps 1, 2 or 3 and the UNION wishes to process the grievance further, the grievance shall be presented in writing to the designated COMPANY Bargaining Agent.
 - (1) No more than three (3) representatives from each side shall participate in the grievance discussion.
 - (2) Notwithstanding Paragraphs 4(a) and 4(b) above, the grievance must be presented in writing at the step immediately preceding the step at which the Bargaining Agent and the Union discuss the grievance
- (c) Grievances processed under the written procedure shall be answered in writing by the COMPANY within ten (10) standard working days following the date of presentation by the UNION.

- (d) When the UNION wishes to process a grievance to the next higher step, it shall present the grievance at that step within ten (10) standard working days following receipt of the COMPANY'S answer at the previous step. Otherwise the grievance shall be considered closed. If the answer to the grievance is not given by the COMPANY within the time limits provided herein, the grievance may be presented at the next step.
- (e) The parties may agree to reduce the number of grievance steps but the last step of the procedure shall require submission of the grievance in writing and discussion with both the highest level manager in the grievance chain and the designated local COMPANY Bargaining Agent at the same time.

5 National Contract Interpretation Issues

- (a) The parties agree to conduct regular meetings at the National Level for the purpose of discussing grievances that may arise concerning National Contract items.
- (b) If at any time following initiation of a grievance, the UNION Bargaining Agent and COMPANY Bargaining Agent concur that it is appropriate to submit the grievance to the National Step, the grievance shall be presented in writing directly to the COMPANY Bargaining Agent.
- (c) In the event that the UNION Bargaining Agent and COMPANY Bargaining Agent do not concur that it is appropriate to submit the grievance to the National Step, the parties shall exhaust the local grievance procedure described in Paragraphs 1 through 4 of Article 6.
- (d) The UNION Bargaining Agent may present a grievance to the National Step not later than 60 days following receipt of the COMPANY Bargaining Agent's written answer to a grievance. If a grievance is neither presented to the National Step nor to Arbitration in accordance with the provisions of ARTICLE 7, ARBITRATION, of the applicable General Agreement during said 60 days, the matter shall be considered closed.
- (e) All grievances submitted to the National Step shall be submitted using the form attached hereto as Appendix 6-A and shall contain reference to the nature of the dispute and reasons therefore, including reference to the specific provision or provisions of the General Agreement in dispute. All documents used during the local grievance process shall be included with the submission.
- (f) A grievance submitted to the National Step shall be placed on the agenda for the next regular scheduled meeting on National Contract items.
- (g) The COMPANY shall provide a written answer to the grievance within twenty (20) standard working days following the discussion of the grievance at the National Step.
- (h) In the event that any grievance that is submitted to the National Step is not finally resolved to the satisfaction of the parties, either party may submit such grievance to Arbitration (provided the issue is otherwise subject to the provisions of said ARTICLE 7, ARBITRATION) during the 60-day period following the date of the COMPANY'S written answer to the grievance following discussions at the National Step.

APPENDIX 6-A

NATIONAL STEP GRIEVANCE SUBMISSION

To: Manufacturing National Step Grievance Committee

The following grievance is submitted to the "National Step":

Local Grievance Number: _____

UNION: CWA _____ IBEW _____ Local Number _____

Lucent Technologies Location: _____

Disputed Contractual Provision:

Article No. _____ Title: _____ Para.: _____

Summary of Issue: _____

Submitted by:

Name _____ Date _____

All documentation used for local grievance procedure must be included with this submission form.

Send submissions to:

CWA

M.J. Sherman,
Staff Representative
CWA
501 3rd St., NW
Suite 200
Washington, DC 20001-2797

Leon Gusek, President
CWA Local 3263
5064 Singleton Road
Norcross, GA 30093

IBEW

Mike Quinlan,
International Representative
IBEW
1125 Fifteenth St. NW,
Room 1006
Washington DC 20005

Stephen Lynn, President
IBEW System Council EM-3
3144 Marion Street
Laureldale, PA 19605

Lucent Technologies

L. D. Hudson
Workforce Relations Director
Room B2E23
283 King George Road
Warren, NJ 07059

R. J. Clampitt
Workforce Relations Director
Room B2E31
283 King George Road
Warren, NJ 07059

ARTICLE 7 - ARBITRATION**1 General**

- (a) Any dispute arising between the UNION and the COMPANY with respect to the interpretation of any provision of this Agreement or the performance of any obligation hereunder may be referred, during the life of this Agreement, to an Arbitrator in accordance with the procedures hereinafter set forth, provided:
 - (1) The procedure for the settlement of grievances, ARTICLE 6, GRIEVANCE PROCEDURE, has been exhausted, and
 - (2) Such dispute does not involve a provision of this Agreement which specifies that it is not subject to arbitration and,
 - (3) Such dispute does not involve a case in which the determination of the matter in dispute is within the judgment or discretion of the COMPANY.
- (b) Each referral to arbitration shall embrace but one (1) such matter in dispute, unless otherwise stipulated to by agreement between the UNION and the COMPANY. Upon mutual agreement, in disciplinary cases, two (2) similar grievances may be presented, so long as the facts of the grievances are the same, and so long as all the grievances are arbitrable and the grievance process has been exhausted as to each grievance to be submitted to arbitration.
- (c) The Arbitrator shall have no authority to:
 - (1) Add to, or subtract from, or in any way modify the provisions of this Agreement;
 - (2) Include in the award an obligation for the COMPANY to make any retroactive adjustment in pay, except as provided in ARTICLE 8 - OCCUPATIONAL JOB CLASSIFICATIONS between the parties, for any period beyond (1) six (6) months prior to the date arbitration proceedings were instituted in accordance with this Article, or (2) the date the UNION submitted an initial written grievance as provided in ARTICLE 6, GRIEVANCE PROCEDURE, whichever period is shorter.
- (d) The decision of the Arbitrator made in compliance with this Article shall be final; shall be in writing; and, unless a shorter period is specified herein, shall be rendered within thirty (30) days following the date of the last hearing conducted by the Arbitrator unless an extension to such period is agreed to by the COMPANY and the UNION. The COMPANY and the UNION agree to abide by the Arbitrator's decision.
- (e) Each party shall pay its own expenses incurred in the arbitration, including payment for the time and expenses of its witnesses. All other direct expenses, including the fees and expenses of the Arbitrator, shall be borne equally by the COMPANY and the UNION.

2 The arbitration procedures shall be as follows:

(a) Disciplinary DISMISSAL, Suspension and INTERIM STATUS

- (1) The parties have selected regional panels of Arbitrators to hear and decide cases in which the UNION contests the disciplinary DISMISSAL, suspension or INTERIM STATUS of an employee in accordance with the provisions of this Article. If such a case also involves an issue of arbitrability, contract interpretation, strike activity or is the subject of an administrative charge or court action and it is otherwise arbitrable, it shall not be handled under this paragraph but may be processed in accordance with Paragraph 2(b)(1) below.
- (2) Arbitrators may be removed from the regional panels at the request of either party and replacements shall be selected by mutual consent. The Arbitrators shall be assigned cases on a rotating basis as agreed to by the parties. If the Arbitrator assigned a case is not available to hear and decide the case within the time limits set forth herein, the case shall be passed to the next available Arbitrator.
- (3) If settlement is not reached in the grievance procedure the UNION may arbitrate the disciplinary DISMISSAL, suspension or INTERIM STATUS of an employee provided the employee had a TERM OF EMPLOYMENT of more than six (6) months on the date of the disciplinary DISMISSAL, suspension or placement on INTERIM STATUS. The UNION'S demand for Arbitration must be in writing and must be submitted within thirty (30) calendar days after receiving the COMPANY'S reply to the grievance. Otherwise, the matter shall be considered closed.
- (4) Within ten (10) calendar days of the UNION'S arbitration demand, the parties shall notify the Arbitrator. The Arbitrator shall notify the parties of the hearing date which shall be within twenty (20) calendar days of the notice to the Arbitrator.
- (5) The parties may submit to the Arbitrator, prior to the hearing, a written stipulation of all facts not in dispute.
- (6) The hearing shall be informal without attorneys, without formal rules of evidence, without a transcript and without briefs. The Arbitrator, however, shall satisfy himself/herself that the evidence submitted is of a type on which he/she can rely, that the hearing is in all respects a fair one and that all the facts necessary to a fair settlement and which are reasonably obtainable are brought before the Arbitrator.

- (7) The Arbitrator's authority shall be confined to a determination of whether or not the COMPANY had just cause to DISMISS, suspend or place the grievant on INTERIM STATUS. If the Arbitrator should determine that the COMPANY lacked just cause, the employee shall be reinstated (if not previously reinstated) and shall be entitled to back pay at the employee's ADJUSTED RATE less interim earnings and any unemployment compensation received, and service credit for the period of absence caused by the action of the COMPANY. However, it is understood in calculating interim earnings to be deducted from a back pay award the Company will not include amounts earned by the grievant in other employment to the extent of the average hours per week worked prior to DISMISSAL, suspension or INTERIM STATUS while the grievant was employed by the Company. If there is no balance due the employee, all payments other than wages received from the COMPANY at the time of termination or suspension shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten percent (10%) of the employee's wages.
- (8) The Arbitrator's award shall apply only to the instant grievance which shall be settled thereby. It shall not constitute a precedent for other cases or grievances and may not be cited or used in any other matters, including but not limited to arbitrations between the parties.
- (9) The Arbitrator's award shall be rendered within seven (7) calendar days after the hearing using the appropriate form attached hereto as Appendix 7-A.

(b) **Local Contract Interpretation Issues**

- (1) Either party may institute arbitration proceedings not later than sixty (60) days following the date of receipt of the final answer of either party in accordance with Paragraph 1(a)(1) of this Article by written demand on the other party specifying the nature of such dispute and the reasons therefore, including reference to the specific provision or provisions of this Agreement in dispute. If a timely demand for arbitration is not made, the matter will be considered closed.
- (2) Within thirty (30) days following receipt of such written demand, the UNION and the COMPANY endeavor jointly to select an Arbitrator. If, within such period, the parties are unable to select an Arbitrator, the party instituting the proceedings may request the Federal Mediation and Conciliation Service or the American Arbitration Association to submit a list of nine (9) Arbitrators who shall be members of the National Academy of Arbitrators from which the parties may jointly make such selection. If the parties fail to agree on the selection of an Arbitrator from the list, each party shall alternately strike one name each until but one name remains and the person so named shall be the Arbitrator. If the American Arbitration Association is used, the parties shall follow its rules for Arbitrator selection and processing of the case.

- (3) A case involving the disciplinary DISMISSAL, suspension or INTERIM STATUS of an employee that is submitted under this Sub-Paragraph 2(b) shall be subject to the limitation that the employee has more than six (6) months TERM OF EMPLOYMENT at the time of the COMPANY action. In such a case the authority of the Arbitrator shall be further limited to a determination of whether or not the COMPANY had just cause for its action. In the event the Arbitrator should determine that the COMPANY lacked just cause, the employee shall be reinstated (if not previously reinstated) and shall be entitled to back pay, less interim earnings and unemployment compensation paid, and service credit for the period of absence caused by the action of the COMPANY. However, it is understood in calculating interim earnings to be deducted from a back pay award the Company will not include amounts earned by the grievant in other employment to the extent of the average hours per week worked prior to DISMISSAL, suspension or INTERIM STATUS while the grievant was employed by the Company. If there is no balance due the employee, all payments other than wages received at the time of termination shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten percent (10%) of the employee's wages.

(c) **National Contract Interpretation Issues**

- (1) Either party may institute arbitration proceedings not later than sixty (60) days following the date of receipt of the final answer of either party in accordance with Paragraph 1(a)(1) of this Article by written demand on the other party signed by the National level representative of the COMPANY or by the National representative of the UNION, specifying the nature of the dispute and the reasons therefore, including reference to the specific provision or provisions of this Agreement in dispute. If a timely demand for arbitration is not made, the matter shall be considered closed.
- (2) The Arbitrator shall be selected in accordance with Paragraph 2(b)(2).

APPENDIX 7-A**ARBITRATION SUBMISSION AND SETTLEMENT FORM**

The parties agree to submit the Grievance Number _____ to Arbitrator _____ under the provisions of Paragraph 2 of Article _____. The parties agree that the issue is:

Did the COMPANY have just cause to ___ DISMISS; ___ suspend for ___ days; ___ place on INTERIM STATUS, the Grievant, _____ (name) _____ on ___ (date) ___?

Dated

For the Company

Dated

For the Union

ARBITRATOR'S AWARD

I am satisfied that the evidence submitted in this case was reliable, that the hearing was in all respects fair and that all the facts necessary to a fair settlement and which were reasonably attainable were brought before me. Thus, I find:

[] The COMPANY had just cause.

[] The COMPANY did not have just cause.

Comments: _____

Dated

Arbitrator

UNDERSTANDING
ARTICLE 7 - ARBITRATION

Written Corrective Warning Notices

Ordinarily, where an employee's job performance, conduct or disregard of safety practices are such as to lead to disciplinary action affecting the employee's status or pay, the supervisor shall discuss the matter with the employee and shall give the employee a Written Corrective Warning Notice with the Union Steward present. If an employee refuses representation in the presence of the Union, the Steward will be furnished with a copy of the Written Corrective Warning Notice.

In exceptional cases an employee's conduct may be such as to bring about the immediate termination of his or her employment. In such cases the Company shall notify the Union when the action is taken. The Company will pay the employee five (5) days in lieu of except for blatant disregard of Company rules and regulations.

The Company will conduct one (1) review every four (4) months to determine which Corrective Warning Notices, if any, should remain in an employee's record. The Union shall be notified at the completion of such review of the names of those employees whose Corrective Warning Notice(s) were not removed.

The Union upon notification of the retention of a Written Corrective Warning Notice has the right to file a grievance on the retention.

Upon request, an employee shall have the right to review the Company record in the event of a grievance in connection therewith.

In the administration of Written Corrective Warning Notices because of unsatisfactory performance, conduct, or safety practices (normally over a period of time), it is understood and agreed that the procedures outlined below will be followed:

1. Supervisor will review with the appropriate employees repeated unsatisfactory records with the Union Representative present (Informal Discussion).
2. Supervisors will again review unsatisfactory records with the employee and the Union Representative present (Verbal Warning Notice).
3. Supervisors will, in appropriate cases, issue a Written Corrective Warning Notice to the employee with the Union representative present.

ARTICLE 8 - OCCUPATIONAL JOB CLASSIFICATIONS

- 1 The work performed by employees in the bargaining unit shall be classified as to Occupational Job Classifications in accordance with those set forth in Appendix 8-A to this Article. An employee shall be classified in the Occupational Job Classification which covers the major portion of his or her regular work assignment.
- 2 No provision of this Agreement shall restrict the right of the COMPANY to establish new Occupational Job Classifications and the applicable Wage Schedules as changes in the work may require and to assign employees to such Occupational Job Classifications in accordance with the provisions of ARTICLE 9, MOVEMENT OF PERSONNEL.
- 3 Whenever the COMPANY determines it appropriate to create and staff a new Occupational Job Classification, or restructure or redefine an existing Occupational Job Classification, it shall provide written advance notice of that action to the UNION. Such notification shall state the Occupational Job Classification and applicable Wage Schedule. The Occupational Job Classification and Wage Schedule shall be initially classified as temporary and the COMPANY may proceed to staff such Occupational Job Classification in accordance with the provisions of ARTICLE 9, MOVEMENT OF PERSONNEL.
- 4 Within thirty (30) days of receipt of such notice, the UNION may initiate negotiations concerning the initial Wage Schedule which the COMPANY has established for the new or restructured Occupational Job Classification.
 - (a) If negotiations are not so initiated, the Occupational Job Classification and Wage Schedule shall be considered permanent.
 - (b) When negotiations are so initiated and agreement is reached between the parties within sixty (60) days following the UNION'S receipt of notice from the COMPANY concerning the initial Wage Schedule, the agreed upon Wage Schedule shall be implemented as of the date of such agreement.
 - (c) If agreement is not reached within such sixty (60) days, the matter will be referred to the International Office of the UNION and the LUCENT Labor Relations Director-Manufacturing for resolution at that level.
 - (d) In the event that the application of the provisions of Paragraph 4(b) or Paragraph 4(c) result in an Occupational Job Classification being assigned to a revised Wage Schedule higher than initially assigned, retroactive adjustments shall be made as provided hereinafter.
 - (e) Retroactive adjustments shall be granted to employees on the payroll for the period they were classified in the new or revised Occupational Job Classification at the initial Wage Schedule provided they:
 - (1) are classified in the Occupational Job Classification in question on the date of agreement to revise the initial Wage Schedule, or
 - (2) were reclassified from the Occupational Job Classification in question within thirty (30) days of the date of agreement to revise the initial Wage Schedule.
 - (f) In no event shall any retroactive adjustment be granted for any period beyond the fifty-two (52) week period preceding the date of the agreement.

APPENDIX 8-A

OCCUPATIONAL JOB CLASSIFICATIONS

<u>CLASSIFICATION</u>	<u>APPLICABLE UNION LOCAL</u>	<u>WAGE SCHEDULE</u>	<u>PENSION BAND</u>
Administrative Associate (480)	1560	A	106
Administrative Specialist (481)	1560	B	108
Electronics and Photonics Processor (482)	1560	E	119
Facilities Maintainer (483)	1522	C	109
Facilities System Technician (484)	1522	F	122
Facilities Technologist (485)	1522	G	124
Mechanical Technologist (486)	1522	G	124
Photonics Laboratory Technician (487)	1560	G	124
Administrative Analyst (488)	1560	D	114
Electronics and Photonics Operator (489)	1522	C	109
Sr. Administrative Specialist (492)	1560	C	109
Calibration Technician (493)	1560	G	124
Facilities Maintainer (495)	1522	D	114
Photonics Team Processor (497)	1560	F	122

APPENDIX 8-B
OPTOELECTRONICS CENTER
ADMINISTRATIVE JOBS

<u>Wage Schedule</u>	<u>Job Title</u>	<u>Sub-Title</u>	<u>Function</u>
A	Administrative Associate	--	(Chauffeur [Van Driver], Mailroom, Reprographics, Shipping/Receiving, Storeroom)
B	Administrative Specialist	Clerk Clerk Clerk Clerk Clerk Clerk Secretary Secretary Secretary	Accounting Conference Room Library Purchasing TMRS Typist Human Resources Other Text Processing
C	Sr. Administrative Specialist	Sr. Clerk Sr. Clerk Sr. Clerk Sr. Secretary	Accounting Human Resources Safety & Plant Inspection Other
D	Administrative Analyst		Accounting Coordination Facilities Management Human Resources Library Photography Purchasing Safety & Plant Inspection Secretarial Text Processing Transportation

ADMINISTRATIVE ASSOCIATE

WAGE SCHEDULE A

Occ. Code No. 480

Function: (Chauffeur [Van Driver], Mailroom, Reprographics, Shipping/Receiving, Stockroom)

Instruct and assign work to other employees performing mail delivery, clerical and record keep services. Suggest work flow routines for general areas such as reproduction, car fleet, mailroom, and stockroom services. Perform messenger services associated with the delivery of items such as checks and time cards. Collect, sort and distribute all incoming and outgoing mail. Operate postage equipment. Order, stock and reorder supplies to replenish stock when necessary. Contact manufacturer's representative and engage in question and answer contacts to expedite resolution of equipment difficulties. Operate and input receipts on computer system for shipping and receiving.

Operate shuttle van to and from Lucent locations for the transportation of supplies and passengers. Load and unload bulk containers, mail, and miscellaneous articles. Make minor roadside repairs. Keep equipment functioning properly and in good appearance.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.
- Must possess a valid Pennsylvania driver's license.

ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE B

Occ. Code No. 481

Function: (Clerk - Accounting)

Assist in the preparation of case authorization and budget control reports, graphs and similar results type data used for controlling capital and plant expenditures for Lucent. Perform general clerical and filing duties.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Minimum qualifying score on accounting test.
- Communications terminal operation may be required.

Function: (Clerk - Conference Room)

Schedule use of plant facilities, conference rooms, classrooms, etc. Set up and operate audio visual aid equipment. Perform general clerical and filing duties.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE B

Occ. Code No. 481

Function: (Clerk - Library)

Provide information and requested materials regarding library services to Lucent personnel. Utilize a wide variety of reference and Library Network sources to obtain requested information. Obtain materials and format reference lists according to user needs.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

Function: (Clerk - Purchasing)

Receive, screen and process requisitions for the purchase of supplies, materials, machinery, equipment and other items for Lucent.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

Function: (Clerk - Transportation, Mailroom, Reprographics, Shipping/Receiving)

Act as the lead person in areas such as, Transportation, Mailroom, Reprographics or Shipping/Receiving. Instruct and assign work to other employees performing various service functions. This assignment is intended to be multi-functional and is not limited to a specific Services function. May be required to work in equal or lower graded assignments as determined by the needs of the business.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE B

Occ. Code No. 481

Function: (Clerk - Typist)

Perform general clerical, typing and filing duties.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

Function: (Clerk - Typist[Technical])

Perform clerical and typing assignments for a Technical/Research organization. Duties involve processing documents and data, as well as compiling and maintaining reports and files where Procedural/Technical knowledge as well as accuracy and completeness are a requirement. Uses some subject matter knowledge and judgment to complete assignments. Selects from alternative methods and refers problems not solvable by adapting or interpreting substantive guides, manuals or procedure.

Qualifications:

- Satisfactory attendance record in present job.
- Minimum qualifying scores on B-TAB and typing tests.
- Technology overview course required prior to completion of progress to Step 9.
- Minimum score on Microsoft Competency Test.
- Communications terminal operation may be required.

ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE B

Occ. Code No. 481

Function: (Secretary - Human Resources)

Perform secretarial duties such as stenographic and typing assignments, service correspondence, time cards and personnel data, prepare correspondence, records and reports, and perform general clerical and filing duties. Service functions in connection with Lucent employment, benefits, educational programs and public relations.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing and stenography tests.
- Communications terminal operation may be required.

Function: (Secretary - Other)

Perform secretarial duties such as stenographic and typing assignments, service correspondence, time cards and personnel data, prepare correspondence, records and reports, and perform general clerical and filing duties. May receive and distribute airline tickets to employees.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing and stenography tests.
- Communications terminal operation may be required.

Function: (Secretary - Text Processing)

Perform secretarial duties such as stenographic and typing assignments, service correspondence, time cards and personnel data, prepare correspondence, records and reports, and perform general clerical and filing duties. Operate computer terminals or word processing equipment including UNIX®.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing and stenography tests.
- Communications terminal operation may be required.

SENIOR ADMINISTRATIVE SPECIALIST**WAGE SCHEDULE C****Occ. Code No. 492****Function:** (Sr. Clerk - Accounting)

Prepare the case authorization and budget control reports, graphs and similar data. Analyze accounts and classify charges; investigate complaints related to charges and resolve non-routine discrepancies. Prepare journal entries and maintain ledgers. Perform general clerical and filing duties. Instruct employees performing equal or lower level work.

Qualifications:

- Satisfactory attendance record in present job.
- Twelve (12) months experience in Accounting related jobs.
- Performance in present job.
- Minimum qualifying score on typing test.
- Minimum qualifying score on "B-TAB" test.
- Electronic work station operation is required.
- Communications terminal operation may be required.

Function: (Sr. Clerk - Human Resources)

Provide clerical and logistical support and coordination for activities related to employment functions. Contact candidates, schedule interviews and prepare offer sheets. Maintain a variety of databases, files and records. Make all arrangements related to recruiting and hiring activities including travel and reimbursement. Responsible to input and retrieve information/documents from e-mail and Internet sources. Instruct employees performing equal or lower level work.

Qualifications:

- Satisfactory attendance record in present job
- Performance in present job
- Twelve (12) months experience in Schedule B administrative functions
- Minimum qualifying scores on typing test
- Demonstrated proficiency with electronic mail, Internet, word processing and spreadsheet software.
- Communications terminal operation may be required.

SENIOR ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE C

Occ. Code No. 492

Function: (Sr. Clerk, Safety and Plant Inspection)

Maintain OSHA recordkeeping statistics by classifying and inputting reportable accidents/illness data into the Lucent MARS Computer System. Analyze statistical data and prepare summaries, charts and reports. Coordinate safety eyeglass program. Conduct new employee safety orientation. Maintain all records on radiation producing equipment and sources in order to comply with NRC requirements. Coordinate monthly personal dosimetry program. Perform other clerical duties related to safety and plant issues. Operate computer terminals or word processing equipment including UNIX®. Training coordination for safety and environmental training. Includes: contacting vendors, purchase order preparation, assisting instructors, room arrangements, scheduling, recordkeeping, etc. Maintain EMS document control and file system, both hard copies and on-line. Support Environmental Management Team members by collecting necessary records, insuring "traceability" and accuracy, and conformance to relevant EMS documents. Create and keep Non-Conformance/Corrective Action records. Attend Environment Management Team meetings and other meetings (i.e., Union-Management Safety) to take minutes and generate appropriate action item log. Maintain Excel spreadsheets (water, chemical use, hazardous waste, recycling, etc.) required for tracking performance of the EMS. Make arrangements for various audits throughout the year including rooms, meals, scheduling auditees, providing support during audits, etc. Maintain the BCT/Chemis chemical tracking system. Secretarial support for the Environmental Site Coordinator. Maintain OEC EH&S web site.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Twelve (12) months experience in Schedule B administrative functions.
- Minimum qualifying scores on typing and stenography tests.
- Communications terminal operation may be required.

SENIOR ADMINISTRATIVE SPECIALIST

WAGE SCHEDULE C

Occ. Code No. 492

Function: (Sr. Secretary - Other)

Must perform, train or assist other personnel as required to fulfill duties such as stenographic and typing assignments, service correspondence, time cards and personnel data, prepare responses to routine correspondence, records and reports, and perform general clerical and filing duties. May include scheduling and planning of various business trips.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Minimum qualifying score on typing and stenography tests.
- Communications terminal operation may be required.

ADMINISTRATIVE ANALYST

WAGE SCHEDULE D

Occ. Code No. 488

Function: (Accounting)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignments listed in the Administrative Specialist levels in connection with the Accounting organization. Additionally, this level will function as the classification/certification analyst as well as investigating and resolving discrepancies with purchase orders, vouchers and EPPS.

Qualifications:

- Satisfactory attendance in current job.
- Performance in current job.
- Eighteen (18) months experience in Accounting work at lower level.
- Minimum qualifying score on Financial test.
- Communications terminal operation may be required.

ADMINISTRATIVE ANALYST

WAGE SCHEDULE D

Occ. Code No. 488

Function: (Coordination - Technical, Facilities, Marketing, Executive*)

In addition to secretarial support of an executive within the work group, and with the agreement of other executive within work group, candidate will be expected to meet the following objectives:

Work with group to facilitate coordination and prioritization of job responsibilities within work area, schedule coverage, minimize overtime

Work with group to analyze and redefine processes in order to insure consistent, accurate, timely and proficient turnaround

Identify and document job specifics and responsibilities in order to develop and maintain portion of staff support manual containing information relevant to work area in order to establish a proficient, knowledge based team

As subject matter expert, coach work group in procedures relevant to particular work area

Work in conjunction with staff support supervisor to inform, educate and support the administrative staff in order to insure professional, consistent support at the OEC

Qualifications:

- Satisfactory attendance record in present job
- Performance in current job
- Knowledge of Lucent Technologies policies and procedures
- Eighteen (18) months current experience in relevant area
- Currently C level in relevant area
- Satisfactory completion (C or better) of Certified Professional Secretary Course (Parts 1 & 2)
- Typing and steno qualified
- Computer proficiency required
- Communications terminal operation may be required.

This position is intended to train, coach and support the above work group and is in recognition of proficiency in this specific area. All duties currently performed are to be continued. Upgrade may be awarded without regard for rank anchor policy but is done on a non-precedent setting basis. This position requires dotted line reporting to Supervisor, Administrative Support.

*May be represented or non-represented, Executive Area only.

ADMINISTRATIVE ANALYST

WAGE SCHEDULE D

Occ. Code No. 488

Function: (Facilities Management)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignment in connection with Facilities Management functions. Writes and services purchase orders related to all phases of building operation. Sets up running orders through purchasing, follows up and makes appropriate changes. Contacts suppliers/vendors to conclude prices and arrangements for timely delivery on items not requiring purchasing support.

Qualifications:

- Satisfactory attendance record in present job
- Performance in present job
- Eighteen (18) months experience in lower graded Administrative functions
- Minimum Qualifying score on Materials Management Test
- Communications terminal operation may be required

Function: (Human Resources)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignments listed in Administrative Specialist in connection to the Personnel function.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in employee service (Human Resources).
- Minimum qualifying score on typing test and stenography tests.
- Communications terminal operation may be required.

Function: (Library)

Instruct and assign work to other employees performing library functions. Also perform Administrative Specialist services connected to library functions as needed.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in library procedures.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.

ADMINISTRATIVE ANALYST**WAGE SCHEDULE D****Occ. Code No. 488****Function:** (Photography)

Perform photographic assignments of a varied nature where conditions can generally be controlled and retakes are usually possible. Set up and operate a variety of cameras, lighting, printing and enlarging equipment. Process black and white and color films and prints and perform miscellaneous photographic laboratory duties.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Two (2) years experience in photographic processes.
- Cannot be allergic to chemicals used in photographic processes or have an asthmatic condition. Employee will be required to work with corrosive chemicals.
- Must have normal vision or wear corrective lenses.
- Communications terminal operation may be required.

Function: (Purchasing)

Place and expedite orders for Lucent. Must be able to direct or assist other personnel as required to fulfill the objectives of the purchasing assignments.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in purchasing functions.
- Ability to type.
- Communications terminal operation may be required.
- Must possess a valid Pennsylvania driver's license.

ADMINISTRATIVE ANALYST

WAGE SCHEDULE D

Occ. Code No. 488

Function: (Safety & Plant Inspection)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignments listed in the Administrative Specialist levels in connection with the Environmental Health and Safety organization.

Oversee various facility-wide programs, such as safety eyeglasses, safety shoes or radiation badges. Coordinate and document quarterly facility inspection program and follow up on findings to document corrective actions. Additionally this level will function as the Local 1560 representative member of the VPP committee as well as the central point of contact for the Safety Center. Investigate and advise on safety issues that arise from employees, analyze and make recommendations to the Safety committee as a full committee member. Present recommendations and findings on various Safety and Plant Inspection topics to all levels. Evaluate all proposed training and informational programs. Present various topics related to VPP to management and outside personnel such as contractors or regulatory agency employees. Develop and initiate surveys to gauge employee support/awareness/involvement in safety issues, recommend initiatives or corrective actions.

Qualifications:

- Satisfactory attendance record in present job
- Performance in present job
- Twenty-four (24) months in related Safety and Plant Inspection work
- Minimum qualifying scores on typing and stenography tests
- Communications terminal operation may be required

Function: (Secretarial)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignments listed in Administrative Specialist in connection to the Secretarial function.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in secretarial work.
- Minimum qualifying score on typing, stenography tests.
- Communications terminal operation may be required.

ADMINISTRATIVE ANALYST**WAGE SCHEDULE D****Occ. Code No. 488****Function:** (Text Processing)

Must perform, train, direct or assist other personnel as required to fulfill the objectives of the assignments listed in Administrative Specialist in connection to the Text Processing function. Instruct secretarial and clerical employees in full capability usage of the UNIX® operating system for document preparation.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in UNIX® text processing.
- Minimum qualifying score on typing, stenography tests.
- Communications terminal operation may be required.

Function: (Transportation)

Determine the most economical and practical means of transporting routine and recurring company shipments which involves analyzing and interpreting freight tariff and routing instructions, carriers' tariffs, rates, routes, transit intervals, delivery dates, consolidations, and related factors. Trace and expedite shipments; check transportation charges.

Qualifications:

- Satisfactory attendance record in present job.
- Performance in present job.
- Eighteen (18) months experience in shipping and receiving procedures.
- Minimum qualifying score on typing test.
- Communications terminal operation may be required.
- Must possess a valid Pennsylvania driver's license.

APPENDIX 8-C

OPTOELECTRONICS CENTEROPERATIONS AND MAINTENANCE

<u>Wage Schedule</u>	<u>Job Title</u>	<u>Sub-Title</u>	<u>Local Union</u>
C	Electronics & Photonics Operator	--	1522
	Facilities Maintainer	--	1522
D	Facilities Maintainer	Chemical	1522
E	Electronics and Photonics Processor		1560
F	Facilities Systems Technician		1522
	Photonics Team Processor		1560
G	Calibration Technician		1560
	Facilities Technologist		1522
	Mechanical Technologist		1522
	Photonics Laboratory Technician		1560

ELECTRONICS AND PHOTONICS OPERATOR**WAGE SCHEDULE C****Occ. Code No. 489****Description:**

Perform under general supervision with some latitude for planning and the exercise of independent judgment; electronic and photonic device process operations, inspection, assembly and testing. The work requires good manipulative skills, judgment, alertness and accuracy in observing, recording and reporting physical characteristics which might deviate during process and assembly operations as well as from engineering specifications. The work encompasses such duties as, but not limited to, assembly and inspection of electronic and photonic semiconductor devices and associated components or parts; operation of materials analysis equipment and computer-controlled and manually operated testing systems; inspection of incoming piece parts; performance of device processing operations such as chemical deposition; the use and application of wire, die and other semiconductor bonders, packaging equipment, welders, and manual and electronically or computer-controlled microscopes; and analysis and contribution of ideas for solving problems or improving assigned operations or processes.

Prerequisite for Entry in Occupation:

Qualifications for entry into the Electronics and Photonics Operator occupation are training and/or experience in electronics and/or photonics assembly, testing and process operations, plus demonstrated proficiency based on experience and performance.

FACILITIES MAINTAINER

WAGE SCHEDULE C

Occ. Code No. 483

Description:

Perform Operations and Maintenance duties on facilities equipment or systems regarding a reasonable degree of individual initiative and responsibility. The incumbent may also be required to operate or maintain proprietary equipment supporting Laboratories.

These duties will include some of the following but should not be considered inclusive:

- Operating water conditioning units, perform water analysis and treatment, maintain plumbing fixtures and drain lines.
- Keep records of fire alarm systems, fire equipment and sprinkler systems, also operate other related fire equipment or machinery.
- Keep records of lubrication and maintenance activities. May be required to deliver storage batteries, chemicals or gases when necessary.
- Perform minor repairs on electrical and chemical equipment or systems.

Qualifications:

- Capable of passing fire brigade physical.
- Must be a member of the OEC Fire Brigade.
- Must possess mechanical aptitude.
- Must possess knowledge of basic hand tools.
- Must possess knowledge of basic power tools.
- Be able to maintain necessary records.
- Be able to perform minor repairs on electrical and mechanical equipment, or machinery and other facilities equipment and systems.
- May be assigned other than prime working hours.

FACILITIES MAINTAINER**WAGE SCHEDULE D****Occ. Code No. 495****Description:** (Chemical Handler)

Perform chemical receivable, distribution and disposal duties related to operations. Also perform operations and maintenance duties on facilities equipment and systems requiring a degree of individual initiative and responsibility. Incumbent will be required to operate and maintain emergency equipment related to spill cleanup and hazardous waste disposal in compliance with local, state and federal regulations.

These duties include but are not limited to:

- Receive, process, transfer, pick up for disposal, storage, or deliver chemicals and gases within the facility.
- Operate and maintain various service systems within the facility. Including but not limited to water, alarms, fire equipment and sprinkler systems.
- Perform minor repairs on electrical or chemical systems.
- Perform maintenance or lubrication activities.
- Maintain a clean and safe work area. Keep records as required to meet standards of regulatory agencies or to document maintenance activities.

Qualifications:

- Capable of passing fire brigade physical
- Must be member of facility Emergency Response Team or participate in and successfully complete training.
- Must qualify as a Hazardous Materials Technician.
- Must possess mechanical aptitude, as well as a basic knowledge of hand and power tools.
- Must be able to read and comprehend shipping documents as well as maintaining necessary records on various data systems.
- Be able to perform minor repairs on electrical, mechanical, and other facilities equipment and systems.
- May be assigned to other than prime working hours.
- Must possess Commercial Drivers License (CDL).

This is classified as a physically demanding job.

PHOTONICS TEAM PROCESSOR

WAGE SCHEDULE F

Occ. Code No. 497

Description:

Perform as part of a diverse, interdisciplinary production team. The work involves such duties as, but not limited to, making and inspecting complex electronic and photonic devices. Under general supervision, troubleshoot difficulties for manufacturing processing and assembly operations. Duties are performed with latitude for exercise of judgment. Work requires a high degree of manipulative skills as well as alertness in observing and reporting process deviations. In addition, analyze and contribute ideas for correcting difficulties associated with performing these processes. As a team member, participate in meetings, conferences and discussions to assure the highest quality and production standards for these leading edge products. Work of a lower graded nature may be performed in the absence of assigned duties. Data terminal operation is required.

Prerequisite for Entry in Occupation:

Qualification for entry into the occupation is an Associates degree in Electronics, Chemistry, Physics or Mechanics, minimum qualifying scores on four modules of the OEC-2 Electronics Test (Basic Electronics and DC Theory, AC Theory, Basic Computer Concepts, and Mechanical Principles) and successful completion of a structured interview.

Candidate must be willing to work any shift with varied start times in accordance with the needs of the business.

Satisfactory attendance, conduct and performance record in present job.

ELECTRONICS AND PHOTONICS PROCESSOR

WAGE SCHEDULE E

Occ. Code No. 482

Description:

Perform under general supervision with considerable latitude for planning and the exercise of independent judgment, difficult and complex electronic, photonic device processing and mechanical assembly work. The work requires a high degree of manipulative skills, judgment and alertness in observing and reporting physical characteristics which might deviate during process and assembly operations as well as from engineering specifications. The work involves such duties as, but not limited to, making and inspecting complex electronic and photonic devices including making contributions to mechanical designs, the making of tools, performing involved chemical deposition and processing operations, troubleshooting and maintenance of vacuum deposition equipment, operation of diffusion processing equipment, photolithography equipment, epitaxial growth reactors, ion implant equipment, materials analysis equipment and a variety of electronic computer controlled device testing systems. Other requirements are the use and application of welders, wires, die and other semiconductor bonders, various packaging equipment, crystalline materials cutting, polishing and x-ray orientation machines. In addition, analyze and contribute ideas for correcting difficulties associated with performing these processes. May train and direct efforts of others assigned to assist in the performance of work.

Prerequisite for Entry in Occupation:

Work is highly complex and technical involving theories of electronics, chemistry, physics and mechanics.

Qualification for entry into the Electronics and Photonics Processor occupation are Associates Degree in Electronics, Chemistry, Physics and/or Mechanics, or a minimum qualifying score on the Merrimack Valley Electronics Test plus demonstrated proficiency based on experience and performance.

FACILITIES SYSTEMS TECHNICIAN

WAGE SCHEDULE F

Occ. Code No. 484

Description:

Experience in maintaining and repairing all major and minor electrical and mechanical facilities systems supporting laboratory environments as well as associated proprietary equipment supporting laboratory services.

The incumbent will be able to overhaul and make repairs to all equipment supporting the above systems which will include operating and maintenance duties required for diesel generators and pumps, boilers, water softeners, heating and refrigeration equipment, air handling units, air compressors, elevators and associated mechanical, electrical and computerized controls for Specialty Systems.

Will be required to repair and maintain high and low voltage power distribution systems as well as alarm and supervisory circuits. Will be required to repair and maintain sewage, water and acid treatment plants working with micro processors in controlling flows and affluent.

Qualifications:

- Considerable hands-on experience in maintaining and repairing electrical and mechanical equipment or machinery and other facilities systems supporting laboratory environments, a graduate of a technical trade school desirable.
- Capable of passing fire brigade physical.
- Must be a member of the OEC Fire Brigade.
- Be able to read and understand plant electrical and mechanical blueprints.
- Be able to use specialty tools and instruments in repairing all facilities equipment and systems.
- Be able to maintain necessary records.
- May be assigned other than prime working hours.
- May be assigned to full rotational shift work.

FACILITIES TECHNOLOGIST

WAGE SCHEDULE G

Occ. Code No. 485

Description:

The incumbent will inspect, calibrate, operate, maintain and repair all types of mechanical, electrical, electronic and computerized instrumentation and their controls associated with the facilities HVAC Systems and their mechanical, electrical equipment.

The equipment will also include elevator systems, control room systems, supervisory systems, water and sewage systems, proprietary monitoring systems and all their associated controls. Operating, repairing and maintaining high and low voltage power distribution systems.

Keep necessary records of operation, repair, maintenance and safety tests of equipment.

Qualifications:

- Extensive hands-on experience in maintaining and repairing electrical and mechanical equipment supporting laboratory environments and other facilities systems, technical trade school graduate desirable.
- Capable of passing fire brigade physical.
- Must be a member of the OEC Fire Brigade.
- Be able to read and understand plant electrical and mechanical blueprints.
- Be able to use instruments and tools for trouble shooting and calibrating environmental and other facilities equipment and systems.
- Be able to make minor and major repairs on all facilities equipment or systems.
- Be able to maintain necessary records.
- Will be required to work full rotational shift work.

MECHANICAL TECHNOLOGIST

WAGE SCHEDULE G

Occ. Code No. 486

Description:

Plan and perform all machining operations necessary to make complicated and difficult formed details, piece parts, models, subassemblies, design prototypes and mechanical apparatus. Construct, modify and repair, in the absence of design information, all types of punches and dies, molding dies, jigs, fixtures and similar tools including experimental or special design characterized by exacting dimensional, finish and operational requirements. Work includes, but is not limited to, operations such as mechanical designing, assembly, modifying, fitting, aligning, heat treating, wiring, welding, brazing and inspecting complicated mechanisms, devices and apparatus. Information may be obtained from drawings, sketches, samples or verbal instructions. May collaborate with functional personnel in own or other organizations to resolve problems, recommend solutions, and/or supplement or improve original designs. Work includes the use of a variety of materials for the fabrication of experimental components, devices and apparatus. Work may require operation of and modifications to apparatus and devices in engineering laboratories and clean room facilities. A strong knowledge of shop practices and associated skills acquired by experience in the use of hand tools, machine tools and computer-controlled machine tools on metals and other materials is required. The use of a precision measuring equipment is required to maintain extremely close tolerances and consistent accuracy.

May train and direct efforts of others assigned to assist in the performance of work.

Prerequisite for Entry in Occupation:

Completion of an accredited instrument and toolmake-type trades training course or equivalent knowledge and skill acquired by means of practical experience plus demonstrated ability.

PHOTONICS LABORATORY TECHNICIAN**WAGE SCHEDULE G****Occ. Code No. 487****Description:**

Plan, perform and inspect with wide latitude for exercising of independent judgment on the most difficult and highly technical work including trouble shooting of electrical and electronic equipment, photonic device processing, and the mechanical design, fabrication and assembly of components and apparatus. Independently maintain, diagnose and repair all types of equipment used in the design and development realization process of microelectronic and photonic devices; trouble shoot new and untried processes for making and assembling parts, intricate subassemblies of experimental electronic devices, mechanisms and other devices where the highest order of dexterity, extreme care and judgment is required to meet exacting requirements. Work may include a knowledge of and ability to use, maintain and repair computers. May train and direct effort of others assigned to assist in the performance of work. Based on the needs of the business, fill in for Electronics and Photonics Processors.

Prerequisite For Entry in Occupation:

Work requires advanced technical knowledge and experience involving theories of electronics, chemistry, physics and mechanics. Qualification for entry in the Photonic Laboratory Technician occupation are Associate Degree in electronics, chemistry, physics and/or mechanics and experience and demonstrated skills in the construction, maintenance and repair of highly complex electronic and photonic laboratory equipment and apparatus such as, but not limited to, computerized deposition, etching, assembly and test equipment.

CALIBRATION TECHNOLOGIST

WAGE SCHEDULE G

Occ. Code No. 493

Description:

Calibrate, modify, maintain, inspect, and repair all types of Test and Measurement Equipment (M&TE) and Facilities requiring calibration. Modify and/or assemble modular test programs to exercise and test MT&E. Plan and control test and prove-in functions for new facilities. Coordinate and administer calibration programs on and off site. Maintain calibration records and certificates, including, calibration standards, trackability, status, recall interval, purchasing and contracted calibration data. Quality records include Out of Tolerance reports, calibration data, calibration certificates, ESD logs, temperature and humidity charts, escalation notices, status change letters, user inspection data, and all data required by calibration and maintenance systems. Safeguard controlled documents and software.

May collaborate with functional personnel in own and/or other organizations to resolve problems, recommend solutions, and/or supplement or improve original designs. Independently plan work assignments and perform duties with a minimum of supervision. Make decisions based on prior experience, in the absence of Engineering or Supervision to insure continuance of the calibration process. Plan, schedule, and monitor the schedules for calibration of equipment, recommend corrective action to supervision to insure integrity of the process. Contract and coordinate vendor calibration services per GEP 92RD0008 or other calibration documentation. A strong knowledge of shop practices and procedures acquired by experience in the use of precision electronic calibration, measuring, and testing equipment is required.

May train and direct efforts of others assigned in the performance of work.

Prerequisite for Entry in Occupation:

Work requires advanced technical knowledge and experience involving theories of electronics, chemistry, physics and mechanics. Qualification for entry in the Calibration Technician occupation are Associate Degree in Electronics, Chemistry, Physics and/or Mechanics and experience and demonstrated skills in the construction, maintenance and repair of highly complex electronic and photonic laboratory equipment and apparatus such as, but not limited to computerized equipment related to the manufacture of leading edge electronic devices, assembly and test equipment.

ARTICLE 9 - MOVEMENT OF PERSONNEL

1 General

- (a) All adjustments to the work force in accordance with the provisions of this Article shall be initiated and made by the COMPANY.
- (b) "Qualifications" as used in this Article shall be those factors determined by the COMPANY to be necessary prerequisites for performance of the job. Qualifications are:
 - (1) Experience in job related tasks
 - (2) Job knowledge
 - (3) Job skills
 - (4) Education
 - (5) Job performance on current assignment
- (c) An employee otherwise qualified may be excluded from consideration for a vacancy because of a written corrective warning in the previous nine (9) months.
- (d) If the UNION objects to any move made in accordance with the provisions of this Article, the matter may, if presented within fourteen (14) calendar days after the effective date of such move, be processed in accordance with ARTICLE 6, GRIEVANCE PROCEDURE, and ARTICLE 7, ARBITRATION, provided that in any such case the authority of the Arbitrator shall be limited to a determination as to whether the COMPANY'S judgment has been unreasonably exercised.

2 Filling Job Vacancies

- (a) A vacancy will not be declared when a job is to be filled by a temporary reassignment to an Occupational Job Classification with the same or a higher Wage Schedule for reasons such as vacation relief, replacement of absent employee or business emergencies. Such reassignment will ordinarily be limited to a maximum of one (1) month. Such reassignments shall be evenly distributed among qualified employees.
- (b) When a job vacancy is declared, employees of the bargaining unit who have the qualifications for the job that is vacant will be considered in successive steps, in the following order, and in TERM OF EMPLOYMENT within each step:
 - (1) Former employees eligible to mandatory reinstatement from Leaves of Absence.
 - (2) Employees in an Occupational Job Classification with the same or a higher Wage Schedule as the vacancy who are surplus.

- (c) Job vacancies not filled in accordance with Paragraph 2(b) shall be advertised on COMPANY bulletin board(s) for a minimum of four (4) full working days. Each such advertisement shall include the following information:

- (1) Job Vacancy Number
- (2) Occupational Job Classification and Assignment (where applicable)
- (3) Basic duties, specific job functions, and qualifications
- (4) Work Schedule & Shift
- (5) Closing date for receipt of nominations
- (6) Local to which classification assigned

The COMPANY will endeavor to normally fill such vacancies within ninety (90) days from the end of the advertised period, or within thirty (30) days if the vacancy is filled without using LTP or market hiring procedures.

- (d) Employees of the bargaining unit may nominate themselves for advertised job vacancies by submitting the form prescribed by the COMPANY. Employees may bid on upgrades, laterals, downgrades and on Occupational Job Classifications represented by either Local UNION.
- (e) Job vacancies not filled in accordance with Paragraph 2(b) shall be filled by qualified employees from either Local who have nominated themselves for the vacancy as provided in Paragraph 2(d). TERM OF EMPLOYMENT shall determine the selection of an employee for such vacancies when two (2) or more employees being considered for the vacancy have, in the opinion of the COMPANY, substantially equal qualifications for the job to be filled.
- (f) If none of the employees considered in accordance with Paragraph 2(c) possess the qualifications needed to fill a job vacancy, hiring may be utilized. In such event, however, former employees of the bargaining unit who are qualified and who have been LAID OFF within the preceding thirty-six (36) calendar months shall be given first consideration, providing they have not previously refused an opportunity for employment.
- (g) Following selection of the person to fill a vacancy, a notice shall be posted on the COMPANY designated bulletin board(s) for a minimum of four (4) full working days, which shall include the following information:
 - (1) Job Vacancy Number
 - (2) Occupational Job Classification and Assignment (where applicable)
 - (3) Name of person selected
 - (4) Effective date of assignment
 - (5) Shift

3 Reductions in Force

- (a) When the COMPANY determines that it is necessary to decrease the workforce, employees shall be selected as surplus in the inverse order of TERM OF EMPLOYMENT, from the Occupational Job Classification and shift affected.
- (b) An employee who is selected as surplus or who becomes surplus by displacement shall be considered for placement in the following successive steps:
 - (1) By filling a vacancy on the same shift in another Occupational Job Classification in either Local with the same Wage Schedule for which the employee is qualified.
 - (2) By displacing on the same shift another employee who has the shortest TERM OF EMPLOYMENT in another Occupational Job Classification within the same Wage Schedule for which the employee is qualified and, provided the job performance of the surplus employee has been satisfactory and he or she has at least one (1) day's more TERM OF EMPLOYMENT than the employee to be displaced.
 - (3) By filling a vacancy or displacing another employee in the same Occupational Job Classification on other shifts for which available.
 - (4) By filling a job vacancy or by displacing another employee in an Occupational Job Classification in successively lower Wage Schedules on the same basis as provided in Steps (1) through (4).
 - (5) If the surplus employees have not been placed under 3(a) or 3(b), and have been found to have all other necessary qualifications except typing, such employees shall be reclassified to Administrative Associate, providing that they complete a three (3)-month in-house course in typing and take the standard COMPANY typing test and qualify as a typist. Should they not qualify, they will be given three (3) more months in which to do so. At the end of six (6) months, if the employees have not qualified as typists, they will be considered not to have been placed in the Administrative Associate classification and will be treated under the provisions of Paragraph 3(c).
- (c) Except as provided in Paragraph 3(b), a surplus employee who cannot be placed in accordance with this Paragraph 3 shall be LAID OFF.

UNDERSTANDINGS**ARTICLE 9 - MOVEMENT OF PERSONNEL****Job Postings**

Posted jobs will not be canceled and will normally be filled in thirty (30) days. Once a job is posted it will not be removed to accommodate a surplus employee. The surplus employee will automatically be interleaved with qualified bidders in order of TERM OF EMPLOYMENT for consideration in filling the vacancy.

Lateral Moves**Optional Lateral "Buy-Out"**

- (a) Applies to on-roll employees who were in the bargaining unit on June 19, 1998.
 - (1) Each eligible employee will be given the opportunity to "sell" their employee-initiated Lateral-Same Shift or Lateral-Shift Change move to the Company for a fifteen (15) month period (except Seat-to-Seat) and receive a monetary payment indicated in Paragraph (2).
 - (2) Four (4) such offers will be made in the life of the contract. The monetary payments are as follows:

• First fifteen (15) months	\$375.00
• Second fifteen (15) months	\$375.00
• Third fifteen (15) months	\$375.00
• Fourth fifteen (15) months	Monetary amount to be negotiated, but will not exceed \$375.00 and could be less
- (b) Lateral bid restriction (except Seat-to-Seat) for employees hired or transferred into the bargaining unit after June 19, 1998.
 - (1) Employees will have two (2) employee-initiated lateral bids (Lateral-Same Shift or Lateral-Shift Change) during the life of the contract.
 - (2) Employee must be on a current assignment for eighteen (18) months before employee-initiated lateral bid.
 - (3) This eighteen (18) month restriction will be waived for an employee once during the life of the contract, before the Company goes to recall/LTP/FCP or hire for lateral shift change to a first shift vacancy.
 - (4) Employees who are surplus after exercising a lateral bid will not be subject to a new eighteen (18) month time-in-assignment requirement. (This waiver can be exercised once in the life of the contract.)

- (5) Employees who fall under this provision are not eligible for the Lateral Buy-Out option outlined in Paragraph 1(a) during the life of the contract.

NOTE: Seat-to-Seat under the provision for lateral moves is defined as follows:

A lateral-shift change bid within the same Occupational Job Classification, same organization which is to an identical assignment requiring no additional training or retraining.

Notification to Employees Not Accepted for Promotion

It is agreed that an employee who is considered as a valid candidate for promotion and who is interviewed by the selecting Supervisor shall be provided the reason why the employee was not selected.

Service Date Order

The following is in regard to the determination of service-date order for Movement of Personnel purposes, when two (2) or more employees possess the same service date.

For cases involving individuals who are satisfying a local service moratorium, the Company will utilize "Net Credited Service" for determining service-date order.

		Unit		
		Seniority	N.C.S.	
Example:	Employee A	08-05-91	07-28-69	(Sr. Employee)
	Employee B	08-05-91	09-14-72	(Jr. Employee)

In all other cases, the last four (4) digits of the employee's Social Security Number will be used to determine service-date order with the lowest number representing the longest service.

Example:	Employee A	XXX-XX-8926	(shortest)
	Employee B	XXX-XX-2400	
	Employee C	XXX-XX-0135	(longest)

Voluntary Downgrade

Employees who bid on and receive a voluntary downgrade will be restricted from bidding on an upgrade for nine (9) months following the voluntary downgrade.

ARTICLE 10 - WAGES

1 Wage Schedules

- (a) Wage Schedules for job titles and levels in this Agreement are contained in the Wage Schedules found in Appendix 10-A of this Agreement. Such Wage Schedules are exclusive of all differentials and other special payments.
- (b) Prior to the application of the initial General Wage Increase, the Minimum Rates and Maximum Rates for all Weekly Wage Schedules shall be converted to hourly rates by dividing such amounts by the length of the applicable full-time Scheduled Weekly Tour (40, 37.5 or 35 hours) and rounding the result to the next higher penny.

(1) Such conversion shall be effective June 28, 1998.

2 General Wage Increases

The General Wage Increases (GWI's) in the Wage Schedules set forth below shall be computed on an exponential basis and shall be rounded to the nearest penny.

(a) Initial Wage Increase

Effective August 30, 1998, Wage Schedules shall be increased by 3.75% on the Maximum Rates and by 3.75% on the Minimum Rates in effect on May 30, 1998.

(b) Retroactive Pay Equivalent Payment

- (1) Employees on the active roll on the date of the initial wage increase, shall be eligible to receive a Retroactive Pay Equivalent Payment.
- (2) For Full-Time employees, the Retroactive Pay Equivalent Payment shall be determined as follows:
 - The amount of the employee's hourly rate increase resulting from the initial wage increase;
 - Multiplied by a factor of the number of hours in the employee's Scheduled Weekly Tour for each week of employment in the period beginning May 31, 1998 and ending with the effective date of the initial wage increase;
 - Plus the actual number of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time And One-Half, Double Time or Double Time And One-Half, as applicable);
 - Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;
 - Plus all the actual Differentials, Allowances and payments that are directly related to an employee's pay received during that period.
- (3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's STANDARD RATE during the period beginning May 31, 1998 and ending with the effective date of the initial wage increase, the employee's payment records for the period will be reviewed to ensure that the employee's Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.

- (i) In such case, the employee will receive an adjustment to the calculation for the difference, if any.
 - (4) An eligible Part-Time employee shall receive a proportionate amount of the applicable Full-Time Retroactive Pay Equivalent Payment based on the Part-Time employee's Part-Time Equivalent Work Week as of the effective date of the initial wage increase.
 - (5) In the event an employee has left the active roll during the period beginning May 31, 1998 and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
 - (i) In such case, the percentage increase as specified in Paragraph 2(a) shall be applied to the employee's STANDARD RATE effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
 - (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 25, 1998 provided the Company has been notified that the 1998 National Memorandum of Understanding (which includes the National Manufacturing & National Units) and all local contracts have been ratified no later than 11:59 p.m. July 24, 1998.
 - (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
 - (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (i) The Lucent Stock Purchase Plan
 - (ii) The Long Term Savings and Security Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on May 31, 1998, rounded to nearest whole number, times the employee's weekly Long Term Savings and Security Plan Allotment
 - (iii) Union dues as specified by the UNION
 - (9) The Retroactive Pay Equivalent Payment will not be part of the employee's STANDARD RATE of pay or basic wages for any other purpose nor shall it enter into the standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.
- (c) **Second Wage Increase**
- Effective May 30, 1999, Wage Schedules shall be increased by 3.35% on the Maximum Rates and by 3.35% on the Minimum Rates in effect May 29, 1999.
- (d) **Third Wage Increase**
- Effective May 28, 2000, Wage Schedules shall be increased by 3.5% on the Maximum Rates and by 3.5% on the Minimum Rates in effect on May 27, 2000.

(e) Fourth Wage Increase

Effective May 27, 2001, Wage Schedules shall be increased by 3.6% on the Maximum Rates and by 3.6% on the Minimum Rates in effect on May 26, 2001.

(f) Fifth Wage Increase

Effective May 26, 2002, Wage Schedules shall be increased by 3.25% on the Maximum Rates and by 3.25% on the Minimum Rates in effect on May 25, 2002.

(g) Escalation Adjustment

- (1) Effective May 27, 2001, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 1998 and March 2001.
 - (i) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second, third and fourth GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the fourth scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 26, 2001.
 - (ii) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- (2) Effective May 26, 2002, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 1998 and March 2002.
 - (i) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial GWI, plus the second, third, fourth and fifth GWI's, plus the Escalation Adjustment for the prior year, if any, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the fifth scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 25, 2002.
 - (ii) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- (3) In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- (4) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the dates referred to in Paragraphs 1 or 2, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- (5) No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2001 and March 2002.

- (6) The Escalation Adjustments are dependent upon the availability of the CPI-W in its present form and calculated on the same basis as the CPI-W for March 1998. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W the COMPANY and the UNION agree to request the Bureau to make available, for the life of this Agreement, a CPI-W in its present form and calculated on the same basis as the CPI-W for March 1998, which was 158.7 (1982-1984=100).
- (7) It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.
- (h) An employee's increase in STANDARD RATE in accordance with this Paragraph 2 shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the aforementioned GWI's and Escalation Adjustment(s), if any.

3 Wage Progression

- (a) The STANDARD RATE of each employee in an Occupational Job Classification in Wage Schedules A through F whose STANDARD RATE is below the MAXIMUM RATE of his or her Wage Schedule shall be increased during the term of this Agreement in accordance with the applicable schedule set forth in Appendix 10-A, provided that such employee has sixty (60) days Net Credited Service on the effective date of the scheduled increase and subject to the further provisions of this Paragraph 3.
- (b) The STANDARD RATE of each employee in an Occupational Job Classification in Wage Schedules G whose STANDARD RATE is below the CONTROL RATE shall be increased during the term of this Agreement in accordance with the applicable schedule set forth in Appendix 10-A, provided that such employee has sixty (60) days Net Credited Service on the effective date of the scheduled and subject to the further provisions of this Paragraph 3.
- (c) The STANDARD RATE of each employee in an Occupational Job Classification in Wage Schedules G whose STANDARD RATE is at or above the CONTROL RATE but below the MAXIMUM RATE shall be increased during the term of this Agreement in accordance with the applicable schedule set forth in Appendix 10-A, provided that the employee meets the prescribed criteria to progress beyond the CONTROL RATE.
 - (1) The COMPANY will notify the UNION within six (6) months after an employee has reached the CONTROL RATE if it is determined such employee has not met the prescribed criteria to progress beyond the CONTROL RATE, and will also notify the UNION at the time of any subsequent determination that such employee has met the prescribed criteria.
- (d) Progression increases provided in Paragraphs 3(a), 3(b) or 3(c) shall be on a semi-annual basis and will be effective at the beginning of the first fiscal weeks in September and March.
- (e) An employee who has qualified to receive a schedule increase under Paragraphs 3(a) or 3(b) but who does not receive such increase because he or she is on personal or disability Leave of Absence on the effective date of the increase, shall receive the increase effective on the date of reinstatement from such Leave of Absence provided reinstatement occurs before the next succeeding scheduled increase date.

- (f) If, in the judgment of the COMPANY, an employee is not entitled to a wage progression increase under the provisions of Paragraphs 3(a) and 3(b) due to the employee's performance on the job or conduct, including excessive unexcused absenteeism or tardiness, the COMPANY may withhold such increase provided it has notified the UNION in writing at least ten (10) days in advance of the date the increase was to have become effective. The UNION will notify the COMPANY in writing within ten (10) days following receipt of the COMPANY'S notice, if it questions such withholding.

4 Promotions, Demotions and Lateral Reclassifications

- (a) When an employee is reclassified to another Occupational Job Classification which is in the same Wage Schedule, it shall be considered a "lateral reclassification."
- (b) When an employee is reclassified from a lower Wage Schedule to a higher Wage Schedule, it shall be considered a "promotion."
- (c) When an employee is reclassified from a higher Wage Schedule to a lower Wage Schedule, it shall be considered a "demotion."
- (d) When an employee is reclassified to an Occupational Job Classification which is outside Wage Schedules A through G the provisions of Paragraph 2, Definitions, of the Lucent Transfer Program (LTP) shall be used to determine if the reclassification constitutes an "Upgrade," "Downgrade" or "Lateral." For purposes of this Article, an "Upgrade" shall be considered a "promotion" and a "Downgrade" shall be considered a "demotion."

(e) Temporary Promotion Allowance

- (1) An employee who is temporarily promoted to a higher Wage Schedule shall be eligible to receive a Temporary Promotion Allowance (TPA) in the amount of eight dollars (\$8.00) per day for each Wage Schedule for each day such employee is assigned to work in the higher Wage Schedule. Effective October 4, 1998, the Temporary Promotion Allowance will be increased to ten dollars (\$10.00) per day. While on such temporary assignment the employee shall continue to receive the STANDARD RATE he or she would have been paid in the lower Wage Schedule.
 - (i) However, in no event shall the combination of a TPA, when divided by the number of hours worked in a day and added to the employee's STANDARD RATE, exceed the MAXIMUM RATE of the Wage Schedule to which the employee is temporarily promoted.
- (f) For promotions other than Temporary Promotions, and reclassifications to other Occupational Job Classifications, an employee's STANDARD RATE shall be established as follows:
 - (1) **Lateral Reclassifications:**
 - (i) The employee shall be moved to the nearest Progression Step on the Wage Schedule of the job to which reclassified which does not result in a reduction in STANDARD RATE.

(2) Promotions:

- (i) Except as provided in Paragraphs 4(f)(2)(ii) and 4(f)(2)(iii), the employee shall be moved to a whole Progression Step above the nearest Progression Step on the Wage Schedule of the job to which promoted.
- (ii) The STANDARD RATE of an employee promoted to a Wage Schedule in which the employee previously performed shall not be less than the STANDARD RATE formerly received in that Wage Schedule. However, when an employee had been demoted due to lack of work from a higher Wage Schedule to a lower Wage Schedule and the employee subsequently is returned to the higher Wage Schedule, the employee shall be moved to the same Progression Step the employee held prior to demotion.
- (iii) In no case, however, shall an employee's STANDARD RATE be increased to an amount which exceeds the MAXIMUM RATE of the job to which promoted.

(3) Demotions due to lack of work:

- (i) The employee shall be moved to the nearest Progression Step on the Wage Schedule of the job to which demoted which is immediately below the employee's STANDARD RATE prior to demotion.

(4) Other Demotions:

- (i) When an employee is demoted from a higher Wage Schedule to a lower Wage Schedule:
 - (A) Because of incompetency; or
 - (B) At the employee's request:
 - (1) The employee shall be moved to the nearest Progression Step on the Wage Schedule of the job to which demoted which is immediately below the employee's STANDARD RATE prior to demotion.
- (ii) When an employee is demoted due to infraction of COMPANY rules or improper conduct, the employee's STANDARD RATE shall be determined by the COMPANY. In the event the employee previously worked in the same Wage Schedule to which demoted, the employee shall be moved to a Progression Step which is not less than the STANDARD RATE last received in that former assignment. However, in no case shall such employee's STANDARD RATE exceed the MAXIMUM RATE of the Wage Schedule to which demoted.

5 General

- (a) When an employee's STANDARD RATE is subject to two (2) or more changes effective on the same date, the changes shall be made in the following order:
 - (1) Progression increase in accordance with Paragraph 3
 - (2) Promotion increase in accordance with Paragraph 4(f)(2)
 - (3) General increase in accordance with Paragraph 2
 - (4) Demotion adjustment
- (b) An employee who is absent because of sickness, accident or quarantine at the end of the employee's SCHEDULED DAILY TOUR (within the employee's SCHEDULED WEEKLY TOUR) immediately preceding the effective date of any increase provided for in this Article shall not receive the increase (to which otherwise eligible) until return to active duty.
- (c) An employee reinstated from a Leave of Absence shall be assigned a STANDARD RATE (unless the provisions of Paragraph 3(e) apply) which is equitable in comparison with the STANDARD RATES of other employees of comparable TERM OF EMPLOYMENT, experience, and ability in the same Wage Schedule. However, if reinstated in the same Occupational Job Classification, the employee shall be assigned a STANDARD RATE not less than that received at the time such Leave of Absence began, but which may be adjusted for wage increases granted during the period of the Leave of Absence.
- (d) Notwithstanding the other provisions of this Article, the COMPANY may, at its initiative and in accordance with its judgment, start an employee above the MINIMUM RATE and pay an employee above the MAXIMUM RATE (and may increase an employee's STANDARD RATE above the MAXIMUM RATE) of the employee's Wage Schedule. However, the provisions of this Paragraph shall not be used for the purpose of granting a general merit rate review.
- (e) If an employee is recalled from LAYOFF, the employee shall be assigned a STANDARD RATE in accordance with the following:
 - (1) If an employee is recalled within twelve (12) months from the date of LAYOFF to his or her former Wage Schedule at the time of LAYOFF, the employee shall be assigned a STANDARD RATE no less than that received at the time such employee was LAID OFF from that Wage Schedule, but which will be adjusted for wage increases granted during the period such employee was on LAYOFF status.

- (2) If the employee is recalled more than twelve months from the date of LAYOFF, the STANDARD RATE established above shall be further adjusted in accordance with the following, but in no event shall the new STANDARD RATE be less than the MINIMUM RATE of the applicable Wage Schedule:

Number of Months LAID OFF	Employee Will Be Assigned a STANDARD RATE Which is
12 through 18	One (1) Progression Step less than employee held at the time of LAYOFF
18 through 24	Two (2) Progression Steps less than employee held at the time of LAYOFF
24 through 30	Three (3) Progression Steps less than employee held at the time of LAYOFF
30 through 36	Four (4) Progression Steps less than employee held at the time of LAYOFF

APPENDIX 10-A - WAGE SCHEDULES**A****(SS) L480**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 10.20	\$ 10.54	\$ 10.91	\$ 11.30	\$ 11.67
	2	\$ 10.73	\$ 11.08	\$ 11.47	\$ 11.88	\$ 12.27
	3	\$ 11.28	\$ 11.66	\$ 12.06	\$ 12.50	\$ 12.90
	4	\$ 11.86	\$ 12.26	\$ 12.69	\$ 13.14	\$ 13.57
	5	\$ 12.47	\$ 12.89	\$ 13.34	\$ 13.82	\$ 14.27
	6	\$ 13.12	\$ 13.55	\$ 14.03	\$ 14.53	\$ 15.01
	7	\$ 13.79	\$ 14.25	\$ 14.75	\$ 15.28	\$ 15.78
	8	\$ 14.50	\$ 14.99	\$ 15.51	\$ 16.07	\$ 16.59
Maximum	9	\$ 15.25	\$ 15.76	\$ 16.31	\$ 16.90	\$ 17.45
Pension Band		106	106	106	106	106

B**(SS) L481**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 10.89	\$ 11.25	\$ 11.64	\$ 12.06	\$ 12.45
	2	\$ 11.44	\$ 11.82	\$ 12.22	\$ 12.67	\$ 13.08
	3	\$ 12.01	\$ 12.41	\$ 12.84	\$ 13.30	\$ 13.73
	4	\$ 12.61	\$ 13.03	\$ 13.48	\$ 13.97	\$ 14.42
	5	\$ 13.25	\$ 13.69	\$ 14.16	\$ 14.67	\$ 15.15
	6	\$ 13.91	\$ 14.37	\$ 14.87	\$ 15.41	\$ 15.91
	7	\$ 14.61	\$ 15.10	\$ 15.62	\$ 16.18	\$ 16.71
	8	\$ 15.34	\$ 15.85	\$ 16.41	\$ 17.00	\$ 17.55
Maximum	9	\$ 16.11	\$ 16.65	\$ 17.23	\$ 17.85	\$ 18.43
Pension Band		108	108	108	108	108

C**(SS) L483, L489, L490, L492**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 11.44	\$ 11.82	\$ 12.23	\$ 12.67	\$ 13.08
	2	\$ 12.00	\$ 12.40	\$ 12.83	\$ 13.30	\$ 13.73
	3	\$ 12.60	\$ 13.01	\$ 13.47	\$ 13.95	\$ 14.40
	4	\$ 13.22	\$ 13.66	\$ 14.13	\$ 14.64	\$ 15.12
	5	\$ 13.87	\$ 14.33	\$ 14.83	\$ 15.36	\$ 15.86
	6	\$ 14.55	\$ 15.04	\$ 15.56	\$ 16.12	\$ 16.65
	7	\$ 15.27	\$ 15.78	\$ 16.33	\$ 16.92	\$ 17.47
	8	\$ 16.02	\$ 16.55	\$ 17.13	\$ 17.75	\$ 18.33
Maximum	9	\$ 16.81	\$ 17.37	\$ 17.98	\$ 18.63	\$ 19.24
Pension Band		109	109	109	109	109

D**(SS) L488, L491**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 13.62	\$ 14.08	\$ 14.57	\$ 15.09	\$ 15.58
	2	\$ 14.25	\$ 14.73	\$ 15.24	\$ 15.79	\$ 16.30
	3	\$ 14.91	\$ 15.41	\$ 15.95	\$ 16.52	\$ 17.06
	4	\$ 15.60	\$ 16.13	\$ 16.69	\$ 17.29	\$ 17.85
	5	\$ 16.32	\$ 16.87	\$ 17.46	\$ 18.09	\$ 18.67
	6	\$ 17.08	\$ 17.65	\$ 18.27	\$ 18.93	\$ 19.54
	7	\$ 17.87	\$ 18.47	\$ 19.12	\$ 19.80	\$ 20.44
	8	\$ 18.69	\$ 19.33	\$ 20.00	\$ 20.72	\$ 21.39
Maximum	9	\$ 19.56	\$ 20.22	\$ 20.93	\$ 21.68	\$ 22.38
Pension Band		114	114	114	114	114

E**(SS) L482**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 15.51	\$ 16.03	\$ 16.59	\$ 17.19	\$ 17.75
	2	\$ 16.18	\$ 16.73	\$ 17.31	\$ 17.94	\$ 18.52
	3	\$ 16.89	\$ 17.45	\$ 18.06	\$ 18.71	\$ 19.32
	4	\$ 17.62	\$ 18.21	\$ 18.85	\$ 19.53	\$ 20.16
	5	\$ 18.38	\$ 19.00	\$ 19.67	\$ 20.37	\$ 21.04
	6	\$ 19.18	\$ 19.82	\$ 20.52	\$ 21.26	\$ 21.95
	7	\$ 20.01	\$ 20.69	\$ 21.41	\$ 22.18	\$ 22.90
	8	\$ 20.88	\$ 21.58	\$ 22.34	\$ 23.15	\$ 23.89
Maximum	9	\$ 21.79	\$ 22.52	\$ 23.31	\$ 24.15	\$ 24.93
Pension Band		119	119	119	119	119

F**(SS) L484**

	Step	Effective 08/30/1998	Effective 05/30/1999	Effective 05/28/2000	Effective 05/27/2001	Effective 05/26/2002
Minimum	1	\$ 16.70	\$ 17.26	\$ 17.86	\$ 18.50	\$ 19.10
	2	\$ 17.41	\$ 18.00	\$ 18.62	\$ 19.29	\$ 19.92
	3	\$ 18.16	\$ 18.77	\$ 19.42	\$ 20.12	\$ 20.77
	4	\$ 18.93	\$ 19.57	\$ 20.25	\$ 20.98	\$ 21.66
	5	\$ 19.74	\$ 20.40	\$ 21.11	\$ 21.87	\$ 22.58
	6	\$ 20.59	\$ 21.28	\$ 22.02	\$ 22.81	\$ 23.55
	7	\$ 21.47	\$ 22.18	\$ 22.96	\$ 23.78	\$ 24.56
	8	\$ 22.38	\$ 23.13	\$ 23.94	\$ 24.80	\$ 25.61
Maximum	9	\$ 23.34	\$ 24.12	\$ 24.96	\$ 25.86	\$ 26.70
Pension Band		122	122	122	122	122

G**(SS) L485, L486, L487**

		Effective	Effective	Effective	Effective	Effective
	Step	08/30/1998	05/30/1999	05/28/2000	05/27/2001	05/26/2002
Minimum	1	\$ 17.69	\$ 18.28	\$ 18.92	\$ 19.60	\$ 20.24
	2	\$ 18.43	\$ 19.05	\$ 19.72	\$ 20.42	\$ 21.09
	3	\$ 19.21	\$ 19.85	\$ 20.54	\$ 21.28	\$ 21.98
	4	\$ 20.02	\$ 20.68	\$ 21.41	\$ 22.18	\$ 22.90
	5	\$ 20.86	\$ 21.55	\$ 22.31	\$ 23.11	\$ 23.87
	6	\$ 21.73	\$ 22.46	\$ 23.24	\$ 24.08	\$ 24.87
	7	\$ 22.65	\$ 23.40	\$ 24.22	\$ 25.10	\$ 25.91
	8	\$ 23.60	\$ 24.39	\$ 25.24	\$ 26.15	\$ 27.00
Maximum	9	\$ 24.59	\$ 25.41	\$ 26.30	\$ 27.25	\$ 28.14
Pension Band		124	124	124	124	124

ARTICLE 11 - HOURS OF WORK

1 Work Schedules

- (a) The UNION and the COMPANY recognize the necessity for work schedules involving two (2) or three (3) shift operations where the nature of the work or the needs of the business require them.
- (b) The COMPANY shall have the right to introduce new work schedules, to make changes in the starting and stopping times of SCHEDULED DAILY TOURS, including the starting and stopping time and length of lunch periods, and to vary from the SCHEDULED DAILY or WEEKLY TOURS.
- (c) The COMPANY shall notify the UNION of new work schedules, or any change or variation in existing work schedules, at least one (1) week in advance of the effective date, except where emergency situations make it impractical to do so. Negotiations thereon shall take place when requested by the UNION and in the event of such negotiations, the new schedule, change or variation proposed by the COMPANY may be placed in effect pending agreement between the parties.
- (d) When a change in work schedule involves an increase in the workforce, the vacancies shall be posted.
- (e) It is recognized that the fifth (5th) team may have a flexible SCHEDULED WEEKLY TOUR that shall be fixed prior to the start of the WORKWEEK. Any change during the WORKWEEK will constitute overtime payment.

2 Minimum Pay Allowance

- (a) An employee who reports at a designated starting time for scheduled work not involving a call-in and who has not been given at least twelve (12) hours' advance notice not to report shall be given at least three (3) hours' work or paid a minimum of three (3) hours at ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES, except on a day on which a holiday recognized in accordance with ARTICLE 14, HOLIDAYS, is observed, or Saturday or Sunday (or DAY IN LIEU OF SATURDAY or SUNDAY) when such minimum hours shall be paid at the applicable overtime rate.
 - (1) The minimum payment provisions of Paragraph 2(a) shall not apply in cases where the COMPANY'S inability to provide work is due to conditions beyond the control of the COMPANY or where the employee is sent home for disciplinary reasons.

ARTICLE 12 - PREMIUM PAYMENTS

Overtime

1 General

- (a) It is recognized by both parties that the needs of the business may require overtime work (i.e., work outside the employee's SCHEDULED DAILY or WEEKLY TOUR), and that the jobs involved must be manned by qualified employees working on an overtime basis. The amount of overtime and the schedule for working such overtime will be established by the COMPANY. The COMPANY in scheduling overtime work will distribute it as evenly as practicable among qualified employees normally engaged on the work involved. An employee scheduled for overtime shall work unless he or she has adequate reason for not doing so, in which event the employee may be excused provided that other qualified employees normally engaged on the work involved are available. The interested REPRESENTATIVE and the employees involved shall be given at least twenty-four (24) hours advance notice of scheduled overtime unless an emergency arises which precludes giving such notice.
- (b) When employees work overtime at other than their regular job location, the SCHEDULED DAILY or WEEKLY TOUR for the location where the overtime work is performed shall be used in determining when work outside of the standard schedule starts.
- (c) Nothing in this Article shall require or permit the payment of overtime on overtime.

2 Overtime Treatment---

(a) Time and One-Half---

Pay at TIME and ONE-HALF shall apply to authorized time worked:

- (1) Outside an employee's SCHEDULED DAILY TOUR provided the SCHEDULED DAILY TOUR is eight (8) hours or more;
- (2) In excess of forty (40) hours during the WORKWEEK;
- (3) On a NONSCHEDULED DAY other than Sunday or a 7-DAY COVERAGE EMPLOYEE'S DAY IN LIEU OF SUNDAY or a holiday.

(b) Double Time---

Pay at DOUBLE TIME shall apply for overtime hours paid at TIME AND ONE-HALF in excess of eight (8) hours in the WORKWEEK including any payments for Call-Ins paid at TIME AND ONE-HALF.

- (1) Pay at DOUBLE TIME shall apply to authorized time worked on Sunday for employees who are not working a 7-DAY COVERAGE JOB.
- (2) On a 7-DAY COVERAGE EMPLOYEE'S DAY IN LIEU OF SUNDAY.

(c) Double Time and One-Half---

Pay at DOUBLE TIME AND ONE-HALF shall apply to authorized time worked on the day on which a holiday is observed.

3 Overtime Adjustment

When an employee receives daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as follows:

$$\begin{array}{r} \text{-----Sum of allowances paid for week-----} \\ \text{\# of hours in Scheduled Weekly Tour + overtime} \\ \text{hours worked in week} \\ \times \\ \text{Total overtime hours worked in week} \\ \times \\ .5 + .009 = \text{Overtime Adjustment} \end{array}$$

4 Seven-Day Coverage Bonus

A 7-DAY COVERAGE EMPLOYEE shall be paid a 7-DAY COVERAGE BONUS for all time worked.

5 Night Work Bonus

An employee on a NIGHT TOUR shall be paid a NIGHT WORK BONUS for all time worked on such tours.

6 Call-Ins

- (a) When an employee is called during his or her off time to report for a work assignment outside the employee's SCHEDULED DAILY or WEEKLY TOUR, it shall be considered a call-in. However, when an employee is requested to remain late on a day on which the employee has reported for work, or when, prior to leaving work, an employee is requested to report for work on a subsequent day at either the employee's standard or non-standard starting time, it shall not be considered a call-in.
- (b) When an employee is required to make extra trips from his or her residence to place of work and return as a result of a call-in, the employee shall be paid for reasonable time spent traveling both ways. When the call-in does not require extra trips, but does involve reporting earlier than the starting time of the employee's SCHEDULED DAILY TOUR, reasonable traveling time shall be paid for the trip from such residence to place of work.
- (c) Total payment for time worked on a call-in plus pay for traveling time, as specified in Paragraphs 6(a) and 6(b) shall not be less than two (2) hours pay at the applicable overtime rate.

7 Early Start Allowance

When, during the WORKWEEK, an employee is required to change his or her SCHEDULED DAILY TOUR to begin earlier than his or her prior SCHEDULED DAILY TOUR, such employee shall receive an Early Start Allowance.

- (a) For each full or partial hour difference of such early start, the employee shall receive an amount equal to fifty percent (50%) of the employee's ADJUSTED RATE.

8 Sunday Start Allowance

When an employee working other than a CONTINUOUS OPERATIONS or 7-DAY COVERAGE TOUR is required to begin his or her first SCHEDULED DAILY TOUR between eight p.m. Sunday and Sunday Midnight, such employee shall receive a Sunday Start Allowance.

- (a) For each full or partial one-half hour prior to midnight, the employee shall receive an amount equal to fifty percent (50%) of the employee's ADJUSTED RATE.

ARTICLE 13 - VACATIONS

1 Eligibility

- (a) Employees will be eligible to vacation with pay during the current calendar year in accordance with Paragraphs 1(a)(1) through 1(a)(5) and subsequent provisions of this Article.
 - (1) One (1) week after completion of a TERM OF EMPLOYMENT of six (6) months.
 - (2) Two (2) weeks after completion of a TERM OF EMPLOYMENT of twelve (12) months, provided that if a TERM OF EMPLOYMENT of six (6) months and of twelve (12) months are both completed in the same calendar year, only two (2) weeks of vacation will be granted, with the second (2nd) week to be scheduled after completion of twelve (12) months TERM OF EMPLOYMENT. The first (1st) week may be scheduled any time after completion of six (6) months TERM OF EMPLOYMENT.
 - (3) Three (3) weeks beginning with the year in which a TERM OF EMPLOYMENT of seven (7) years will be completed.
 - (4) Four (4) weeks beginning with the year in which a TERM OF EMPLOYMENT of fifteen (15) years will be completed.
 - (5) Five (5) weeks beginning with the year in which a TERM OF EMPLOYMENT of twenty-five (25) years will be completed.
- (b) The weeks of vacation provided for in Paragraph 1(a) will each consist of the number of days and hours which the employee would have been scheduled to work (excluding overtime) during the vacation absence, except that an employee whose weekly working schedule (excluding overtime) is four and one-half (4 1/2) days per week, or alternating five-day and four-day weeks, shall be eligible to fourteen (14) days and twenty-three (23) days, respectively, when TERM OF EMPLOYMENT is at least seven (7) and twenty-five (25) years, respectively.
- (c) Solely for the purpose of granting vacation eligibility for a TERM OF EMPLOYMENT of six (6) months and twelve (12) months as provided in Paragraph 1(a), an employee hired or rehired on the first (1st) working day of a calendar month will have TERM OF EMPLOYMENT computed from the first (1st) calendar day of that month.
- (d) An employee reinstated from Leave of Absence or rehired who has previously taken vacation or received allowance in lieu thereof in the current calendar year will be eligible to the number of days of vacation for his or her TERM OF EMPLOYMENT as determined in accordance with Paragraphs 1(a) and 1(b), less the number of days of vacation previously taken or paid for.
- (e) An employee reinstated from Leave of Absence or rehired from LAYOFF who was not previously on the roll in the current calendar year will be eligible to vacation with pay in the following amounts, applied to the number of days of vacation for his or her TERM OF EMPLOYMENT as determined in accordance with Paragraph 1(a) or 1(b):

<u>Reinstated or Rehired</u>	<u>Amount of Eligibility</u>
On or before March 31	Full
April 1 through June 30	Three-fourths (3/4)
July 1 through September 30	One-half (1/2)
After September 30	One-fourth (1/4)

In computing the vacation to which eligible as provided herein, fractions of less than one-half (1/2) day will be disregarded and fractions of one-half (1/2) day or more will be considered as one (1) day. In no event, however, will the employee's vacation eligibility as determined herein be less than would be applicable if the employee were hired as of the date reinstated or rehired.

2 Scheduling Vacations

- (a) Vacations are not cumulative. Except as provided in Paragraphs 2(e), 2(f), 2(h) and 2(i), the vacation to which an employee is eligible in each calendar year shall be taken before midnight December 31 of that year.
- (b) Vacations shall be scheduled in accordance with the employee's wishes to the extent consistent with the needs of the business, giving due consideration to TERM OF EMPLOYMENT.
- (c) An employee may elect to schedule all or part of his or her vacation to which eligible on a one-half (1/2) day or day-at-a-time basis subject to the provisions of Paragraph 2(b).
- (d) When an employee's scheduled vacation week or fractional week includes a holiday recognized in accordance with ARTICLE 14, HOLIDAYS, and observed in accordance therewith on any day Monday through Friday in such week (or, for a 7-DAY COVERAGE EMPLOYEE on any day other than such employee's DAY IN LIEU OF SATURDAY or DAY IN LIEU OF SUNDAY), an extra day off with pay will be granted in lieu thereof.
- (e) When an employee is disabled due to illness or injury at the time vacation is scheduled to begin, the vacation shall be postponed, and rescheduled to the extent possible in the current calendar year. When an employee becomes disabled due to illness or injury while on a scheduled vacation the vacation will be terminated as of the end of the day immediately preceding the first (1st) day of such disability and the remaining portion of the terminated vacation shall be rescheduled during the current calendar year. Any portion of a vacation rescheduled as provided herein which cannot be completed in the current calendar year shall be rescheduled in the following calendar year, provided that the vacation so rescheduled shall be completed prior to April 1 and prior to the employee's taking any of the vacation to which eligible in that year.

- (1) Rescheduling as provided in Paragraph 2(e) shall be subject to the employee's having furnished within a reasonable time a physician's certificate acceptable to the COMPANY showing evidence of such disability. Vacation rescheduled as provided therein shall be taken after the employee has been approved to return to full-time duty by a COMPANY physician, except that in special circumstances and upon request of the employee, the COMPANY may permit the employee to take such rescheduled vacation after recovery from the illness or injury but before returning to full-time duty.
- (f) Vacation to which an employee becomes eligible upon completion of a TERM OF EMPLOYMENT of six (6) or twelve (12) months shall be scheduled after completion of such TERM OF EMPLOYMENT, provided that when an employee completes such TERM OF EMPLOYMENT after December 1, such vacation may be scheduled in the following calendar year if the employee so requests, provided it is completed prior to April 1 and prior to the employee's taking any of the vacation to which eligible in that year.
- (g) In the event it is necessary for an employee to be absent for a death in his or her immediate family, as provided in Article 16, PAY TREATMENT FOR ABSENCES, on a day the employee had previously scheduled as a paid vacation day, such day shall be rescheduled, provided however, that the combined number of Vacation days and Excused Work Days which may be rescheduled in accordance with this Article and Article 15, EXCUSED WORK DAYS, shall not exceed the number of days determined by the Company to be a reasonable absence under Article 16, Paragraph 2(c).
- (h) An employee who cannot take a vacation because of reasons beyond his or her control may reschedule such vacation into the following year, provided that any vacation so rescheduled shall be completed prior to April 1.
- (i) At the option of the employee and subject to the needs of the business up to five (5) vacation days to which an employee is eligible may be carried over into the following year, provided that the carry-over vacation is scheduled and taken on or before March 31. An employee's request to carry over vacation shall not be unreasonably denied.

3 Computation of Vacation Pay

- (a) Vacation pay will be computed based on the employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect during the vacation absence.

4 Employees Leaving the COMPANY

- (a) When an employee's service with the COMPANY is terminated before the employee has taken vacation with pay to which eligible, an allowance in lieu thereof will be granted, except that:
 - (1) An employee granted a Leave of Absence shall be granted vacation with pay to which eligible, ordinarily before the Leave of Absence begins.

- (2) An employee being retired under the Lucent Technologies Pension Plan will be granted, prior to retirement, vacation with pay to which eligible; however, when an employee (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, or (2) is retired on disability pension, no vacation with pay or allowance in lieu thereof shall be applicable.
- (3) No vacation or allowance in lieu thereof shall be granted to an employee who is DISMISSED for unsatisfactory conduct.
- (b) An employee who terminates employment by resignation or termination for cause on or after January 1, 2000, will be required to reimburse the Company for the value of the vacation days to which eligible during the current calendar year, which have been taken prior to the date the employee's termination occurs, in excess of the schedule below.

Eligible Vacation Days For Employee Leaving Company
During Calendar Year
Due To Resignation Or Termination For Cause

Month of Termination	Term of Employment			
	1 - 7 Years	7 - 15 Years	15 - 25 Years	25 and Over Years
January	1	2	2	2
February	2	3	4	4
March	3	4	5	7
April	3	5	7	9
May	4	6	9	11
June	5	8	10	13
July	6	9	12	15
August	7	10	14	17
September	7	11	16	19
October	8	13	17	21
November	9	14	19	23
December	10	15	20	25

- (c) An employee granted vacation or allowance in lieu thereof as provided in Paragraph 4(a) shall also be granted vacation or allowance in lieu thereof, as applicable, for any vacation rescheduled or carried over from the previous calendar year in accordance with Paragraph 2(e), 2(f), 2(h) or 2(i), respectively.
- (d) In the event an employee dies before taking all the vacation to which eligible as provided in this Article, an allowance in lieu of the vacation not taken will be paid to the employee's beneficiary, or to the employee's estate if no beneficiary is designated.

ARTICLE 14 - HOLIDAYS

- 1 The following shall be recognized as holidays covered by this Agreement, and the calendar day on which the holiday falls shall be observed as the holiday, except as provided in Paragraphs 2, 3 and 4:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day
Three (3) Floating Holidays

The holiday "Day after Thanksgiving" shall be the workday within the SCHEDULED WEEKLY TOUR which immediately follows the day observed as the Thanksgiving Day holiday.

- 2 When a holiday specified in Paragraph 1 falls on Sunday (or, for a 7-DAY COVERAGE EMPLOYEE, such employee's DAY IN LIEU OF SUNDAY) the first following day within the employee's SCHEDULED WEEKLY TOUR shall be observed as the holiday.
- 3 When a holiday specified in Paragraph 1 falls on Saturday (or, for a 7-DAY COVERAGE EMPLOYEE, on such employee's DAY IN LIEU OF SATURDAY) the COMPANY shall designate any one of the following as the day to be observed as such holiday:
 - (a) The calendar day on which the holiday falls, or
 - (b) The workday, within the employee's SCHEDULED WEEKLY TOUR, which immediately precedes the calendar day on which the holiday falls, or
 - (c) The workday, within the employee's SCHEDULED WEEKLY TOUR, which immediately follows the calendar day on which the holiday falls.
- 4 The holiday period shall be the period between midnight and midnight on the day observed as the holiday as specified in Paragraph 1, 2 or 3, except that for shifts crossing midnight it shall be the twenty-four (24) consecutive hour period beginning with the regular starting time on the day observed as the holiday. (By mutual agreement between the COMPANY and the UNION, the holiday period for shifts crossing midnight may be changed for a particular holiday to the twenty-four (24) consecutive hour period beginning with the regular starting time on the eve of the day observed as the holiday.)
- 5 When, in observance of the holiday, an employee is not scheduled to work on a day observed as a holiday within the employee's SCHEDULED WEEKLY TOUR, the employee shall receive a holiday allowance not to exceed eight (8) hours at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time not worked during the employee's SCHEDULED WEEKLY TOUR, provided such employee receives pay from the COMPANY for all or part of either the employee's schedule workday preceding or scheduled workday following the day observed as the holiday.

- 6 When the COMPANY designates the Saturday (or a 7-DAY COVERAGE EMPLOYEE'S DAY IN LIEU OF SATURDAY) on which the holiday falls as the day to be observed as the holiday and an employee is not scheduled to work on such day, such employee shall receive a holiday allowance not to exceed eight (8) hours at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for time not worked during the employee's SCHEDULED WEEKLY TOUR, provided the employee works all or part of both such SCHEDULED DAILY TOURS preceding and following such Saturday and is excused by the COMPANY for all partial-day absences on such preceding and following days. Paid-for vacation absences shall be considered as time worked for purposes of this paragraph.
- 7 An employee who is scheduled to work on a day observed as a holiday but who is absent on such day shall not be paid holiday allowance, except that subject to the provisions of Paragraph 5 or Paragraph 6, whichever is applicable, holiday allowance shall be paid:
- (a) Provided the employee's absence from work on the holiday is due to sickness or injury sustained otherwise than in the course of employment, and such absence is substantiated by a physician's certificate acceptable to the COMPANY, or
 - (b) For the portion of the employee's SCHEDULED DAILY TOUR not worked, in the event that while at work on such day the employee is sent home by the COMPANY because of sickness or injury.
 - (c) In the event an employee is absent for reasons beyond his or her control on any day observed as a Holiday during the month of December, excluding Christmas Day, but including any Floating Holiday, such day may be rescheduled in the following calendar year if the employee so requests provided it is completed prior to April 1.

8 Floating Holidays

- (a) Each year, the COMPANY shall have the option of converting up to three (3) Floating Holidays into designated holidays provided the COMPANY so designates prior to January 31 of the current year.
 - (1) Employees shall be eligible for Floating Holidays designated in accordance with Paragraph 8(a) on the same basis as a fixed holiday.
- (b) New employees hired after January 1 in the current calendar year shall be eligible to non-designated Floating Holidays in accordance with the following:

<u>Date of Hiring</u>	<u>Employee's Eligibility</u>
January 1 - May 31	3
June 1 - July 31	2
August 1 - September 30	1
October 1 - December 31	0

- (c) Total eligibility to non-designated Floating Holidays shall be reduced by any such holiday taken by the employee prior to Leave of Absence or other termination of employment in the year in which he or she is subsequently rehired or reinstated.
- (d) Floating Holidays must be scheduled on a workday within an employee's SCHEDULED WEEKLY TOUR.

- (e) Non-designated Floating Holidays will be scheduled in accordance with employees' selections to the extent consistent with the needs of the business, giving due consideration to TERM OF EMPLOYMENT, and subject to the further provisions of this Paragraph 8.
 - (f) An employee shall be paid in accordance with Paragraph 5 for the day in which he or she is off in observance of a Floating Holiday.
 - (g) When an employee's service with the COMPANY is terminated before the employee has scheduled non-designated Floating Holidays to which eligible, an allowance in lieu thereof will be granted, except that:
 - (1) An employee granted a Leave of Absence shall ordinarily schedule non-designated Floating Holidays to which eligible, before the Leave of Absence begins.
 - (2) An employee being retired under the Lucent Technologies Pension Plan shall ordinarily schedule non-designated Floating Holidays to which eligible prior to retirement; however, when an employee (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, or (2) is retired on disability pension, allowance in lieu thereof shall be granted for any non-designated Floating Holidays to which eligible for the current year and which were previously unscheduled.
 - (h) No Floating Holidays or allowance in lieu thereof shall be granted to an employee who is DISMISSED for unsatisfactory conduct.
 - (i) In the event an employee dies before scheduling all of the non-designated Floating Holidays to which eligible, an allowance in lieu of such Floating Holidays will be paid to the employee's beneficiary, or to the employee's estate if no beneficiary is designated.
 - (1) An employee's request to change his or her non-designated Floating Holiday must be made and confirmed at least fourteen (14) days in advance. Such requests may be approved by the COMPANY subject to the same considerations as provided in Paragraph 8(e).
- 9 Except as provided in Paragraph 7(c), a Floating Holiday shall not be rescheduled into the following year.

UNDERSTANDING
ARTICLE 14 - HOLIDAYS

In the event the Company decides to exercise its option under Article 14, Paragraph 8(a) and convert Floating Holidays into designated holidays, the Company will discuss its intention with the Union prior to establishing the final holiday schedule.

Furthermore, if the Company decides to convert the Floating Holidays, Good Friday will not be converted to a designated holiday.

ARTICLE 15 - EXCUSED WORK DAYS

- 1 A regular employee with a TERM OF EMPLOYMENT of six (6) months on January 1 in the current year shall be eligible for four (4) Excused Work Days with pay and one (1) Excused Work Day without pay during that year.
- 2 The COMPANY shall have the option of converting one (1) paid Excused Work Day to a designated day provided the COMPANY so designates prior to January 31 in the current year.
 - (a) An employee in any work group for which an Excused Work Day is designated by the COMPANY and who is not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day, provided he or she is on the active payroll of the COMPANY on the designated Excused Work Day.
 - (b) An employee who has been paid for a COMPANY designated Excused Work Day, but who subsequently transfers to another COMPANY facility during the same calendar year, shall be eligible for payment for a COMPANY designated Excused Work Day at the facility to which transferred which is observed at the facility after the date of such employee's transfer.
- 3 An employee who is not required to work on any paid Excused Work Day shall receive pay not to exceed eight (8) hours at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES for such day.
- 4 If an employee agrees to work on any paid Excused Work Day and, in the event the COMPANY determines that such day cannot be rescheduled, such employee shall be paid as follows:
 - (a) An employee who works on any paid Excused Work Day shall be paid in lieu of his or her Excused Work Day in accordance with the provisions of Paragraph 3 and shall in addition be paid for all hours worked on such day in the same manner as a regularly scheduled work day.
 - (b) Time worked by an employee on an Excused Work Day shall be considered time worked for all purposes.
- 5 An employee who is absent with pay on a non-designated Excused Work Day shall be permitted to reschedule such day.
- 6 Non-designated Excused Work Days may be scheduled in one-half (1/2) day increments.
- 7 The Company and the Unions recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for the years 1999, 2000, 2001, 2002 and 2003, up to three (3) Excused Work Days (EWDs) may be used as follows:
 - (a) An employee may designate and schedule, as applicable, three (3) EWDs to be used flexibly. This provision shall apply to an employee's unpaid EWD and/or his/her paid EWD(s) which are not designated by the Company.
 - (b) Each flexible EWD may be divided into increments of two (2) hours for an increment, provided, however, that where the length of an employee's scheduled daily tour is not evenly divisible by two (2), the last increment of each EWD may be less than two (2) hours.

- (1) An increment may be taken at any time during the year up to and including the actual scheduled flexible EWD provided; 1) the employee's supervisor is notified before the beginning of the tour; and 2) such time granted is consistent with the needs of the business.
 - (c) The time may be taken based on the employee's personal need to take the time.
 - (d) Any remaining portion of the Excused Work Day(s) so designated must be taken no later than the end of each calendar year.
- 8 In the event it is necessary for an employee to be absent for a death in his or her immediate family, as provided in ARTICLE 16, PAY TREATMENT FOR ABSENCES, on a day the employee had previously scheduled as a paid Excused Work Day, such day shall be rescheduled, provided however, that the combined number of Excused Work Days and Vacation days which may be rescheduled in accordance with this Article and ARTICLE 13, VACATIONS shall not exceed the number of days determined by the Company to be a reasonable absence under Article 16, Paragraph 2(c).
- 9 An employee who cannot take a non-designated Excused Work Day because of reasons beyond his or her control may reschedule such Excused Work Day into the following year, provided that any Excused Work Day so rescheduled shall be completed prior to April 1.
 - (a) The provisions of Paragraph 9 also may be applied in the event of a death in an employee's immediate family occurring in December.
 - (b) Except as provided in Paragraphs 9 or 9(a), an Excused Work Day shall not be rescheduled into the following year.
- 10 Under no circumstances shall an employee be paid an allowance in lieu of any Excused Work Days not taken prior to termination of employment.

UNDERSTANDING

ARTICLE 15 - EXCUSED WORK DAYS

For the year 1999, which will serve as a trial year, an employee may designate and schedule as applicable EWD'S to be used flexibly. These days may be scheduled in one (1) hour increments.

Prior to the 2000 calendar year, the Company will review the process to determine the feasibility of continuing it through the remainder of the contract.

ARTICLE 16 - PAY TREATMENT FOR ABSENCES**1 General**

- (a) Before an employee is granted absence with pay under any of the provisions of this Article such employee shall submit satisfactory evidence to substantiate the reason for such absence.
- (b) It is recognized that there shall be no duplication of payment by the COMPANY for the same period of absence whether to be paid for under the provisions of any agreement between the parties or otherwise.
- (c) Pay for absences, as provided herein, shall be computed at an employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect on the first (1st) full or partial day of such absence.

2 Death in Family

- (a) An employee shall be granted reasonable absence, defined below, because of a death in his or her immediate family with pay for such time lost from assigned COMPANY duty, provided the employee's TERM OF EMPLOYMENT is six (6) months or more at the time such absence begins.
- (b) An employee's immediate family shall be considered as husband, wife, son, daughter, mother, father, mother-in-law, father-in-law, grandparent, grandchild, sister or brother; also, any relative or partner residing with the employee.
- (c) In determining reasonable absence, consideration shall be given to the relationship of the employee to the deceased and the responsibility of the employee for making funeral arrangements. However, for deaths of a husband, wife, partner, son, daughter, mother or father, a reasonable absence shall not exceed five (5) consecutive SCHEDULED DAILY TOURS. For all other immediate family members, a reasonable absence shall not exceed three (3) consecutive SCHEDULED DAILY TOURS.

3 Jury Duty and Other Court Attendance

- (a) An employee summoned for jury duty or to serve as a witness (not as a plaintiff or defendant) in a court case which necessitates absence from assigned COMPANY duty within the employee's SCHEDULED WEEKLY TOUR shall be granted pay for such absence. Such an employee shall report for regular assigned COMPANY duty while excused from such attendance in court unless it is impossible or unreasonable to do so.

4 Quarantine

- (a) An employee required to be absent due to quarantine imposed by duly constituted health authorities shall be paid for such absence the amount, if any, that would be paid if the employee were sick.

5 Service as Judges and Clerks of Election

- (a) An employee appointed to serve as a judge or a clerk of election whose service necessitates absence from assigned COMPANY duty within the employee's SCHEDULED WEEKLY TOUR may be excused for such absence, consistent with the needs of the business, and when so excused shall be paid for such absence the amount, if any, by which the employee's pay at his or her ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES exceeds the compensation received for such election board service.

6 Sickness Absence

- (a) Subject to the conditions set forth in Sub-Paragraphs 6(a)(1), 6(a)(2) and 6(a)(3) of this paragraph, an employee absent because of personal sickness for seven (7) consecutive calendar days shall be paid for all such time lost within such employee's SCHEDULED WEEKLY TOUR.
 - (1) The employee shall have a TERM OF EMPLOYMENT of two (2) or more years as of the seventh (7th) calendar day following the first (1st) day of such sickness absence, considering the first (1st) of such seven (7) days as the first (1st) day within the employee's SCHEDULED WEEKLY TOUR in effect at the time the personal sickness began on which the employee was absent for all or part of the day for such absence;
 - (2) The employee shall have furnished a physician's certificate acceptable to the COMPANY, showing inability to work during the entire period of sickness absence; and,
 - (3) The employee would have been eligible to and qualified for sickness benefits under and pursuant to the Sickness and Accident Disability Benefit Plan had such personal sickness absence continued beyond the seventh (7th) day in Paragraph 6(a)(1).
- (b) An employee absent for personal sickness not covered under Paragraph 6 may at the discretion of the COMPANY, be paid for all or part of such time lost within such employee's SCHEDULED WEEKLY TOUR.
- (c) No sickness absence payment shall be made for any such time for which benefits are paid under the Sickness and Accident Disability Benefit Plan, nor for which holiday allowance, in accordance with ARTICLE 14, HOLIDAYS, is paid.

7 Veterans' Absences

- (a) Necessary absences of veterans during SCHEDULED WEEKLY TOURS within the first (1st) year of reinstatement from Special Leave of Absence for the purpose of visiting a Government hospital, doctor, or Veterans Bureau in connection with service-incurred disabilities when so scheduled by a Government Agency shall be paid for, subject to a limitation on such payments of ten (10) SCHEDULED DAILY TOURS or an equivalent number of hours. A copy of the Government Agency letter authorizing the veteran to visit the doctor, or other satisfactory evidence of the necessity for absence will be required as a condition of payment for the time lost.

8 Other Personal Reasons

- (a) An employee who is absent because of personal reasons not covered elsewhere in this Article and other than is covered in Paragraph 4(b) of ARTICLE 4, UNION REPRESENTATION, may, at the discretion of the COMPANY, be granted pay for such time lost within his or her SCHEDULED WEEKLY TOUR.

UNDERSTANDINGS

ARTICLE 16 - PAY TREATMENT FOR ABSENCES

DIF - Step-Relationship

Stepfather, stepmother, stepbrother, stepsister, stepson and stepdaughter are considered to be the same as father, mother, brother, sister, son and daughter for purposes of administering payment for absences due to DIF (Death in the Immediate Family).

Jury Duty - 7-Day Coverage Employees

7-Day Coverage Employees summoned for one or more days of jury duty on their DAYS IN LIEU OF SATURDAY and SUNDAY may request a revision of their schedule of work to accommodate such absence. This request will normally be made at least one week in advance. The requests will be granted, the employee's SCHEDULED WEEKLY TOUR will be revised and their pay from the Company will be determined accordingly.

Payment for Jury Duty

An employee summoned for court duty (except as a plaintiff or defendant) outside the employee's SCHEDULED DAILY TOUR, shall be granted reasonable time off with pay at his or her ADJUSTED RATE for the purpose of securing necessary rest either prior to or subsequent to performing such duties.

ARTICLE 17 - FORCE ADJUSTMENT PROTECTION

1 Demotions

- (a) When an employee would suffer an immediate reduction in STANDARD RATE because of demotion or other formal reclassification made due to lack of work or directly and immediately due to either the contracting out of work to another company or the movement of a job to another Lucent Technologies location, the employee shall be paid a Wage Protection Allowance (WPA), starting with the effective date of such reclassification or demotion and then reduced gradually. Such WPA shall be paid in accordance with the following schedule:

TERM OF EMPLOYMENT On Date of Reclassification or Demotion	Allowance
Less than 10 years	4 weeks full, 4 weeks $\frac{2}{3}$, 4 weeks $\frac{1}{3}$
10 years but less than 15 years	30 weeks full, 4 weeks $\frac{2}{3}$, 4 weeks $\frac{1}{3}$
15 or more years	160 weeks full, 4 weeks $\frac{2}{3}$, 4 weeks $\frac{1}{3}$

- (b) Except as provided in Paragraph 1(c), the amount of the WPA shall be calculated as follows:
- (1) If the employee's STANDARD RATE (plus any existing WPA) is at or above the MAXIMUM RATE of the Occupational Job Classification from which demoted or reclassified, the allowance shall be the difference between the STANDARD RATE (plus any existing WPA) of the Occupational Job Classification from which demoted or reclassified and the MAXIMUM RATE of the new Occupational Job Classification.
 - (2) If the employee's STANDARD RATE (plus any existing WPA) is below the MAXIMUM RATE of the Occupational Job Classification from which demoted or reclassified, the allowance shall be the difference between the employee's STANDARD RATE (plus any existing WPA) on the job from which demoted or reclassified and the STANDARD RATE based on the Progression Step to which assigned on the lower level Occupational Job Classification. However, such allowance will be reduced by the amount of any Progression Increases the employee subsequently receives in the lower level Occupational Job Classification.
- (c) A WPA will be adjusted to include an amount for any Base Rate Supplement or any other form of wage protection which is eliminated or reduced as a result of movement to a lower level or to another Lucent Technologies location.

- (d) A WPA shall be recomputed upon the employee's promotion or reclassification on an assignment at a higher level Occupational Job Classification or upon the employee's refusal of such an assignment. A WPA shall cease upon the employee's placement on an assignment at his or her former level or upon the employee's refusal of such an assignment.
- (1) In the event such an employee's WPA ceases as the result of a promotion and the employee is then again demoted within six (6) months of such promotion, the employee will receive a WPA for a period which is limited to the remaining portion of the WPA period associated with the original demotion or transfer in the amounts applicable thereto.
- (e) The WPA will apply to all time paid for including absences approved for payment.
- (f) A WPA under Paragraph 1 shall not be paid in cases of voluntary demotion, disciplinary demotions, demotions at the conclusion of temporary promotions, or demotions due to lack of competence.

2 Short-Timing

- (a) When it appears desirable and possible to do so, the COMPANY shall have the right to institute short-timing, for employees in all or any part of a Section, Department, Assistant Manager's or Manager's organization, or the entire Plant, in an effort to avoid LAYOFFS or force adjustments in situations where LAYOFFS or force adjustments might otherwise be necessary because of short-term fluctuations in workload or changes or adjustments in product programs. However, nothing in this Article shall require the COMPANY to introduce short-timing when in the COMPANY'S judgment LAYOFFS or force adjustments are necessary, nor shall the COMPANY be required to short-time before any employees are LAID OFF or any force adjustments are made.
- (b) "Short-timing" shall mean the reduction of the SCHEDULED WEEKLY TOUR in a particular WORKWEEK as designated by the COMPANY. Any such week shall be called a "short-time week".
- (c) The UNION shall be given advance notice when short-time weeks are scheduled, specifying the employee(s) involved.
- (d) The employees involved shall be given at least twenty-four (24) hours notice when they are scheduled to be off work due to short-timing, unless unknown or unforeseen conditions prevent the COMPANY from giving such notice.
- (e) No employee shall be scheduled to be off work due to short-timing for more than a total of ten (10) days in any twelve (12) month period.
- (f) If, in the judgment of the COMPANY, subsequent developments indicate that the lack of work or expected lack of work cannot be offset by short-timing, the COMPANY may terminate short-timing instituted in accordance with the foregoing provisions at any time upon one (1) week's advance notice to the UNION. In such event, the COMPANY may thereupon decrease the work force as provided in Paragraph 3 of ARTICLE 9, MOVEMENT OF PERSONNEL. Likewise, if subsequent developments indicate that work is available on a full-time basis, employees who are off due to short-timing may be recalled upon twenty-four (24) hours advance notice to such employees.

- (g) An employee scheduled for a short-time week shall be paid a short-time allowance as indicated in the table below for each day off during such week due to short-timing, provided the employee works all the hours, if any, that he or she is scheduled to work during that week or, if the employee is absent from scheduled work, the absence is excused by the COMPANY. Such allowance shall be based on the employee's TERM OF EMPLOYMENT as of the date the allowance is applicable and the employee's SCHEDULED DAILY TOUR, and shall be a percentage of the employee's ADJUSTED RATE plus any applicable NIGHT WORK and 7-DAY COVERAGE BONUSES as follows:

TERM OF EMPLOYMENT	Short-Time Allowance Percentage
Up to 6 months	None
6 months up to 2 years	35%
2 years up to 5 years	50%
5 years up to 10 years	65%
10 years up to 15 years	75%
15 years and over	85%

- (h) Employees shall not be considered short-timed nor shall short-time allowances be payable in the event employees' services are temporarily interrupted because of but not limited to such causes as material shortage, equipment failure, power failure, labor dispute, snowstorms, hurricanes, tornadoes or other "acts of God", failure or disruption of house services (light, heat, water, etc.), gas leaks, fires or any situations that might imperil the health or safety of employees.
- (i) Employees who are scheduled for short-time weeks shall not be considered LAID OFF, nor shall Termination Allowances as provided in ARTICLE 18, TERMINATION ALLOWANCES, be payable in such event.
- (j) Short-time weeks described herein shall not be used to affect the calculation of the number of days of vacation with pay for which an employee is eligible as provided in Paragraph 1 of ARTICLE 13, VACATIONS.
- (k) Employees shall not be scheduled to be off due to short-timing for less than one (1) full day, nor shall short-time allowance be payable for any time off work other than as provided herein. However, an employee who would otherwise be paid for absence in accordance with the provisions of any other article in this Agreement on a day when he or she is scheduled to be off due to short-timing shall be paid for such absence at the rate (percentage) specified in the table in Paragraph 2(g), except that an employee absent due to sickness or quarantine shall be paid for such absence as provided in Paragraphs 4 and 6, respectively, of ARTICLE 16, PAY TREATMENT FOR ABSENCES.
- (l) The decision to institute short-timing and the establishment of short-time week schedules, or the termination of short-timing, shall be solely at the COMPANY'S discretion. Grievances relative to short-timing may be presented in accordance with ARTICLE 6, GRIEVANCE PROCEDURE, but no such grievance shall be subject to arbitration under ARTICLE 7, ARBITRATION.

ARTICLE 18 - TERMINATION ALLOWANCES

- 1 An employee LAID OFF shall be granted a Termination Allowance in accordance with the following, except as provided in Paragraph 3:

TERM OF EMPLOYMENT <u>At Date Of</u> <u>LAYOFF</u>	TERMINATION ALLOWANCE <u>Number of</u> <u>Weeks' Pay</u>	TERM OF EMPLOYMENT <u>At Date Of</u> <u>LAYOFF</u>	TERMINATION ALLOWANCE <u>Number of</u> <u>Weeks' Pay</u>
Less than 1 year	0	17 years	32
1 year	1	18 "	36
2 years	2	19 "	40
3 "	3	20 "	45
4 "	4	21 "	50
5 "	5	22 "	55
6 "	6	23 "	60
7 "	7	24 "	65
8 "	9	25 "	70
9 "	11	26 "	75
10 "	13	27 "	80
11 "	15	28 "	85
12 "	17	29 "	90
13 "	19	30 "	95
14 "	21	31 "	100
15 "	24	32 or more years	104
16 "	28		

2 Computation

- (a) Termination Allowance payments shall be computed at an employee's ADJUSTED RATE plus applicable NIGHT WORK and 7-DAY COVERAGE BONUSES in effect as of the date of LAYOFF with a minimum, for other than a part-time employee, equal to four (4) of the employee's SCHEDULED DAILY TOURS per week.
- (1) When an employee's STANDARD RATE has been reduced and the effective date of such reduction falls within the twenty-six (26) week period preceding LAYOFF, the STANDARD RATE used shall be that in effect immediately preceding the reduction from the highest STANDARD RATE which was effective within such twenty-six (26) week period if it is higher than the STANDARD RATE in effect as of the date of LAYOFF. Any decrease in an employee's STANDARD RATE immediately following a temporary increase which was in effect for a period not to exceed eight (8) weeks shall not be considered a "reduction" when applying this paragraph.

3 Periodic Income Protection Payments

- (a) The employee shall have the option of receiving the Termination Allowance (1) in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.

- (1) If the periodic installment option is chosen, the frequency of these installments will match the employee's normal pay cycle. The amount of each installment will be determined by multiplying the number of weeks in the employee's pay cycle by the Termination Allowance factor applicable to the employee. (Any odd balance will be carried forward into another pay cycle). An employee's Termination Allowance factor is the dollar figure used as a "week of pay" in calculating the total Termination Allowance to which that employee is entitled.
- (2) Periodic installments shall continue until the earliest occurrence of any of the following events:
 - (i) The total amount of the installments to the employee equals the total amount of Termination Allowance which the employee is to receive.
 - (ii) The employee is recalled or reemployed as a regular employee by Lucent Technologies or any of its affiliates, subsidiaries or entities.
- 4 When an employee has received a Termination Allowance in lump sum and is subsequently recalled or rehired as a regular employee to a job in the bargaining unit and the number of weeks since date of LAYOFF is less than the number of weeks of Termination Allowance granted, the amount of Termination Allowance paid the employee for the excess number of weeks shall be considered as an advance in pay by the COMPANY and repayable through payroll deduction at the rate of ten percent (10%) of such employee's wages.
- 5 An employee who has been reemployed following a period of LAYOFF and who is again LAID OFF shall be granted a Termination Allowance in accordance with the following:

**Continuous Service Since
Date of Latest Employment**

Termination Allowance

Less than 5 years. . .

Termination Allowance in accordance with Paragraph 1 based on TERM OF EMPLOYMENT as of the date of second or subsequent layoff, minus net amount (i.e., amount paid to employee less amount refunded in accordance with Paragraph 4) paid to employee as Termination Allowance at time of prior LAYOFF or LAYOFFS.

5 years or more. . .

Termination Allowance in accordance with Paragraph 1.

Note: When an employee's TERM OF EMPLOYMENT prior to reemployment is not credited, Termination Allowance shall be based on TERM OF EMPLOYMENT since date of such reemployment.

ARTICLE 19 - FACILITY CLOSING PROGRAM

- 1 If during the term of this Agreement, the COMPANY notifies the UNION that it will close a facility at which employees represented by the UNION are employed, the COMPANY will offer certain financial assistance to eligible regular employees who are on the COMPANY'S roll at that facility as of the date of such notice. The financial assistance shall be offered in accordance with the following provisions:
 - (a) An employee having a TERM OF EMPLOYMENT of less than fifteen (15) years as of the scheduled date of termination due to a facility closing shall receive:
 - (1) A Termination Allowance computed in accordance with ARTICLE 18, TERMINATION ALLOWANCES. Subject to the needs of the business, consideration may be given to allowing such an employee to select a termination date earlier than the COMPANY scheduled date.
 - (2) Reimbursement of up to \$2500 for certain educational, training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED) program, provided such employee has at least one (1) year of TERM OF EMPLOYMENT as of his/her date of termination.
 - (b) An employee having a TERM OF EMPLOYMENT of fifteen (15) years or more as of the scheduled date of termination due to a facility closing will be subject to the following:
 - (1) Where a job of a comparable level is available at another Lucent Technologies Facility and the COMPANY deems it appropriate, it shall offer such job to a qualified employee at the facility being closed. If such an offer is made and the employee accepts the job within the period of time designated by the COMPANY, he/she will be eligible to reimbursement for payment for certain relocation expenses in accordance with Paragraph 1(b)(2) provided below:
 - (i) The job being offered is not located at a facility in the same metropolitan area as the facility being closed and,
 - (ii) The employee transfers to such job assignment by the date designated by the COMPANY.
 - (2) An eligible employee who is transferred by the COMPANY to a job at another Lucent Technologies facility outside the metropolitan area of the closing facility, shall be entitled to receive:
 - (i) Relocation Expense Treatment as specified in Paragraph 8, Relocation Expenses, of the Lucent Transfer Program;
 - (ii) Time off for House Hunting as follows:

A maximum of three (3) business days; and,

(iii) Time off for Relocation as follows:

One (1) business day for each 500 miles transferred, and,
 One (1) additional day off on each end of the move.

- (3) An employee who refuses such a job offer will, upon termination, receive a Termination Allowance computed in accordance with ARTICLE 18, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.
- (4) Subject to the needs of the business, consideration may be given to allowing such an employee to select a termination date earlier than the COMPANY scheduled date.
- (5) Where a job offer as described in Paragraph 1(b)(1) is not made, or if the employee refuses a job offer of a job at a lower than comparable level at a facility outside the metropolitan area of the facility being closed, such an employee will, upon termination of his/her employment, be eligible to receive:

- (i) A Termination Allowance computed in accordance with ARTICLE 18, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.

Subject to the needs of the business, consideration may be given to allowing such an employee to select a termination date earlier than the COMPANY scheduled date.

- (ii) Reimbursement of up to \$2500 for certain educational training, outplacement and relocation expenses available through the Funds for the Alliance/ETOP Distribution (FAED) program.

- (c) In the event an employee, regardless of TERM OF EMPLOYMENT, is offered a job of a comparable or higher level at another Lucent Technologies facility in the same metropolitan area as the facility being closed and refuses such offer, he/she will not be eligible to any Termination Allowance nor any benefits provided under this Program.

Where such offer involves a job at a lower than comparable level and the employee refuses, such an employee will, upon termination of his/her employment, be eligible to receive a Termination Allowance computed in accordance with ARTICLE 18, TERMINATION ALLOWANCES which shall be paid and administered in accordance with Paragraph 1(a)(1) above.

- 2 Except as specifically provided in this paragraph, neither the Facility Closing Program nor its administration shall be subject to arbitration. Arbitration shall be limited to the following issues:

- (a) Whether an employee is eligible, with regard to TERM OF EMPLOYMENT, for benefits under the Program, or
- (b) Whether or not a job offered under Paragraphs 1(b) or 1(c) is of a comparable level, or
- (c) Whether a particular education, training, outplacement or relocation expense is a reimbursable expense under the provisions of the Program.

- 3 Where the COMPANY deems it appropriate, it may apply any or all of the terms of the Program to employees who may be terminated as the result of major work consolidation or other actions that have a major impact on employees but does not constitute the complete closing of a facility.
- 4 The following conditions shall apply to all UNION represented employees transferring from a closing facility into the bargaining unit at any other Lucent Technologies facility whose collective bargaining agreement includes the Facility Closing Program provisions:
 - (a) An employee may be transferred with his or her job and assigned the appropriate Occupational Job Classification at the receiving location provided qualified bidders and qualified former employees on LAYOFF eligible to recall at the receiving location, who have greater TERM OF EMPLOYMENT, have been exhausted.
 - (b) An employee may be transferred other than with his or her job provided the transfer is to an entry level job and further provided that the layoff recall list, if any, at the receiving location has been exhausted.
 - (c) An employee transferred in accordance with Paragraph 4(a) or 4(b) above, shall maintain his or her TERM OF EMPLOYMENT for purposes of LAYOFF and all other purposes except Movement of Personnel.
 - (1) For Movement of Personnel purposes such an employee shall be treated as a new hire and his or her seniority at the receiving location shall be used for a period of two (2) years after which TERM OF EMPLOYMENT shall apply.
 - (2) The two (2) year moratorium described in Paragraph 4(c)(1) above shall apply retroactively to all employees.
- 5 A ____*____ (See Note) REPRESENTATIVE who participate on the Joint Labor-Management Steering Committee and whose functions involve contract administration during the plant phase-down or facility closing will not be terminated under the Facility Closing Program until the workforce is stabilized or the facility is closed.
- 6 A Local UNION President at a facility which is closing and up to ____*____ (See Note) other UNION REPRESENTATIVE(S) who have the responsibility for representing employees at such facility while working in an Employee Resource Center at the time of acceptance for transfer to another facility in accordance with Paragraph 4(a) or 4(b) shall have the opportunity to delay such transfer. Such employee is assured that a job in an Occupational Job Classification in the same Grade, Level, Tier or Wage Schedule, whichever is applicable, as the job for which he or she had been accepted will remain available at the receiving location, provided he or she transfers prior to the date production essentially ceases at his or her facility. For employees transferring in accordance with Paragraph 4(a) or 4(b) their service date for Movement of Personnel purposes at the receiving location shall be retroactive to the date the employee would have reported to the receiving location had he/she not been assigned to the Employee Resource Center.
- 7 An employee whose transfer to another facility in accordance with the provisions of this Article results in a "Demotion" as defined in Paragraph 2, Definitions, of the Lucent Transfer Program will be treated in accordance with the provisions of Paragraph 7, Wage Treatment/Protection, of the Lucent Transfer Program.

Note: The appropriate number for a closing location to be jointly determined by the Joint Labor-Management Steering Committee.

ARTICLE 20 - BENEFIT PLANS AND PROGRAMS

- 1 The following listed Lucent Technologies Benefit Plans and Programs or their applicable successor Plan(s) or Program(s), with all subsequent amendments, shall, in accordance with their respective terms, apply to employees in the bargaining unit:
 - 1996 Employee Stock Purchase Plan
 - Anticipated Disability Program
 - Child/Elder Care Reimbursement Account Plan
 - Dental Expense Plan for Active Employees
 - Dependent Accidental Loss Insurance Plan
 - Dependent Group Life Insurance Plan
 - Employee Stock Ownership Plan
 - Group Life Insurance Programs
 - Accidental Death and Dismemberment Insurance
 - Basic Group Life Insurance
 - Supplementary Basic Group Life Insurance
 - Health Care Reimbursement Account Plan
 - Long Term Care Plan
 - Long Term Disability Plan for Occupational Employees
 - Long Term Savings and Security Plan
 - Medical Expense Plan for Occupational Employees
 - Occupational Group Legal Services Plan
 - Pension Plan
 - Sickness & Accident Disability Benefit Plan
 - Supplementary Accidental Loss Insurance Plan
 - Vision Care Plan
 - Work and Family Program
- 2 Except as provided in this Article, there shall be no negotiations during the life of this Agreement upon changes in pensions or any other subjects covered by the existing Employee Benefit Plans.
- 3 In the event, during the life of this Agreement, the COMPANY proposes to exercise any right provided in any of the existing Employee Benefit Plans or their successors, by taking action affecting the benefits or privileges of employees represented by the Union, it will before doing so notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that no change may be made in the Plan which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without its consent.
- 4 Any dispute involving the true intent and meaning of Paragraph 3 may be presented as a grievance within thirty (30) days after the matter complained of and if not resolved by the parties, it may be submitted within thirty (30) days after the final answer of the COMPANY to the arbitration procedure of this Agreement. However, nothing herein shall be construed to subject the Employee Benefit Plans (or their successors) or their administration or the terms of the proposed change(s) in the Plans to arbitration.

ARTICLE 21 - SUPERVISORS PERFORMING BARGAINING UNIT WORK

- 1 Work normally assigned to bargaining unit employees will not be performed by non-bargaining unit COMPANY personnel except when such action is necessary for limited periods to afford instruction to employees, to maintain production when qualified bargaining unit employees are not available or in emergency situations.

ARTICLE 22 - TERMINATION OF EXISTING AGREEMENTS

All agreements previously entered into by the COMPANY and the UNION are hereby terminated, except the following which will continue in effect in accordance with their terms:

- Court Reporter - November 9, 1995
- Emergency Response Teams - November 9, 1995
- Journeyman Trades Plan, Discussion of Special Offers - May 31, 1992
- Operation 2000 Training - November 9, 1995
- Procedures for "New" Bargaining Unit Employees - February 18, 1988
- Return to the Unit - November 9, 1995
- Transferring Work Assignments - May 31, 1992
- Treatment of Absences - Associated with Death in Family - May 31, 1992
- Upgrade FST's - Operations and Maintenance - November 9, 1995

ARTICLE 23 - DURATION

This Agreement shall become effective at 12:01 a.m., on May 31, 1998, but only if ratified by the UNION membership and approved by the International Office of the UNION and the COMPANY so notified on or before 11:59 p.m. on July 24, 1998. When so effective, it shall continue in effect until 11:59 p.m. on May 31, 2003.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

For the UNION:

Local 1560 Committee:

John Marchetto
John Boardman
Nadine Eichner
Terry Kerr
Derek Williams
Alan Giadosh

Local 1522 Committee:

Edward Hearn
John Hemmis
Brian Leyfert
Carol Mulzet
William Shipwash, Jr.

Ratified by Union Membership:

President, IBEW Local 1560

President, IBEW Local 1522

Approved by System Council EM-3

President

Approval by International Office IBEW

President

For the COMPANY:

COMPANY Committee:

D. J. Schuster
J. F. Spillane
P. H. Martin
D. E. Sugra
C. L. Teter

Bargaining Agent
Lucent Technologies

Date: _____

Date: _____

Date: _____

Date: _____

Ms. Judy Henry, President, Local 1560
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Court Reporter

This will confirm our understanding regarding the use of a court reporter for arbitration cases.

1. If the parties agree to use attorneys, the cost of the court reporter will be shared by the Company and the Union.
2. It is agreed that prior to an arbitration case the parties will determine whether or not a court reporter will be utilized.
3. If the Company decides to use a court reporter, the Union will be given a copy of the transcript, and it will be considered the official record.
4. If the parties do not agree regarding the use of the reporter, one can still be used, however, the transcript will not be considered the official record.

Very truly yours,

AT&T MICROELECTRONICS

By: /s/ W. B. White
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCAL 1560

By: /s/ Judy Henry
President, Local 1560

Date: November 9, 1995

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Emergency Response Teams

This will confirm our understanding regarding Emergency Response Teams whereby it is understood that because of the nature of the work assignment of the employees represented by Local 1522, the Emergency Response Teams will normally be staffed by members of that Local.

However, these teams will be supplemented by members of Local 1560 if additional team members are required.

The number of vacancies will be determined by the Local Joint Emergency Response Committee.

This letter shall become effective with the General Agreement dated May 28, 1995, and shall continue in effect until the termination of the said General Agreement.

Very truly yours,

AT&T MICROELECTRONICS

By: /s/ W. B. White
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCALS 1560 AND 1522

By: /s/ Judy Henry
President, Local 1560

By: /s/ Nanci D. Mulzet
President, Local 1522

Date: November 9, 1995

May 31, 1992

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Journeyman Trades Plan, Discussion of Special Offers

AT&T Bell Laboratories and the Union agree that they do not have the Journeyman Trades Plan at the SSTC. However, the Company will discuss with the Union certain adjustments, incentives or special offers that may be made available to other AT&T employees who participate in a Journeyman Trades Plan. These discussions are limited to the occupational classifications listed below. Such discussions between the Company and the Union may or may not result in an adjustment to the classifications identified below, and if any adjustments are to be made, they will be made at the sole discretion of the Company.

Affected SSTC Occupational Classifications

Facilities System Technician

Facilities Technologist

Mechanical Technologist

This agreement shall be valid for the term of the SSTC General Agreement dated May 31, 1992, and will terminate thereafter.

AT&T BELL LABORATORIES

By: Barbara A. Landmann
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

By: Judy Henry
President, Local 1560

By: Nanci D. Mulzet
President, Local 1522

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Operation 2000 Training

This will confirm our understanding of May 28, 1995 with respect to the training commitment outlined in Operation 2000.

- 1 Training will be open to all employees who:
 - Do not possess the skills necessary to qualify for a particular Job Classification.
 - Wish to upgrade their current skill level for a particular Job Classification.
- 2 Training will be conducted during normal work hours.
- 3 Training would count toward the minimum forty (40) hour training requirement.
- 4 Examples of education and training include, but are not limited to the following:
 - Typing skills, word processing
 - Speedwriting/Steno, Secretarial curriculum
 - A well-rounded curriculum in module form that are fundamentally based to the Occupational Job Classification
 - Create a course curriculum that will satisfy the Company's need for a qualified workforce to fulfill the complex nature of the applicable position.
- 5 Coordination of all curriculum will be done in conjunction with the Company and the Union. The parties will draw upon the resources of ETOP to implement the program when necessary.

This Letter of Agreement shall become effective with the General Agreement dated May 28, 1995, and shall continue in effect until the termination of the said General Agreement.

Very truly yours,

AT&T MICROELECTRONICS

By: /s/ W. B. White
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCALS 1560 AND 1522

By: /s/ Judy Henry
President, Local 1560

By: /s/ Nanci D. Mulzet
President, Local 1522

Date: November 9, 1995

May 30, 1998

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Posting of Specific Assignments

It is agreed that in regard to Article 9 - Movement of Personnel, Paragraph 2(c), the following additional features will apply to OEC - Administrative jobs specified in Appendix 8-B.

When vacancies in any of the above occupation titles are to be permanently filled, the specific job function will be posted.

LUCENT TECHNOLOGIES

By: _____
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

President, Local 1560

President, Local 1522

February 18, 1988

Ms. Eleanor R. Engling, President, Local 1560
Mr. Frank Kuzmin, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Procedures for "New" Bargaining Unit Employees

This will confirm our recent discussions concerning the treatment of employees entering the bargaining unit represented by your Locals at the new Solid State Technology Center in Breinigsville, Pennsylvania.

The following procedures will be followed when Bell Laboratories hires, rehires, or transfers employees into that bargaining unit:

- the employee will be apprised that, as a condition of employment, he or she has an obligation to pay or tender to the Union an amount equivalent to periodic dues applicable to members on or after the 30th day after entrance into the bargaining unit;
- the employee will also be apprised that he or she has the option of meeting that obligation through payroll deduction;
- newly hired employees or employees being transferred into the bargaining unit will be introduced to the Union Representative who is functionally responsible for the work area to which the employee is assigned;
- the Local will be responsible for furnishing the employee the payroll deduction authorization card;
- and, on a regular basis, Bell Laboratories will provide the Union with a listing of employees hired, rehired, or transferred into the bargaining unit.

If at any time the Union encounters any difficulties with these procedures, at its request, I will be glad to discuss the matter.

AT&T BELL LABORATORIES

By: Lloyd L. Friend, III
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Eleanor R. Engling
President, Local 1560

Frank Kuzmin
President, Local 1522

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Return to the Unit

This will confirm and update our understanding of May 28, 1995 in which it was agreed as follows with respect to Article 9, Movement of Personnel of the General Agreement dated May 28, 1995 for the bargaining unit represented by your Locals at the Solid State Technology Center (SSTC) in Breinigsville, Pennsylvania.

- 1 AT&T Microelectronics, Breinigsville, has the right to place employees of the Company who were formerly in the Bargaining Unit in the same or similar Occupation Titles.
- 2 For a represented employee who is promoted out of the bargaining unit and subsequently returns, they will return to the same level from which they left unless there are downgraded represented employees in the same level to which the employee is returning. In that case, the employee will go to the lowest level as the downgraded individual.
- 3 For any employee having previous AT&T service, there shall be a one (1) year moratorium on upgrades if he or she enters the Bargaining Unit from another organization at the Solid State Technology Center (SSTC), Breinigsville. Any employee entering the Bargaining Unit from another AT&T location shall be treated as a new hire and his or her seniority at the receiving location shall be used for a period of three (3) years for Movement of Personnel purposes except layoff. For layoff purposes, the employee's TERM OF EMPLOYMENT, as defined in the General Agreement, will apply. After the three (3) year period, the employee's TERM OF EMPLOYMENT will apply for Movement of Personnel purposes.

Very truly yours,

AT&T MICROELECTRONICS

By: /s/ W. B. White
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCALS 1560 AND 1522

By: /s/ Judy Henry
President, Local 1560

By: /s/ Nanci D. Mulzet
President, Local 1522

Date: November 9, 1995

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Secretarial Rank Anchoring/Confidential Positions

It is agreed all Secretarial backfills will be rank anchored as follows:

SG-C & SG-D - C-Level Secretary

SG-B - B-Level Secretary

Additionally, the Company will designate two (2) Confidential Clerical (Lucent Business Assistant) positions that will support the following Management positions:

Employee and Community Relations

Facilities Management

Business Unit Strategic Planning

Manager, Human Resources

Any additional Confidential positions must be negotiated with the Union.

This Letter of Agreement shall become effective with the General Agreement dated May 30, 1998, and shall continue in effect until the termination of the said General Agreement.

Very truly yours,

LUCENT TECHNOLOGIES

By: _____
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCALS 1560 AND 1522

By: _____
President, Local 1560

By: _____
President, Local 1522

Date: _____

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Specific Job Functions (Surplus Conditions)

It is agreed that in regard to Article 9 - Movement of Personnel, Paragraphs 2(c) and 3, the following additional Job Functions will apply only to the Function Groupings, Schedules B, C and D listed below and apply only to surplus conditions.

When the Company determines that it is necessary to decrease the workforce, employees shall be selected as surplus in the inverse order of Term of Employment, from the Occupational Job Classification and function groupings affected.

Assignments for each title are as follows:

B-LEVEL FUNCTION GROUPINGS

(1)	(2)	(3)
Clerk - Conference Rooms	Clerk - Library	Secretary - Personnel
Clerk - Purchasing		Secretary - Other
Clerk - Typist		Secretary - Text Proc.
Clerk - Other		
Clerk - Accounting		

C-LEVEL FUNCTION GROUPINGS

(1)	(2)	(3)
Clerk - Accounting		Secretary - Personnel
		Secretary - Other
		Clerk - Human Resources
		Clerk - Safety

D-LEVEL FUNCTION GROUPINGS

(1)	(2)	(3)	(4)
Clerk - Purchasing		Secretary - Personnel	Photography
Clerk - Transportation		Secretary - Text Proc.	
Clerk - Facilities		Secretary	
Clerk - Accounting		Secretary - General	
Clerk - Library		Analyst - Safety	

Very truly yours,

LUCENT TECHNOLOGIES

By: _____
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCALS 1560 AND 1522

By: _____
President, Local 1560

By: _____
President, Local 1522

Date: _____

May 31, 1992

Ms. Judy Henry, President, Local 1560
Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Transferring Work Assignments

This will confirm our understanding concerning work assignments which may be transferred in the future from AT&T's Allentown Works to the Bell Laboratories Solid State Technology Center (SSTC) in Breinigsville, Pennsylvania.

Bell Laboratories agrees that if the work assignments being transferred are being performed by employees in the bargaining units represented by Union Locals 1522 and 1560 at the Allentown Works, such work assignments will be placed in the bargaining unit represented by those Locals at the SSTC. In addition, Bell Laboratories agrees to discuss with the Union, for placement in jobs transferring from the Allentown Works to the SSTC, those employees holding the positions that are being transferred out of Allentown.

This Letter of Agreement shall become effective with the General Agreement dated May 31, 1992, and shall continue in effect until the termination of the said General Agreement.

AT&T BELL LABORATORIES

By: Barbara A. Landmann
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

By: Judy Henry
President, Local 1560

By: Nanci D. Mulzet
President, Local 1522

May 31, 1992

Ms. Judy Henry, President, Local 1560

Ms. Nanci D. Mulzet, President, Local 1522

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Treatment of Absences - Associated with Death in Family

This will confirm our understanding of May 31, 1992, with respect to Treatment of Absences associated with Death in Family, for the bargaining unit represented by your Locals at the Solid State Technology Center (SSTC) in Breinigsville, Pennsylvania.

- Personal absences for Death in Family covered in Article 16 of the General Agreement shall not be charged as an occasion of absence against the employee's attendance record.
- In addition to the Death in Family provision stated above, the Company has agreed to permit employees to attend the funeral of relatives not covered in Article 16, Paragraph 2(b), Death in Family, on a no-pay, non-chargeable occasion basis. Such absence is limited to one (1) day per occasion.

This Letter of Agreement shall be in effect for the duration of the current Agreement, or until Bell Laboratories notifies the Union of its desire to terminate it, whichever occurs earlier.

AT&T BELL LABORATORIES

By: Barbara A. Landmann
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Judy Henry
President, Local 1560

Nanci D. Mulzet
President, Local 1522

Ms. Nanci D. Mulzet, President, Local 1522
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Subject: Upgrade FST's - Operations and Maintenance

This will confirm our understanding concerning the upgrade of all incumbent Facilities System Technicians (FST's) - Wage Schedule "F" to Facilities Technologists (FT's) - Wage Schedule "G".

Subsequent to the upgrades, the Company and the Union agree to jointly establish the educational and experience criteria, as well as an interview for future upgrades to Facilities Technologist.

Furthermore, all downgraded Facilities Technologists must meet the educational and experience criteria and pass the interview before returning to the classification of Facilities Technologist (FT) - Wage Schedule "G".

This Letter of Agreement shall become effective with the General Agreement dated May 28, 1995, and shall continue in effect until the termination of the said General Agreement.

Very truly yours,

AT&T MICROELECTRONICS

By: /s/ W. B. White
Bargaining Agent

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCAL 1522

By: /s/ Nanci D. Mulzet
President, Local 1522

Date: November 9, 1995

1998

CWA/IBEW/Lucent

National

Memorandum of

Understanding

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1998 CWA/IBEW/LUCENT NATIONAL

MEMORANDUM OF UNDERSTANDING

This Memorandum is executed by the Communications Workers of America (hereinafter "CWA"), the International Brotherhood of Electrical Workers System Council EM-3 on behalf of Local Unions 1470, 1522, 1560, 1599, 1612, 1614, 1898, 1942, 1974, 2000, 2020, 2021, 2022, 2188 and 2300 and International Brotherhood of Electrical Workers System Council T-3 on behalf of Local Unions 134, 165, 188, 206, 336, 363, 383, 399, 827, 1011, 1944, 2213, 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, and 2371 (hereinafter "IBEW") and Lucent Technologies Inc. (hereinafter "Lucent Technologies" or "the Company") in the bargaining units listed on Attachment A, to set forth the understandings reached as to wages, hours, terms and conditions of employment that have application to all such bargaining units. This Memorandum also includes as a Supplement the understandings reached at the CWA/IBEW/Lucent National Manufacturing and National Units Table.

This Memorandum binds the CWA and its local labor unions, the IBEW and its affiliated local unions, and Lucent Technologies to amend and extend the collective bargaining agreements covering the bargaining units listed on Attachment A so as to incorporate the items hereinafter set forth, where applicable.

It is further provided that bargaining will be completed in each bargaining unit listed on Attachment A on or before 11:59 PM June 6, 1998. In the event that bargaining in any bargaining unit listed on Attachment A is not completed on or before 11:59 PM June 6, 1998, the 1998 National Memorandum of Understanding items (including the Supplement) will not become effective as to that particular bargaining unit until agreement is reached in that bargaining unit and the 1998 National Memorandum items shall not be applied retroactively in that unit.

The understandings set forth herein shall become effective as to CWA or IBEW System Council EM-3 or IBEW System Council T-3 (as applicable) only if ratified by the CWA membership or the IBEW System Council EM-3 membership or IBEW System Council T-3 membership (as the case may be) employed in the bargaining units listed on Attachment A on or before 11:59 PM on July 24, 1998.

The amended collective bargaining agreements between the parties shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday, May 31, 2003.

Attachment A

IBEW AND CWA BARGAINING UNITS

Operations:

CWA
IBEW

Manufacturing & National Units

CWA

MFG #7: (Atlanta, Dallas, Custom Manufacturing Center, Merrimack Valley)
MFG FT #3: (Atlanta, Merrimack Valley)
BELL LABS: (NJ, IL) (Mech. & Plant Svcs.)
REPAIR, DISTRIBUTION AND SERVICE AND SUPPORT #2
NS INSTALLATION CWA-22
NS INSTALLATION - CARA, CWA-JC-22
NS OPERATIONS SUPPORT CENTER OSC #5
COCKEYSVILLE CWA-22 Appendix 5
NETWORK RELIABILITY CENTER CWA-22 Appendix 6

IBEW

ALLENTOWN - Clerical
ALLENTOWN - P&M
BELL LABS - NAPERVILLE - Trades
COLUMBUS - P&M
COLUMBUS - Clerical
DENPORT SOUTH - P&M
DENPORT WEST - P&M
ENG. RESEARCH CENTER - Trades
LITTLE ROCK REPAIR AND DISTRIBUTION CENTER
NEWARK GATEWAY TWO - Clerical
NETWORK SOFTWARE CENTER- Trades
OKLAHOMA CITY - Clerical
OKLAHOMA CITY - P&M
OMAHA - P&M
OMAHA - Clerical
OPTOELECTRONICS CENTER - Trades/Clerical
ORLANDO- P&M
READING - Clerical
READING - P&M

This 1998 National Memorandum of Understanding is agreed to this 30th day of May, 1998.

COMMUNICATIONS WORKERS OF AMERICA

/s/ Ralph V. Maly, Jr.
Assistant to the Vice President

/s/ Joseph Connolly
Executive Vice President, Local 1101

/s/ Janine M. Brown
CWA Staff Representative

/s/ Robert G. Richhart
CWA Staff Representative

/s/ Leon A. Gusek, Jr.
President, National Unit Council
President, Local 3263

APPROVED:

/s/ Morton Bahr
President, CWA

/s/ James E. Irvine
Vice President, CWA

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

/s/ Frank P. Possinger
President, System Council EM-3

/s/ Michael D. Quinlan
International Representative
Manufacturing Department

/s/ Robert F. Morrison
Chairman, System Council T-3

/s/ William L. Davis
Director, Telecommunications Department

APPROVED:

/s/ John J. Barry
International President, IBEW

LUCENT TECHNOLOGIES

/s/ Michael R. Lewis
Workforce Relations Vice President

/s/ Danny Lanier
Financial Process Director
Corporate Finance Organization

/s/ Louis D. Hudson
Workforce Relations Director

/s/ Ken R. Lannin
Manufacturing Vice President
Network Systems Group

/s/ Michael J. Harrison
Human Resources Vice President
U.S. Compensation and Benefits

/s/ William G. Ligon
Workforce Relations Director

/s/ Patricia A. Schuster
Manufacturing and Operations Director

/s/ Martha Prezuhy
Workforce Relations Manager

APPROVED:

/s/ Ralph P. Craviso
Vice President Workforce Effectiveness

GENERAL WAGE INCREASES**1 Wage Schedule Increases**

- (a) Prior to the application of the initial General Wage Increase, the Minimum Rates and Maximum Rates for all Weekly Wage Schedules shall be converted to hourly rates by dividing such amounts by the length of the applicable full-time Scheduled Weekly Tour (40, 37.5 or 35 hours) and rounding the result to the next higher penny.

(1) Such conversion shall be effective June 28, 1998.

- (b) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.

(c) **Initial Wage Increase**

- (1) Effective August 30, 1998, wage schedules shall be increased by 3.75% on the Maximum Rates and by 3.75% on the Minimum Rates in effect on May 30, 1998.

- (2) Each local table shall have an opportunity to negotiate an increase in the Minimum Rate for each wage schedule in an amount that exceeds the above percentage.

(d) **Retroactive Pay Equivalent Payment**

- (1) Employees on the active roll on the date of the initial wage increase, shall be eligible to receive a Retroactive Pay Equivalent Payment.

- (2) For Full-Time employees, the Retroactive Pay Equivalent Payment shall be determined as follows:

- The amount of the employee's hourly rate increase resulting from the initial wage increase;
- Multiplied by a factor of the number of hours in the employee's Scheduled Weekly Tour for each week of employment in the period beginning May 31, 1998 and ending with the effective date of the initial wage increase;
- Plus the actual number of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time And One-Half, Double Time or Double Time And One-Half, as applicable);
- Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;
- Plus all the actual Differentials, Allowances and payments that are directly related to an employee's pay received during that period.

- (3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's Standard Rate during the period beginning May 31, 1998 and ending with the effective date of the initial wage increase, the employees' payment records for the period will be reviewed to ensure that the employees' Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.

- (i) In such case, the employee will receive an adjustment to the calculation for the difference, if any.

- (4) An eligible Part-Time employee shall receive a proportionate amount of the applicable Full-Time Retroactive Pay Equivalent Payment based on the Part-Time employee's Part-Time Equivalent Work Week as of the effective date of the initial wage increase.
 - (5) In the event an employee has left the active roll during the period beginning May 31, 1998 and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
 - (i) In such case, the percentage increase as specified in Paragraph (1) (c) (1) shall be applied to the employee's Standard Rate effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
 - (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 25, 1998 provided the Company has been notified that the 1998 National Memorandum of Understanding (which includes the National Manufacturing & National Units) and all local contracts have been ratified no later than 11:59 p.m. July 24, 1998.
 - (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
 - (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (i) The Lucent Stock Purchase Plan
 - (ii) The Long Term Savings and Security Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on May 31, 1998, rounded to nearest whole number, times the employee's weekly Long Term Savings and Security Plan Allotment
 - (iii) Union dues as specified by the union
 - (9) The Retroactive Pay Equivalent Payment will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall it enter into the standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.
- (e) **Second Wage Increase**
- Effective May 30, 1999, wage schedules shall be increased by 3.35% on the Maximum Rates and by 3.35% on the Minimum Rates in effect May 29, 1999.
- (f) **Third Wage Increase**
- Effective May 28, 2000, wage schedules shall be increased by 3.5% on the Maximum Rates and by 3.5% on the Minimum Rates in effect on May 27, 2000.

(g) Fourth Wage Increase

Effective May 27, 2001, wage schedules shall be increased by 3.6% on the Maximum Rates and by 3.6% on the Minimum Rates in effect on May 26, 2001.

(h) Fifth Wage Increase

Effective May 26, 2002, wage schedules shall be increased by 3.25% on the Maximum Rates and by 3.25% on the Minimum Rates in effect on May 25, 2002.

- (i)** An employee's increase in Standard Rate shall be based on the Wage Progression Step to which assigned on the effective date of the aforementioned wage increase(s).

ESCALATION ADJUSTMENT

- 1 Effective May 27, 2001, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 1998 and March 2001.
 - (a) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second, third and fourth GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the fourth scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 26, 2001.
 - (b) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- 2 Effective May 26, 2002, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 1998 and March 2002.
 - (a) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial GWI, plus the second, third, fourth and fifth GWI's, plus the Escalation Adjustment for the prior year, if any, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the fifth scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 25, 2002.
 - (b) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- 3 In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- 4 In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the dates referred to in Paragraphs 1 or 2, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- 5 No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2001 and March 2002.
- 6 The Escalation Adjustments are dependent upon the availability of the CPI-W in its present form and calculated on the same basis as the CPI-W for March 1998. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W the Company and the Union agree to request the Bureau to make available, for the life of this Agreement, a CPI-W in its present form and calculated on the same basis as the CPI-W for March 1998, which was 158.7 (1982-1984=100).
- 7 It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.

WAGE PROGRESSION SCHEDULES

- 1 All wage progressions shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.
- 2 The minimum eligibility to a wage progression increase shall be 60 days Net Credited Service as of the date of the scheduled increase.
 - (a) Additional eligibility criteria shall be subject to the provisions of the applicable local contract.

LUCENT PERFORMANCE PLAN

1 Overview

- (a) Lucent is committed to delivering superior, sustained increases in shareholder value. To achieve our goal, every member of the Lucent team should be linked to the business objectives. When we are committed to the values of innovation, quality and speed we can achieve superior results.
- (b) Pay for performance means that those who contribute to the company's results can share financially in that success.
- (c) The Lucent Performance Plan for Occupational Employees' (hereafter referred to as the "Plan") consists of two components:
 - (1) Lucent Performance Awards
 - (2) Business Group or Sub-Group Performance Awards, (applicable universes to be agreed upon at the National Table)
- (d) The amount of Lucent Awards, Business Group and/or Sub-Group Awards, if earned, are based on the performance results of Lucent and the employee's applicable Business Group (or a Sub-Group of the Business Group such as a factory or geographical unit), against business goals which are established at the beginning of each fiscal year.
- (e) When the Company and/or the employee's Business Group or Sub-Group exceeds the business goals, there is an opportunity for even greater awards.
- (f) Performance Awards will be based on performance during the Lucent fiscal year periods hereafter referred to as "Performance Years."
 - (1) The first such Performance Year will be October 1, 1998 - September 30, 1999.

2 Lucent Performance Award

- (a) The Lucent Award for eligible Occupational Employees will be based on overall Lucent-wide performance against fiscal business goals.
- (b) The performance measure(s) for the Lucent Award will be the same measure(s) used for the Lucent Award covering U. S. based Management Employees.
- (c) Eligible employees will receive a lump sum payment as follows:

<u>Performance Year</u>	<u>Minimum Amount</u>	<u>Amount at Target</u>
1999	\$250	\$500
2000	\$250	\$517
2001	\$250	\$535
2002	\$250	\$554
2003	\$250	\$572

- (d) Such amount will be increased if the Company's performance exceeds the target(s) or decreased if the Company's performance does not meet the target(s) at the same rate of increase or decrease as applied to Management A-Band employees covered under the Lucent Performance Award Program for U.S. based Management Employees.
- (e) There will be no limitation on the maximum payouts.

3 Business Group Or Sub-Group Performance Awards

- (a) Every Business Group will establish a Business Group Award or Sub-Group Award plan(s). Each plan will be based on one or more metric(s). The terms and conditions of such plan(s) will be jointly determined by the appropriate representatives of the Company (from the applicable Business Group) and the Union(s) by no later than December 31, of the applicable Performance Year.
- (b) All metrics must be relevant to the success of the business and should contain the following characteristics:
 - (1) be Measurable
 - (2) be Reportable
 - (3) be Auditable
 - (4) be Time-Bound
- (c) Sub-Groups will be no lower than a factory level or, where appropriate, a geographical unit as determined by the parties.
- (d) All employees in a Sub-Group that contains employees in multiple Business Groups will be eligible to the Sub-Group Award for that location.
- (e) Where a Sub-Group Award is not established, employees will be eligible to the applicable Award for their Business Group.
- (f) Eligible employees will receive a lump sum payment of as follows:

Performance Year	Minimum Amount	Amount at Target	Maximum Amount
1999	\$250	\$500	\$750
2000	\$250	\$517	\$750
2001	\$250	\$535	\$750
2002	\$250	\$554	\$750
2003	\$250	\$572	\$750

- (1) Such amount will be increased or decreased if the Business Group's or Sub-Group's performance, as applicable, exceeds or does not meet the target(s).

However, in no case shall the amount of such payment be less than \$250 or more than \$750 for any Performance Year.

- (g) In the event that a Business Group or Sub-Group is redefined during a Performance Year and such event results in an adjustment to the related Performance Award Program for Management Employees, the Company and the Union(s) will discuss implementing a similar adjustment in the plan covering the occupational employees.

4 Eligibility and Proration

- (a) Occupational Regular and Term Employees represented by the CWA and IBEW shall be eligible for Performance Awards.
- (b) Eligibility for Performance Awards is based on the number of days on the active payroll as a Regular or Term Employee during the Performance Year.
- (c) Awards shall be prorated for employees who were employed for less than the full Performance Year as a result of hiring, retirement, death or who were on a formal Leave Of Absence during the Performance Year. Such employee will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Year.
- (d) For the purposes of the Plan, the following shall be considered as being on the active payroll during the Performance Year:

<u>Type of Leave</u>	<u>Counted as "Active"</u>
Anticipated Disability Leaves of Absence	Absence period attributable to actual disability plus a 30-day grace period
Military (More than 30 Days)	Paid military absence period plus a 30-day grace period
All other Leaves of Absence including Care of Newborn/ Newly Adopted Child	Absence period attributable to actual disability (if applicable) plus a 30-day grace period
Family Medical Leave	Absence period attributable if required by Law.

- (e) Employees who leave under a force management plan during the Performance Year will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Year.
- (f) Employees who resign or are terminated for cause during the Performance Year are not eligible to receive any award.
- (g) Employees who are assigned as Management employees for a portion of the Performance Year shall receive a proportionate amount of the applicable awards under this Plan based upon the number of days the employee was assigned as an Occupational employee.
- (h) An eligible Part-Time Employee shall receive a proportionate amount of the applicable Full-Time awards based on the overall average of the employee's Part-Time Equivalent Work Week during the Performance Year.
- (i) Business Group and/or Sub-Group Awards will be prorated based on the number of days an employee is assigned to such group during the Performance Year.
 - (1) Except in the case of proration of awards, employees can be eligible to either the applicable Business Group Award or Sub-Group award, but not to both.

5 Application of the Performance Awards to Payments for Overtime Worked and Other Benefits

- (a) Upon payment of an award, an Overtime Adjustment will be calculated based upon the period covered by the award using the standard Overtime Adjustment formula based on the sum total of such Performance Awards received by an employee.
- (b) Performance Awards shall be included in the calculation of annual pay for the purposes of calculating Group Life Insurance benefits.
- (c) Performance Awards shall be subject to federal, state and local tax and FICA withholding.
- (d) Allotments for the following shall be deducted from Performance Awards:
 - (1) Lucent Stock Purchase Plan
 - (2) Long Term Savings and Security Plan by dividing the amount of the Performance Awards by the weekly equivalent of the employee's Adjusted Rate of pay on the effective date of the awards, rounded to nearest whole number, times the employee's weekly Long Term Savings and Security Plan Allotment.
 - (3) Union dues as specified by the union
- (e) The Awards will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall they enter into the computation of any payments made under any other pension or benefits plan, fringe benefit, allowance or differential.

6 General

- (a) Awards will be paid no later than 75 days after the end of the Performance Year and will be subject to applicable taxes.
- (b) The Union may present grievances related to matters covered by the Plan. Any such grievance shall be filed at the final step of the grievance procedure provided for in the applicable local contract.
- (c) Arbitration of grievances relative to the matters covered by the Plan shall be limited to whether or not the administration of the Business Group or Sub-Group Performance Award violated the agreement reached by the parties under paragraph 3 of this provision. Except as provided, nothing herein shall be construed to subject the Plan to arbitration. Any arbitration provided for under this provision shall be subject to the appropriate arbitration procedures in each local contract.
- (d) Lucent Technologies reserves the right to adjust payment levels upward or downward to offset the effects of significant and unusual events such as the purchase or sale of a Group, etc.

WAGE & COMPENSATION PRACTICES

1 Overtime Adjustment for 1998 Shares For Growth Payment

- (a) The Overtime Adjustment for the March 1998 Shares for Growth Payment shall end coincident with each employee's transition to the SAP system.
 - (1) A lump sum payment for the remaining portion of the 52 weeks until March 6, 1999 shall be calculated based on the time each employee worked during the same number of weeks preceding the employee's transition to the SAP system.
 - (2) The applicable lump sum payment will be included in the employee's regular paycheck no later than the third week following said transition.

2 Joint Payroll Issues Committee

- (a) A committee to be appointed by the bargaining chairs shall be identified to continue to review wage and compensation issues as well as payroll maintenance and delivery issues.
- (b) The committee shall consist of 4 representatives from the Unions: 2 from CWA and 2 from IBEW, and 4 representatives from the Company.
- (c) The committee shall meet at the request of the members to discuss problems or other issues identified by the parties, to seek solutions to said problems, and, where appropriate, make recommendations to the bargaining chairs.
- (d) In addition, the committee shall oversee the successful implementation and delivery of items covered by this agreement on Wage & Compensation Practices and to communicate its findings to the bargaining chairs.

NEW RECOGNITION AWARD PROGRAMS

May 31, 1998

Mr. F. P. Possinger, President, System Council EM-3, IBEW

Re: New Recognition Award Programs

The parties recognize that it may be in their mutual interest to negotiate new recognition award programs during the period of the 1998 National Memorandum. Accordingly, the parties agree that, should the Company or the Union seek to negotiate new programs during the period of the 1998 National Memorandum, the initiating party shall notify the other party of its intention to open discussions. It is anticipated that such notice to the Union shall be made through the applicable Business Group/Division Planning Council at least sixty (60) days prior to a proposed meeting date. Thereafter, the Company and the Union shall work together to design and negotiate an agreed upon program that will meet the needs of the Company and the employees. Should the parties reach agreement, the program shall be implemented upon a mutually agreed date.

For purposes of this 1998 National Memorandum, "Recognition Award Programs" shall be deemed to include cash awards, gift certificates or other means of compensation to any employee in recognition of individual or group performance within a Business Group or Division or in recognition of the performance of the entire Business Group or Division.

It is the intention of the parties to jointly design programs that achieve the mutual goals of the Union and the Company.

All existing negotiated Recognition Award Programs shall remain in effect, unless otherwise agreed, in accordance with their terms.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ F. P. Possinger
President, System Council EM-3, IBEW

PENSION BAND INCREASES

The Lucent Technologies Inc. Pension Plan shall be amended effective July 1, 1998, to revise the Monthly Benefit Table (Section 4.2 (c)(ii)).

For employees who retire on or after May 31, 1998, the applicable Monthly Benefit Table shall be as set forth in Attachment A.

For employees who retire on or after July 1, 1999, the applicable Monthly Benefit Table shall be as set forth in Attachment B.

For employees who retire on or after July 1, 2000, the applicable Monthly Benefit Table shall be as set forth in Attachment C.

For employees who retire on or after July 1, 2001, the applicable Monthly Benefit Table shall be as set forth in Attachment D.

For employees who retire on or after July 1, 2002, the Monthly Benefit Table shall be as set forth in Attachment E.

Attachment A

Effective July 1, 1998, the following pension benefit amounts will be effective for those employees retiring on or after May 31, 1998:

Pension Band	For Retirements on or after May 31, 1998
102	27.07
103	28.16
104	29.25
105	30.35
106	31.46
107	32.57
108	33.65
109	34.76
110	35.85
111	36.95
112	38.03
113	39.14
114	40.22
115	41.32
116	42.43
117	43.51
118	44.61
119	45.71
120	46.80
121	47.89
122	49.00
123	50.08
124	51.17
125	52.29
126	53.35
127	54.46
128	55.55
129	56.66
130	57.74
131	58.86
132	59.93
133	61.04
134	62.16
135	63.22

Attachment B

Effective July 1, 1998, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 1999:

Pension Band	For Retirements on or after July 1, 1999
102	28.15
103	29.29
104	30.42
105	31.56
106	32.72
107	33.87
108	35.00
109	36.15
110	37.28
111	38.43
112	39.55
113	40.71
114	41.83
115	42.97
116	44.13
117	45.25
118	46.39
119	47.54
120	48.67
121	49.81
122	50.96
123	52.08
124	53.22
125	54.38
126	55.48
127	56.64
128	57.77
129	58.93
130	60.05
131	61.21
132	62.33
133	63.48
134	64.65
135	65.75

Attachment C

Effective July 1, 1998, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2000:

Pension Band	For Retirements on or after July 1, 2000
102	28.99
103	30.17
104	31.33
105	32.51
106	33.70
107	34.89
108	36.05
109	37.23
110	38.40
111	39.58
112	40.74
113	41.93
114	43.08
115	44.26
116	45.45
117	46.61
118	47.78
119	48.97
120	50.13
121	51.30
122	52.49
123	53.64
124	54.82
125	56.01
126	57.14
127	58.34
128	59.50
129	60.70
130	61.85
131	63.05
132	64.20
133	65.38
134	66.59
135	67.72

Attachment D

Effective July 1, 1998, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2001:

Pension Band	For Retirements on or after July 1, 2001
102	29.86
103	31.08
104	32.27
105	33.49
106	34.71
107	35.94
108	37.13
109	38.35
110	39.55
111	40.77
112	41.96
113	43.19
114	44.37
115	45.59
116	46.81
117	48.01
118	49.21
119	50.44
120	51.63
121	52.84
122	54.06
123	55.25
124	56.46
125	57.69
126	58.85
127	60.09
128	61.29
129	62.52
130	63.71
131	64.94
132	66.13
133	67.34
134	68.59
135	69.75

Attachment E

Effective July 1, 1998, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2002:

Pension Band	For Retirements on or after July 1, 2002
102	30.76
103	32.01
104	33.24
105	34.49
106	35.75
107	37.02
108	38.24
109	39.50
110	40.74
111	41.99
112	43.22
113	44.49
114	45.70
115	46.96
116	48.21
117	49.45
118	50.69
119	51.95
120	53.18
121	54.43
122	55.68
123	56.91
124	58.15
125	59.42
126	60.62
127	61.89
128	63.13
129	64.40
130	65.62
131	66.89
132	68.11
133	69.36
134	70.65
135	71.84

LUCENT TECHNOLOGIES INC. PENSION PLAN

ELIMINATION OF PENSION BAND 101

Effective July 1, 1998, Pension Band 101 is eliminated. Any employee currently in Pension Band 101 and who retires on or after May 31, 1998, shall have his or her pension calculated using Pension Band 102.

SERVICE BRIDGING RULES

The Lucent Technologies Pension Plan shall be amended to replace the requirement that an employee complete five years of continuous service after the termination of an absence in order for the employee's pre-absence service to be counted as part of the employee's Term of Employment with the requirement that the employee complete three years of continuous service after the termination of an absence in order for the employee's pre-absence service to be counted as part of the employee's Term of Employment. Provided however, that an employee who has received a mandatory minimum distribution must repay such distribution in accordance with the Plan terms in order for his or her service to be bridged.

Such amendment shall be effective on January 1, 1999, so that any employee who has completed three years of post absence consecutive service as of January 1, 1999 shall have his or her former service bridged as of that date.

PROMOTION RULES

Effective January 1, 1999, the Pension Plan shall be amended to provide that for an employee who is promoted (or transferred to a new job title in a higher Pension Band classification) on or after January 1, 1999, the basic monthly pension benefit for such employee shall be determined on the basis of the pension benefit amount applicable to the higher Pension Band number after such employee has completed twelve (12) consecutive months in the new job title and classification; provided however, that if an employee retires within twelve (12) months of promotion (or transfer to a new job title in a higher Pension Band classification) the employee's pension benefit will be calculated based on the pension benefit amount applicable to the Pension Band held immediately prior to the promotion.

MANDATORY MINIMUM DISTRIBUTION

Effective January 1, 1999, the Pension Plan shall be amended to provide that the Employee and the Employee's spouse must consent to any distribution from the Pension Plan made on or after January 1, 1999, if the present value of the distribution (determined in accordance with Internal Revenue Code Section 417(e)) exceeds the greater of \$5,000, or such amount as is permitted to be distributed without consent under Internal Revenue Code Section 411(a)(11), or any successor provision, provided however, that such distribution will not occur until the employee's recall rights are exhausted.

REPAYMENT OF MANDATORY MINIMUM DISTRIBUTION

The Pension Plan shall be amended, effective January 1, 1999, to provide that an employee who is rehired after receiving a mandatory minimum distribution (of \$5,000 or less) on account of termination of service shall have up to the later of six months following the date of rehire, or the end of the fifth year after the year in which the employee received the distribution to repay the lump sum, with interest.

If the lump sum plus interest is repaid within this period, the employee's Term of Employment will include all prior service, for the eligibility, vesting and for the purpose of calculating future pension benefits. If the lump sum plus interest is not repaid, the employee's future pension benefits will be determined without regard to prior service. The employee's prior service will be taken into account for vesting and eligibility.

PAYMENT OF PENSION BENEFITS

Effective January 1, 1999, the Plan shall be amended to provide that service and deferred pensions, once commenced, shall continue until the end of the month during which the participant's or joint pensioner's death occurs rather than terminating upon the date of death of the participant or joint pensioner.

PENSION ASSET TRANSFER

Effective January 1, 1999, the Company may transfer excess pension assets from the Lucent Technologies Inc. Pension Plan ("Plan") to a separate account which has been established as part of the Plan during each calendar year of the contract. The excess pension assets that are transferred are to be used only to pay qualified current retiree health liabilities (as defined in Section 420(e)(1) of the Internal Revenue Code) for eligible retired occupational employees (and their spouses and eligible dependents).

All transferred amounts will be used to pay retiree health liabilities on behalf of retired occupational employees (and their spouses and eligible dependents) directly or through the Lucent Technologies Inc. Represented Employees Postretirement Health Benefits Trust.

Following completion of a transfer of excess pension assets, the accrued pension benefits of any participant (including participants who terminated employment during the one-year period ending on the date of transfer) under the Plan shall become nonforfeitable (i.e., 100 percent vested).

The transfer of excess pension assets to the separate account and payments therefrom shall be subject to and in accordance with the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

APPLICATION OF GATT RATES

The Pension Plan shall be amended, effective January 1, 1999, to use the assumptions under the General Agreement on Tariffs and Trades (GATT), in determining the minimum amount of the present value of any form of benefit subject to section 417(e) of the Internal Revenue Code of 1986, as amended (the Code), to use the GATT mortality assumption in determining the applicable dollar limitations on benefits under Code § 415, and to use the GATT interest rate in determining the applicable dollar limitation on benefits under Code § 415(b)(2)(E)(ii).

SPECIAL SOCIAL SECURITY SUPPLEMENT

Effective May 31, 1998, Social Security Supplement payments, under the Lucent Technologies Inc. Pension Plan (the "Plan") that were made available to designated eligible employees who were involuntarily terminated under a force adjustment program during specified periods during the term of the 1995 Memorandum of Understanding shall be made available during the term of this Memorandum of Understanding, with the following changes:

- 1 Eligibility for the payments under this provision shall be limited to eligible employees who are involuntarily terminated (with less than 30 years of service and at an age under age 55) with service pension eligibility under a force adjustment program at any time during the term of this Memorandum of Understanding.

- 2 Amount of Social Security Supplement

The amount of such Social Security Supplement payments shall equal the amount of the reduction in an employee's monthly annuity payment because of retirement prior to age 55 (but not in excess of an employee's projected Social Security benefit at age 65) and the duration of such payments shall end on the first to occur of the completion of twelve years of payments, the attainment of age 62 or the death of the retired employee.

DISTRIBUTION OPTIONS

Effective on January 1, 1999, the Lucent Technologies Pension Plan shall be amended to provide additional forms of payment to participants who retire with a service pension under the plan. Participants who retire on or after January 1, 1999, may elect (with a spouse's consent, if required) to receive their service pension in the form of (1) a single life annuity, (2) joint and 50% survivor annuity, (3) a joint and 100% survivor annuity, or (4) a ten year certain annuity.

- 1 The amount of a participant's joint and 100% survivor annuity shall equal the participant's single life annuity reduced by fifteen percent (15%).
- 2 The amount of a participant's joint and 50% survivor annuity shall equal the participant's single life annuity reduced ten percent (10%).
- 3 The amount of a ten year certain annuity shall equal the participant's single life annuity reduced by five percent (5%).

CASH BALANCE PENSION PLAN

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Cash Balance Pension Plan

This letter records our mutual understanding that the Company and the Unions are willing to discuss the feasibility of a cash balance pension plan. The discussions will take place if, prior to June 1, 2000, either party notifies the other that it wishes to initiate such discussions. We agree that any such discussions will not reopen any issues related to the pension band plan or other items agreed upon in the Memorandum of Understanding we have just negotiated. It is the intent of the parties that the period of discussion, unless otherwise extended, will conclude within 90 days after commencement. The parties agree that their participation in such discussions constitutes the extent of their obligations under this letter.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

HEALTH BENEFITS

Medical benefits for occupational employees under the Lucent Technologies Inc. Medical Expense Plan for Occupational Employees (the "Medical Plan") will continue with such changes described below and effective as of the dates set forth below.

1 Overview

The terms and conditions of in-network coverage for occupational employees to provide medically necessary benefits will continue as before with the following modifications to be effective as of the dates set out below.

2 Additional Medical Plan Benefits

Effective January 1, 1999, the Medical Expense Plan will provide coverage for the following:

- Blood, blood plasma and other blood products
- The replacement or repair of orthotic devices and durable medical equipment when the device or equipment no longer meets the medical needs of the individual or when it no longer fits the individual.

3 Prescription Drug Program

Prescription drug benefits for occupational employees will continue as before, except as modified below:

(a) Additional Prescription Drug Program Coverage

Effective January 1, 1999, the prescription drug program will provide coverage for the following, when prescribed by a licensed physician:

- Any drugs or medications used solely for birth control, including oral contraceptives, other contraceptive devices, implants or injections, other than contraceptive devices or medications available over the counter without a prescription.
- Smoking deterrents, including nicotine products such as nicotine gum and nicotine patches, other than smoking deterrent devices or medications available over the counter without a prescription.

4 Elimination of Lifetime Benefits Cap

Effective January 1, 1999, the \$1,000,000 lifetime maximum for out of network benefits paid under the Plan shall be eliminated and there shall be no limit on the lifetime maximum for out of network benefits. The unlimited lifetime maximum shall not apply to any in-network benefits or any benefits under the separately administered mental health, chemical dependency and prescription drug programs

POINT OF SERVICE (POS) - VOLUNTARY OPT IN FEATURE

Beginning with the 1998 Fall Enrollment process for coverage effective January 1, 1999, employees and retirees living in areas outside of the POS network will have the option each year of enrolling or "Opting in" a POS network which is otherwise available to other occupational employees and retirees in their POS geographic area. Individuals exercising this option will thereafter remain enrolled in the POS network for the Plan Year unless a qualified status change occurs.

JOINT HEALTH CARE COMMITTEE

The Company and CWA and IBEW agree to continue their efforts to improve access to quality health care for bargaining unit members and to manage the cost of Lucent's medical benefits through the maintenance of cost effective health care programs. The Joint Health Care Committee (JHCC), formerly known as the Joint Health Care Cost Containment Committee (JHCCCC), will be continued, and will be responsible for overseeing the implementation, expansion and on-going monitoring of the Managed Care Programs (Point of Service, Mental and Health Chemical Dependency Networks and Prescription Drug Networks) of the Medical Expense Plan for Occupational Employees with respect to members of the bargaining units covered by the 1998 National Memorandum.

A major focus of the JHCC will be to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers.

JHCC Members

The JHCC will contain four (4) appointees from the Unions and four (4) from the Company, including members with benefits, health, and labor expertise. The JHCC members will analyze issues which arise concerning the managed care programs of the Medical Expense Plan and using consensus, will develop solutions to the issues.

JHCC Responsibilities

The JHCC is responsible for assuring successful implementation and continued operation of a quality health care program for current bargaining unit members.

The JHCC will be a forum for addressing and resolving issues involved in the implementation and ongoing monitoring and evaluation of the managed care programs of the Medical Expense Plan for Occupational Employees. To accomplish these objectives the JHCC will:

- review and comment on bid specifications for the Managed Care Programs of the Medical Expense Plan for Occupational Employees, provide input on who should be invited to bid, meet with various vendors as they make clarifying presentations on their programs and capabilities, attend briefings on the outcome of the bid analysis, and make recommendations on the selection of the carrier to senior management. In addition, the JHCC will have access to the Master Contracts between Lucent Technologies and the carriers which administer the POS networks covering the occupational employees. Such access is contingent upon each JHCC member executing a confidentiality agreement. It is understood that such access will encompass all information that Lucent is legally permitted to disclose.
- develop and agree to a system of standards and guidelines by which POS network operations and performance are to be gauged. Standards and guidelines are to include quality health care providers, utilization management, quality assurance, employee satisfaction and management and administrative capability. Such standards and guidelines may include compliance with an accreditation program performed by an independent, outside organization with experience in evaluating managed care programs.
- monitor and evaluate POS network performance according to agreed upon standards on a regular basis.
- deliberate on systematic problems relating to POS network administration in order to resolve those problems across all network sites.

- advise the Company to cancel contracts for POS networks which do not conform to or comply with standards and guidelines developed by the JHCC.
- identify perceived problem areas and develop and implement solutions to enhance the adequacy, efficiency and effectiveness of the POS networks.
- review and evaluate POS network performances, policies and procedures (including point of service managed care network operations and related administrator performance) in order to assess effectiveness and efficiency of the program.
 - Based on any such review and evaluation, if the JHCC determines that an occupational plan network area operation is materially deficient and that such deficiencies will not likely be resolved in a reasonable period of time with a reasonable effort by the network administrator, the JHCC may then evaluate other Company-sponsored point of service managed care operations in the same geographic area and their administrative performance, whether or not occupational employees participate in such other arrangements on the same matters as the evaluation of occupational plan network area operations was based.
 - Based on any such review and evaluation, the JHCC may recommend to the Company to change an existing occupational POS network plan administrator in that area to an administrator that presently administers a network under any other medical plan sponsored by the Company in that area. If the Company adopts such recommendation, it shall have, if it deems necessary to effectuate such change, at least one full calendar year to implement such change.
- recommend changes in administrative procedures in order to improve the quality, efficiency and effectiveness of the Managed Care Programs.
- review any evaluations and reports (e.g., NCQA/HEDIS) relating to the POS programs of the Medical Expense Plan for Occupational Employees. The purpose of the reviews and evaluations is to identify problem areas, to support educational efforts, to determine the quality and cost effectiveness of the plans and programs, and to make recommendations to the Company and to the bargainners on policies and procedures to improve the plans and programs.
- recommend administrative guidelines to support methods of interventions to reduce risk factors associated with chronic disease. Monitor and evaluate the success of such interventions. All information and records of a personal and confidential nature related to these administrative guidelines and procedures shall be kept confidential by those responsible for the guidelines and shall not be shared with anyone other than those with a need to know for a purpose related to the administration of the guidelines and related procedures.
- recommend strategies to improve the delivery, quality of care and service provided bargaining unit employees under the Managed Care Programs.
- develop a consumer information strategy to include POS networks and HMO's under the Medical Expense Plan for Occupational Employees.

- develop strategies and recommendations for expanding POS network services under the Medical Expense Plan for Occupational Employees; addressing, for example, items such as voluntary opt in and competing networks.
- monitor the overall activity of the Third Party Medical Claims Process which will include receipt of periodic reports on the results of this process.

Consultants and Advisors

The parties will continue to elicit the best professional advice both from medical and benefit specialists within the Company and Unions and from recognized outside independent experts, to assist in interpreting the data on Lucent's health costs.

Network Coordinators

The Company agrees to continue to fund for the period of the 1998 Memorandum of Understanding two (2) representatives, one (1) from the CWA and one (1) from the IBEW, to work with the Company in the introduction and on-going maintenance of the POS programs under the Medical Expense Plan for Occupational Employees.

POST RETIREMENT HEALTH AND DENTAL BENEFITS

Postretirement medical benefits for retired occupational employees under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees (the "Retiree Medical Plan") and the Lucent Technologies Inc. Dental Expense Plan for Retired Employees (the "Retiree Dental Plan") will continue with such changes described below and effective as of the dates set forth below.

Additional Medical Plan Benefits

Effective January 1, 1999, the Retiree Medical Expense Plan will provide coverage for the following

- Blood, blood plasma and other blood products
- The replacement or repair of orthotic devices and durable medical equipment when the device or equipment no longer meets the medical needs of the individual or when it no longer fits the individual.

Prescription Drug Program

Prescription drug benefits for retired employees will continue as before, except as modified below:

Effective January 1, 1999, the prescription drug program will provide coverage for the following, when prescribed by a licensed physician:

- Any drugs or medications used solely for birth control, including oral contraceptives, other contraceptive devices, implants or injections, other than contraceptive devices or medications available over the counter without a prescription.
- Smoking deterrents, including nicotine products as nicotine gum and nicotine patches other than smoking deterrent devices or medications available over the counter without a prescription.

Elimination of Lifetime Benefits Cap

The \$1,000,000 lifetime maximum for out of network benefits paid under the Plan shall be eliminated and there shall be no limit on the lifetime maximum for out of network benefits. The unlimited lifetime maximum shall not apply to any in-network benefits or any benefits under the separately administered mental health, chemical dependency or prescription drug programs.

Retiree Medical Caps

Effective January 1, 1999, the amount of Company contributions toward coverage shall be determined in the same manner as immediately prior to this 1998 National Memorandum, except that costs used to determine the amount of Company contribution shall also take into account postretirement dental costs and coverage under the Lucent Technologies Inc. Dental Expense Plan for Retired Employees. For purposes of determining whether the costs of coverage have exceeded the applicable cap, the costs of medical and dental coverage for retired employees subject to the caps shall be based on the cost experience of only those employees who retired on or after March 1, 1990, and shall include their costs of coverage provided under the Point of Service ("POS") programs, indemnity plan, Health Maintenance

Organizations ("HMO") and Medicare HMOs provided under the Medical Expense Plan for Retired Employees.

The caps on the Company contributions to provide the combination of medical and dental coverage for the term of this 1998 National Memorandum shall be as follows:

Under age 65 - single coverage: \$4,225
Under age 65 - family coverage: \$8,600
Age 65 and over - single coverage: \$2,000
Age 65 and over - family coverage: \$4,625

These revised caps reflect the continuation of the current cap for postretirement medical benefits and the addition of a cap of \$425 for single and \$850 for family for postretirement dental benefits so as to produce a combined cap for all retiree health benefits.

No retired employee shall be required to contribute towards the cost of postretirement medical and dental coverage for the duration of this 1998 National Memorandum. It is anticipated that the combined medical and dental cap will not be exceeded during the term of the 1998 National Memorandum.

Calculation of Required Retired Employee Contribution

For purposes of determining whether the average projected costs of the Plan for the four types of coverage (i.e., single or family, pre or post age 65) will exceed the applicable Company contribution limit for the next succeeding calendar year and, if so, determining the amount of the required applicable retired employee contribution, Lucent will annually:

1. Determine the actual aggregate cost of all incurred claims (including the cost of administration) for the second preceding calendar year prior to the year for which premiums are being set for (1) retired employees with single coverage under 65; (2) retired employees with family coverage under 65; (3) retired employees 65 and over with single coverage; and (4) retired employees 65 and over with family coverage.
2. Based upon such actual aggregate costs, determine the average cost (including dependent costs) for such year per retired employee in each group.
3. Adjust the four average amounts determined in item 2 by an amount to be determined by the Special Research Group, as described below.
4. Calculate the difference between the amounts determined in item 3 and the applicable Company contribution limits and subtract the average claim for each group from the applicable cap for the group, and determine whether the cap has been exceeded. If no cap for any group has been exceeded, then no retiree contributions are required. If one or more caps are exceeded then all caps are aggregated, on a weighted basis. If the result is a positive number, then retiree premiums are due from each group that has exceeded the caps. If the result is a negative number then retiree premiums are not due from any group.

Medical Inflation and Projected Costs

The determination of medical inflation and projected costs used to calculate any required employee contributions as described above in item 2 shall be made by a Special Research Group whose members shall include expert representatives from the Company and no more than two expert representatives from each union.

Adjustment to Retired Employee Contribution

Subsequent to each year, Lucent shall compare the aggregate costs for actual incurred claims (plus administrative expenses) for such year to the aggregate of the sum of all Company and retired employee contributions, for retired employees under age 65 and retired employees 65 and over, respectively.

For each of such two groups of retired employees, the Company shall determine whether there has been a surplus or deficit and the amount of such for each year. If there has been a surplus in the amount of prior employee contributions, the amount of such surplus will be used to offset any future retired employee contributions. If there has been a deficit in the amount of prior retired employee contributions, the amount of such deficit will be applied to increase any future required retired employee contributions.

Medical Options for Retired Occupational Employees

Effective January 1, 1999, retired occupational employees who currently reside in a zip code which denominates them as residing in an "Out of Network" area under the Plan, may elect to participate in a POS program offered under the Medical Expense Plan if such program is geographically proximate to the primary residence of the retired occupational employee.

FUTURE NEGOTIATION OF RETIREE MEDICAL CAPS

May 31, 1998

Mr. Morton Bahr
President, CWA
501 3rd Street, NW
Washington, DC 20001-2797

Mr. John Barry
President, IBEW
1125 15th Street, NW
Washington, DC 20005

Re: Future Negotiation of Retiree Medical Caps

Dear Morty and Jack,

As you know, in 1989 bargaining the parties amended the AT&T Medical Expense Plan "to provide that the amount of the Company contribution for coverage of a retired employee (i.e., those who retire after March 1, 1990) shall not exceed..." certain amounts set forth in the National Memorandum of Understanding ("retiree medical caps"). After the 1989 bargaining the Company agreed to negotiate these amounts in future bargaining sessions with CWA and IBEW.

Effective October 1, 1996, Lucent Technologies "cloned" the AT&T Medical Expense Plan and renamed it the Lucent Technologies Medical Expense Plan. Now, in the 1998 negotiations, Lucent has bargained about retiree medical CAPS, and has as a result increased them.

This letter will confirm my statement to you that Lucent Technologies will negotiate the level of health care caps and company contributions for retiree medical coverage and vehicles for providing such contributions for those who retired after March 1, 1990, in all future bargaining sessions with the two unions.

Very truly yours,

/s/ Ralph P. Craviso

LONG TERM SAVINGS AND SECURITY PLAN

The Long Term Savings and Security Plan ("LTSSP") will be amended to provide for additional Company allocations in 1998 and 1999, as follows:

A contribution of \$1,000 in Lucent shares will be made to the account of each eligible occupational employee on the first day of the month following ratification, but no earlier than August 1, 1998. In consideration of the elimination of the toll discount, the Company guarantees to contribute such an amount as is necessary to provide a contribution of \$500 in Lucent shares to the account of each eligible employee on February 1, 1999.

An additional contribution of \$500 in Lucent shares will be made to the account of each eligible occupational employee on August 1, 1999. Eligible part-time employees on roll on the contribution dates would receive one-half of each contribution.

An occupational employee will be eligible to receive the contribution if he or she is on the active roll or on a company approved leave of absence on the contribution date. If the eligible employee does not currently participate in the LTSSP, an account will be established for the employee.

The contribution will be immediately vested and may be transferred to other investment options in the plan, pursuant to the plan requirements for fund exchanges. The contribution is subject to the same withdrawal rules as are applicable to other company matching contributions

LONG TERM SAVINGS AND SECURITY PLAN

The Basic Weekly Allotments permitted to be contributed effective January 1, 1999, are shown in the attached Table 1. Further such Pay Bands shall be expanded to permit Basic Weekly Allotments based on a maximum Basic Weekly Rate of \$1,200 and over, effective January 1, 1999.

Table 1

Weekly Compensation	Weekly Matched Contribution
Under \$200	\$5 or \$10
\$200-\$299.99	\$5, \$10, or \$15
\$300-\$399.99	\$5, \$10, \$15, or \$20
\$400-\$499.99	\$5, \$10, \$15, \$20 or \$25
\$500-\$599.99	\$5, \$10, \$15, \$20, \$25 or \$30
\$600-\$699.99	\$5, \$10, \$15, \$20, \$25, \$30 or \$35
\$700-\$799.99	\$5, \$10, \$15, \$20, \$25, \$30, \$35 or \$40
\$800-\$899.99	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40 or \$45
\$900-\$999.99	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45 or \$50
\$1,000-\$1,099.99	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50 or \$55
\$1,100 - \$1,199.99	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50, \$55, \$60 or \$65
\$1,200 and over	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50, \$55, \$60, \$65 or \$70

EMPLOYEE STOCK PURCHASE PLAN

Employee Stock Purchase Plan ("ESPP") to be Amended to Provide Immediate Eligibility for Participation

The ESPP will be amended, effective January 1, 1999, to eliminate the requirement that an employee complete six months of consecutive service to become eligible to participate in the Lucent Technologies Inc. ESPP.

EMPLOYEE STOCK PURCHASE PLAN

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Re: Employee Stock Purchase Plan

Gentlemen:

This letter will advise you that under the terms of the Lucent Technologies Inc. 1996 Employee Stock Purchase Plan (Section 12) the Company is not permitted to offer employees the opportunity to purchase Lucent shares at a fifteen percent discount after June 30, 2001.

It is the intent of the Company to continue this Plan, subject to shareholder approval and any other required regulatory approvals.

Further, it is the Company's intent to treat management and occupational employees similarly with respect to continuation of the Plan or terms of participation in the Plan.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

BENEFIT PLANS AND PROGRAMS

The following listed Lucent Technologies Inc. Benefit Plans and Programs or their successor Plan(s) or Program(s), with all subsequent amendments, shall, in accordance with their terms, apply to employees in the bargaining units and the following list shall be incorporated into the benefits article of the applicable local agreements:

- 1996 Employee Stock Purchase Plan
- Anticipated Disability Program
- Child/Elder Care Reimbursement Account Plan
- Dental Expense Plan for Active Employees
- Dependent Accidental Loss Insurance Plan
- Dependent Group Life Insurance Plan
- Employee Stock Ownership Plan
- Group Life Insurance Programs
 - Accidental Death and Dismemberment Insurance
 - Basic Group Life Insurance
 - Supplementary Basic Group Life Insurance
- Health Care Reimbursement Account Plan
- Long Term Care Plan
- Long Term Disability Plan for Occupational Employees
- Long Term Savings and Security Plan
- Medical Expense Plan for Occupational Employees
- Occupational Group Legal Services Plan
- Pension Plan
- Sickness and Accident Disability Benefit Plan
- Supplementary Accidental Loss Insurance Plan
- Vision Care Plan
- Work and Family Program

DOMESTIC PARTNER BENEFIT COVERAGE

The parties agree that, effective January 1, 1999, the Company will permit active occupational employees (who satisfy the eligibility requirements under the benefit plans) to enroll their Domestic Partners and such Domestic Partner's eligible dependent children in the following Lucent Technologies Inc. benefit plans:

Lucent Technologies Inc. Medical Expense Plan for Occupational Employees

Lucent Technologies Inc. Dental Expense Plan for Active Employees

Lucent Technologies Inc. Vision Care Plan

Lucent Technologies Inc. Occupational Group Legal Services Plan

All of the terms and conditions of the above-referenced benefit plans, other than as specified below, shall apply to the coverage of the Domestic Partner and the Domestic Partner's children including, but not limited to, coordination of benefits, deductibles, out-of-pocket maximums, maximum limitations, and copayments.

Eligibility Criteria

For purposes of coverage under the above-referenced benefit plans, a Domestic Partner shall include an individual who:

- Is a member of the same sex as the employee
- Complies with any state or local registration process for Domestic Partners, if applicable,
- Satisfies each of the specific criteria identified below and completes a Notarized Affidavit attesting that the employee and the Domestic Partner:
 1. reside in the same household as a member of the household,
 2. are each 18 years of age or older,
 3. have mental capacity sufficient to enter into a valid contract,
 4. are unrelated to each other by blood or marriage and are not legally married to another individual,
 5. consider themselves to have a close and committed personal relationship, and have no other such similar relationship with any other person,
 6. are responsible for each other's welfare and financial obligations (e.g., joint lease or joint bank account),
 7. reside in a state under the law of which marriage or an attempted marriage between these two persons is not recognized as a valid marriage, and
 8. provide such other information as may be necessary for the Company to determine whether the Domestic Partner or the children of a Domestic Partner are the Employee's dependents under Section 152 of the Internal Revenue Code ("Code").

Coverage for Eligible Children of a Domestic Partner

Children of a Domestic Partner may be eligible for coverage if the children otherwise satisfy the definition of a Class I Dependent under the Lucent Technologies Inc. benefit plans listed above.

Termination of Coverage for a Domestic Partner

Coverage for a Domestic Partner and/or the Domestic Partner's children shall terminate automatically as of the end of the month in which any of the criteria necessary for such an individual to be recognized as a Domestic Partner, specified above, ceases to exist. Employees who enroll a Domestic Partner and/or a Domestic Partner's children shall be required to file an Affidavit of Termination of the Domestic Partnership if any of the criteria required to be covered as a Domestic Partner cease to be satisfied.

Limited Domestic Partner Benefits Under the Retiree Benefit Plans

Retired employees shall not be permitted to enroll a Domestic Partner under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees or the Lucent Technologies Inc. Dental Expense Plan for Retired Employees (collectively the "retiree plans"), provided however, that an active employee who has a Domestic Partner covered under the Lucent Technologies Inc. Medical Expense Plan for Occupational Employees and/or the Lucent Technologies Inc. Dental Expense Plan for Active Employees on the date of the employee's retirement from the Company shall be permitted to continue the coverage for such enrolled Domestic Partner, subject to the terms and conditions of the retiree plans. If coverage for a Domestic Partner enrolled under the retiree plans ceases, the Retired Employee shall not thereafter be entitled to enroll a new Domestic Partner in the retiree plans.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Company agrees to continue for the duration of the 1998 Memorandum of Understanding, a Company-wide Employee Assistance Program (EAP) which will provide assistance in dealing with alcoholism, drug abuse, emotional illness and other medical/behavioral problems. The Program will continue to utilize qualified professionals including employees who have a thorough knowledge of the work place environment and of the services offered by EAP.

Lucent and the Unions agree to maintain, for the duration of the 1998 National Memorandum of Understanding, a national advisory committee to be known as the EAP Joint National Oversight Committee, to foster continued cooperation between Lucent and the Unions in the provision of assistance to those experiencing medical and/or behavioral problems. The Committee shall consist of four (4) Lucent representatives and four (4) Union representatives, two (2) appointed by the CWA and two (2) appointed by the IBEW.

The Committee shall meet from time to time as required, but at least three (3) times per year. The purposes of the meetings shall be to:

- (a) Review the effectiveness of the Employee Assistance Program;
- (b) Make appropriate recommendations to improve the Employee Assistance Program;
and
- (c) Engage in such other activities as the Committee determines will improve the Employee Assistance Program.

LONG TERM CARE

Effective January 1, 1999, the Lucent Technologies Inc. Long Term Care Plan (the "Plan") shall be amended to provide that an eligible employee or an eligible family member may enroll in the Plan at any time during the calendar year subject to the insurability requirements of the Plan.

TELEPHONE TOLL DISCOUNT PROGRAM - ACTIVE EMPLOYEES

The telephone toll discount reimbursement program will be eliminated for all active occupational employees effective September 30, 1998.

TELEPHONE TOLL DISCOUNT PROGRAM - RETIRED EMPLOYEES

The telephone toll discount reimbursement program will be continued until at least December 31, 1998 for retired occupational employees who retired on or after January 1, 1984.

The parties mutually agree that the toll discount for such retirees will be a subject for discussion by the parties in January, 1999.

VACATION

Effective May 31, 1998, the administration of the vacation eligibility shall be modified as described below. In all other respects, the vacation eligibility shall remain unchanged.

Employees who Terminate Employment by Resignation or Termination for Cause

An employee who terminates employment by resignation or termination for cause on or after January 1, 1999, will be required to reimburse the Company for the value of the vacation days to which eligible during the current calendar year, which have been taken prior to the date the employee's termination occurs, in excess of the schedule below.

Eligible Vacation Days For Employee Leaving Company During Calendar Year Due To Resignation Or Termination for Cause

Month of Termination	Term of Employment			
	1 - 7 Years	7 - 15 Years	15 - 25 Years	25 and Over Years
January	1	2	2	2
February	2	3	4	4
March	3	4	5	7
April	3	5	7	9
May	4	6	9	11
June	5	8	10	13
July	6	9	12	15
August	7	10	14	17
September	7	11	16	19
October	8	13	17	21
November	9	14	19	23
December	10	15	20	25

LETTER MODIFYING 1998 NATIONAL MEMORANDUM

September 29, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW
Mr. F. P. Possinger, President, System Council EM-3, IBEW

Gentlemen:

This will confirm our understanding that certain provisions of the parties' 1998 CWA/IBEW/Lucent National Memorandum of Understanding shall be modified effective August 1, 1998 as follows:

1 Lucent Technologies Pension Plan – Distribution Options – Plan Amendments Effective January 1, 1999

The amount of the discount applicable to the joint and 50% survivor annuity option shall be eight percent (8%) instead of ten percent (10%) effective January 1, 1999.

2 Eligible Vacation Days for Employees Who Terminate Employment by Resignation or Termination for Cause

This provision of the parties' National Memorandum shall apply to an employee who terminates employment by resignation or who is terminated for cause on or after January 1, 2000, instead of January 1, 1999.

It is understood that all other provisions of the parties' 1998 National Memorandum of Understanding shall remain in full force and effect.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations Vice President

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

WORK & FAMILY PROGRAMS

The Company and the Unions agree to continue the following Family Care Programs formerly covered under the 1995 Memorandum except as modified below:

Family Resource Programs:

- Child Care Resource & Referral
- Elder Care Consultation and Referral (formerly Elder Care Resource & Referral)
- Education Consultation and Referral (formerly SchoolSmart Educational Resource Initiative)
- Adoption Consultation and Referral (formerly Adoption Resource & Referral)
- Disability Consultation & Referral Service

Effective January 1, 1999, a new program, Caring for Yourself Consultation and Referral, will be added to the Family Resource Programs. The features will include:

- dealing with grief
- creating a living will

Financial Support Programs:

- Dependent Care Reimbursement Accounts

Effective January 1, 1999, the Lucent Technologies Inc. Child/Elder Care Reimbursement Account Plan shall be amended to provide that the annual coverage for eligible child and dependent care shall not be less than the Internal Revenue Code Section 129 limitation (currently \$5,000 per year). In the event that the Internal Revenue Code Section 129 limitation is increased, the limitation under the Plan shall be adjusted to reflect the change as soon as practicable following the effective date of the increase.

- Adoption Reimbursement Program

Effective January 1, 1999, the maximum reimbursement for adoption expenses will be increased to \$3,500, less taxes.

Leaves of Absence:

- Care of Newborn Child Leave
- Family Care Leave

Gradual Return to Work

Family Care Development Fund:

The Company agrees, effective January 1, 1999, to make available, over the life of the Memorandum of Understanding, up to \$1,500,000 annually to fund projects and initiatives that foster an increase in the number or expand the capabilities of qualified professional organizations to serve the child and elder care needs of CWA and IBEW represented employees throughout Lucent Technologies.

The Family Care Development Fund Joint Committee will be continued (consisting of one representative from the CWA, one from the IBEW, one from Workforce Relations and one from the Work and Family Program Staff) to review employee sponsored and staff - initiated grant proposals and to participate in the development, evaluation and monitoring of the strategy and direction of the Fund's activities.

FLEXIBLE EXCUSED WORK DAY

The Company and the Unions recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for the years 1999, 2000, 2001, 2002, and 2003 up to three (3) Excused Work Days (EWDs) may be used as follows:

- (a) An employee may designate and schedule, as applicable, three (3) EWDs to be used flexibly. This provision shall apply to an employee's unpaid EWD and/or his/her paid EWD(s) which are not designated by the Company.
- (b) Each flexible EWD may be divided into increments of two (2) hours for an increment, provided, however, that where the length of an employee's scheduled daily tour is not evenly divisible by two (2), the last increment of each EWD may be less than two (2) hours.
- (c) An increment may be taken at any time during the vacation schedule period up to and including the actual scheduled Excused Work Day provided his/her supervisor is notified before the beginning of the tour and not more than 25 percent of the work group has already been granted time off. In the event more than 25 percent of the work group is scheduled off, then the time may be granted consistent with the needs of the business.
- (d) The time may be taken based on the employee's personal need to take the time.
- (e) If there is unused time available on the day of the so-scheduled EWD, the employee must take the remaining time on the scheduled day even if that increment is less than two (2) hours.

ETOP

Lucent Technologies and the International Brotherhood of Electrical Workers agree to continue to utilize the services of the Enhanced Training Opportunities Program (ETOP). The services provided by ETOP and the eligibility for participation in ETOP programs are described in Attachment A.

For the period May 31, 1998 through May 31, 2003, inclusive, Lucent Technologies agrees to fund ETOP on the basis of \$4,900,000 annually. Funds will be made available each month for ETOP on the basis of one-twelfth (1/12th) of the annual funding level. Lucent shall credit these funds to an account designated for ETOP and its activities within fifteen (15) days of the end of each month.

Lucent Technologies and the Unions agree that the funds made available to ETOP will be exclusively used to cover the cost and delivery of training programs for Lucent employees who are represented by the IBEW Systems Council EM-3.

ATTACHMENT A

ENHANCED TRAINING OPPORTUNITIES PROGRAM (ETOP)

- 1 Lucent Technologies and the International Brotherhood of Electrical Workers, System Council EM-3 (IBEW EM-3), agree to continue to make enhanced training opportunities available to employees through a jointly administered Enhanced Training Opportunities Program (ETOP) that shall cover employees represented by the IBEW EM-3.
 - (a) The purpose of ETOP is to make learning experiences available to employees to help enhance their occupational skills; provide opportunities for personal and career development; improve communications skills; increase knowledge of state of the art technology relevant to the present and future needs of the business; and to increase an employee's prospects for alternative employment, in Lucent or elsewhere, in the event he or she may be affected by force reductions.
 - (b) ETOP focuses on both career development and job displacement training curricula and it is anticipated that arrangements will be made to deliver training through the engagement of accredited professionals. It is expected, however, that as to some courses, Lucent may elect to provide the curricula directly.
 - (c) It is understood that ETOP is not intended to replace job-specific training carried on by Lucent, nor does it limit the right of either party independently to provide education and training as they may deem it appropriate. Moreover, the parties may elect to include job specific-training in ETOP to enhance employee opportunities for career advancement at applicable facilities.
 - (d) The grievance and arbitration procedures of this Agreement have no application to, or jurisdiction over, any matter relating to ETOP.

Personal/Career Development Curriculum

- 2 The types of instruction for personal and career development may include:
 - (a) career counseling
 - (b) skills inventory and aptitude assessment
 - (c) career training
 - (d) personal growth training
 - (e) training associated with skill development programs that are not directly related to the performance of an employee's current job.

Job Displacement Curriculum

- 3 Lucent will seek to identify those types of occupational jobs in each of Lucent's major organizational units in which growth or decline are anticipated. On the basis of such information, and other related information the administrators will recommend, arrange and deliver courses of study designed to assist employees affected by force reductions to acquire skills necessary to compete for new positions within Lucent, or to find alternative employment outside Lucent.

Curricula Development, Implementation and Delivery

- 4 In identifying areas on which ETOP should focus, the joint administrators will consult with Lucent and IBEW EM-3 officials, as well as with professionals in such fields as higher education, industrial psychology and vocational training. In addition, ETOP administrators will confer with; advise and offer professional and financial assistance to local Joint Training/Retraining Committees, in such areas as:
 - (a) identifying educational, training and retraining needs, as well as the resources available to meet those needs;
 - (b) developing programs designed to meet identified employee needs;
 - (c) publicizing and encouraging employee participation in ETOP activities;
 - (d) undertaking to review, evaluate and make recommendations on proposals for use of funds for ETOP activities;
 - (e) coordinating seminars and workshops for the exchange of ideas and concepts among the local joint training/retraining committees;
 - (f) commissioning research into, and evaluation of, alternative approaches to training, retraining and job placement routines;
 - (g) maintain a liaison with appropriate governmental agencies for such assistance as may be available for ETOP activities.

Eligibility for Participation in ETOP Activities

- 5 Regular full-time employees will be eligible to participate in ETOP activities. In addition, employees who are on LAYOFF will be eligible to participate in ETOP activities provided they commence such participation within six months of LAYOFF. A LAID OFF employee will continue to be eligible to participate in ETOP activities for a period extending one year beyond the number of weeks' Termination Allowance the employee is entitled to receive in accordance with Paragraph 1, ARTICLE 18, TERMINATION ALLOWANCES, or until the employee finds employment outside Lucent, whichever occurs first.
 - (a) Participation in any ETOP activities will be voluntary and will be made available at convenient times and locations, such as after hours at the work site, local community colleges or union offices. Time spent by employees in such activities will be outside scheduled working hours, and not paid or considered time worked. In selected instances, Lucent, at its discretion, may permit active employees to receive such training during working hours.

Reports

- 6 The Joint Training Oversight Board will publish an Annual Report, detailing the courses of study that were provided, the number of participants who received training, the funds expended and the manner in which the funds were utilized.

LEAD 21

To prepare Lucent Technologies and its employees to compete in a constantly changing global environment, the Company and the Unions will continue an educational, training and academic program for employees, their children and their communities. The program was formerly covered under the 1995 Memorandum as "Operations 2000-Today and Tomorrow." The program will be renamed "Lucent Education and Development for the 21st Century" and be known as "LEAD 21." The program, which includes the following features, will continue except as modified below:

- 1 A minimum of 40 hours of skill based or job related training each calendar year for all employees
- 2 Training on VDT usage and ergonomic awareness
- 3 Transition to Teaching
- 4 Time off for literacy or bilingual training volunteers
 - Effective January 1, 1999, the number of hours of paid time off to regular full time employees who actively perform certified volunteer work as a literacy or bilingual training volunteer will be increased from up to five (5) hours per month to up to eight (8) hours per month not to exceed a maximum of 78 hours for up to one (1) continuous year for such volunteer service (previous maximum was 52 hours).

5 ConSern: Loans for Education

6 Tuition Assistance

Effective January 1, 1999, the Tuition Assistance Plan will be modified as follows:

- Raise the current undergraduate cap of \$4000 per calendar year and the current graduate cap of \$5000 per calendar year to \$7000 and \$9000 per calendar year, respectively
- Eliminate the provision for Special Authorization Request (SAR), which enables employees to obtain senior manager approval to exceed the cap amounts
- Reimburse employees for required textbooks (up to \$100 per course per semester)
- Raise the required grade to "C" or higher instead of "C-" for graded courses

7 The Lucent/CWA/IBEW Academic Award

- A scholarship program based on academic excellence, Grade Point Average (GPA) and community service
- Scholarships (for tuition, fees and/or student housing) will be granted annually to students (entering freshmen) accepted at regionally accredited undergraduate schools/colleges/universities
- Payments will be made via a voucher process prior to each school term, not more than twice a year, and will require documentation to support payment and continued eligibility

- To continue participation in the program in subsequent years, a student will be required to maintain a cumulative 2.75 GPA or higher (on a 4 point scale) and maintain compliance with the "Lucent Technologies Business Guideposts: A Personal Commitment." Determination of eligibility to continue, based on cumulative GPA, will be made after the first semester of the Sophomore year and each semester thereafter. (School certified records to support grade attainment will be required.) Voluntary resignation (not covered under a force management program) or dismissal of the sponsoring parent(s) will disqualify the student from future participation in the scholarship program.

Effective with the academic year 1999-2000, the Academic Award Program will be modified to provide as follows:

- Establish an Academic Award Program for the calendar years 1999, 2000, 2001, 2002, 2003 (Academic years 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04 and for the ongoing administration of the scholarships granted to the children of Lucent employees under the former program
- Establish 35 scholarships of up to \$6500 per year (renewal for up to four years) to be awarded to children of represented Lucent Technologies employees
- Establish a Joint Academic Award Program Steering Committee with one representative each from Lucent Workforce Relations, Lucent Technologies Learning and Performance Center, a Lucent business unit, the CWA and the IBEW, who will provide administrative guidance for the program.

ACADEMIC AWARDS

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Re: Academic Awards

This will confirm our agreement regarding the eligibility of a child of a former employee to continue to receive previously awarded scholarship support under the Academic Awards Program.

In those situations where the union has grieved the Company's action in dismissing an employee for cause, and a child of that employee has been previously awarded a scholarship under the Academic Awards Program, the Company agrees to continue to provide such scholarship support for a period not to exceed six months from the date of the employee's dismissal.

The parties agree that any grievance and/or arbitration relating to the dismissal shall be processed as expeditiously as possible under the appropriate collective bargaining agreement and shall be concluded within six (6) months from the date of the dismissal.

If the former employee is reinstated as a result of such dispute, then the dependent will continue to participate in the program. Otherwise, the dependent will be disqualified from further participation in the Academic Awards Program.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

TUITION ASSISTANCE

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Re: Tuition Assistance

The Company and the Unions agree that tuition assistance to occupational employees is an integral and important aspect of the overall Lucent Technologies employee developmental process.

Lucent Technologies, as it continues to seek ways to make tuition assistance more responsive to individual employee needs and to conform to government regulations, may at times find it necessary to alter certain aspects of the Tuition Assistance Plan. Where it becomes necessary to change the Plan to conform with applicable government regulations, the Company shall notify the Union in writing. Negotiations shall then take place if requested by the Union. In the event of such negotiations, the changes proposed by the Company shall not be implemented until (a) agreement is reached, or (b) the Company determines that timely action is required by law, regulation, order, determination or ruling whichever occurs sooner.

In all other cases, the Company agrees that it will not make any changes in the Tuition Assistance Plan which would reduce or diminish the benefits or privileges provided by such Plan for employees represented by the Unions without negotiating such changes with the Unions.

Neither the Tuition Assistance Plan nor its administration shall be subject to the grievance and arbitration provisions of the applicable collective bargaining agreements.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

LUCENT TRANSFER PROGRAM (LTP)

The parties agree to the following in respect to the Lucent Transfer Program (LTP) during the life of the 1998 Agreement.

1 PURPOSE

- (a) The LTP provides Eligible Employees an opportunity to request new career opportunities on a current or future basis and provides surplus employees with increased opportunity to continue employment with Lucent. Temporary employees and non-payroll workers are excluded from the program. All employee movement under the LTP is voluntary through a self-nomination process and should not be construed to be a force adjustment, force rearrangement, assignment or reassignment initiated by the Company.
- (b) The LTP also provides former employees who were laid off by the Company with recall rights, or who left under a Facility Closing Program (FCP), or employees who left the Company because of an authorized hardship or a Lucent trailing spouse condition an opportunity to nominate for openings for up to three (3) years from the date of termination.
- (c) This plan does not replace any existing recall rights to which former employees may be entitled in accordance with applicable local labor agreements, but the rehiring of a former employee under the LTP satisfies the company's recall obligation.
- (d) The LTP does not replace any contractual internal movement of personnel procedures contained in applicable collective bargaining agreements. As to those bargaining units, the LTP supplements those movement of personnel procedures.

2 DEFINITIONS

(a) Basically Qualified

An employee who meets the minimum qualifications for a given title as specified in the LTP job brief.

(b) Career Placement

The placement of an Eligible Employee who is seeking a career change.

(c) Career Rehire Placement

The placement through the LTP of a former regular full-time or regular part-time occupational employee who is seeking a position with the Company.

(d) Demotion

Movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a lower numeric value.

(e) Eligible Employees

Regular full-time and part-time occupational employees and full-time and part-time term employees assigned to work locations in the U.S. and covered by this Agreement. The Company may extend eligibility to non-represented occupational employees assigned to work locations in the U.S.

(f) **Force Freeze**

A temporary limit or prohibition of occupational movement through the LTP.

(g) **Lateral**

Movement from an employee's current Level Equalization Group to a position in the same Level Equalization Group.

(h) **Local Placement Area (LPA)**

A geographic area consisting of one (1) or more cities grouped together to allow employees greater flexibility in requesting information on positions in an area of interest through the LTP.

(i) **Placement Request**

A request for consideration for an LTP vacancy. The request may be for either Career or Surplus Placement. Career Placement Requests may be for specific vacancies or for future vacancies by title or level and location. Surplus Placement Requests are for specific vacancies only.

(j) **Promotion**

Movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a higher numeric value.

(k) **Surplus Placement**

The placement of a regular full-time or regular part-time occupational employee who has been identified surplus and has submitted a Surplus Placement Request.

(l) **Surplus Rehire Placement**

The reemployment of a former regular full-time or regular part-time occupational employee who has submitted a Surplus Placement Request and is placed during his/her minimum surplus eligibility period.

(m) **Time-in-Location**

The minimum number of months that an employee must serve in a location to be eligible for voluntary movement.

(n) **Time-in-Title and Grade**

The minimum number of months an occupational employee must serve in a specific job title and job grade to be eligible for voluntary movement.

3 **ELIGIBILITY**

(a) **Active Eligible Employees**

(1) After local movement of personnel procedures have been applied, the LTP provides the means by which active Eligible Employees may request consideration for transfer to occupational positions within and between the bargaining units which are covered by this Agreement.

(2) Temporary and term positions are not filled through the LTP. However, a term employee is eligible to participate in Career Placement within the LTP.

- (3) The LTP does not preclude the Company from making Company initiated transfers, force adjustments, reassignments or rearrangements. Nor shall anything in the LTP preclude the Company from applying a Force Freeze if the Company determines that excessive movement from any organization or work group would impair the operation of the business. A Force Freeze will not exceed sixty (60) days under the LTP. An employee covered by a Force Freeze may self-nominate for vacancies if the report date occurs after the last day of the Force Freeze. A Force Freeze shall not be applied in sale situations, nor in a facility closing which is covered under the Facility Closing Program.
 - (4) Initial employee participation in the LTP shall require the employee to verify, supply, or update personal data relative to work experience, education or training. An employee may not claim work experience, education or training gained while on a temporary promotion.
 - (5) In order for an employee to move voluntarily within the LTP, the employee must have fulfilled both Time-in-Title and Grade and Time-in-Location requirements as specified on the LTP Job Brief for the employee's current title and grade..
 - (i) Time-in-Title and Grade must be fulfilled each time an employee voluntarily moves to a different title and grade
 - (ii) Time-in-Location must be fulfilled when:
 - (A) an employee voluntarily moves outside his/her LPA or
 - (B) an employee voluntarily moves to a new Business Group/Division within the same LPA.
 - (iii) An employee moved involuntarily by the Company will carry his/her cumulative Time-in-Title and Grade and Time-in-Location to the position to be filled.
 - (6) An employee may participate in the LTP as a Career or Surplus Placement candidate.
 - (i) An employee who is not Surplus must have satisfied any applicable Time-in-Title and Grade and Time-in-Location requirements for movement from his/her job, as specified on the LTP Job Brief for the employee's current title and grade.
 - (ii) An employee who is Surplus will have his/her Time-in-Title and Grade and Time-in-Location requirements waived for both Career and Surplus Placement.
- (b) Rehire Candidates
- (1) Former employees who were laid off by the Company with recall rights, or who left under a Facility Closing Program (FCP), or employees who left the Company because of an authorized hardship or a Lucent trailing spouse condition will be able to nominate for openings for a period of three (3) years from the date of termination.
 - (2) To participate, a former employee must provide or update personal data relative to work experience, education, or training.

4 JOB ADVERTISEMENT AND SELECTION PROCEDURES

(a) General

- (1) The Company will provide Eligible Employees information on current job vacancies on a real-time basis and, if qualified, employees may self-nominate for current or future openings.
- (2) All vacancies will be advertised for six (6) work days.
- (3) Job vacancies submitted to the LTP for current open positions expire thirty (30) calendar days after receipt of a candidate list or upon the selection of a candidate for the LTP vacancy, whichever occurs first.
- (4) The employee has two (2) work days, not including the day of the offer, to accept or reject a job offer.
- (5) The hiring organization may reject any candidate, surplus or career, who has received a disciplinary suspension for conduct or performance within the six (6) months prior to the job advertisement end date.
- (6) The hiring organization may reject any surplus candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's final disciplinary step prior to dismissal because of attendance. The hiring organization may reject any career candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's disciplinary step which is two (2) steps or fewer from dismissal because of attendance; in the case of a three (3) step attendance program, the hiring organization may reject a career candidate whose chargeable attendance record would result in the employee being placed on step two (2) or greater of the attendance program in the hiring organization.

(b) Career Placements

- (1) Qualified Eligible Employees seeking Career Placement can request to be considered for current open positions or file for future LTP openings. Employees may have up to eight (8) Career Placement Requests at any one time.
- (2) Employee Career Placement Requests will remain on file, but on inactive status, during leaves of absence, temporary promotions to management, and disabilities in excess of one (1) year.
- (3) Employees on short term [less than one (1) year] disability may submit Placement Requests. They will be considered for positions provided they can report to the job within thirty (30) days of the job report date.
- (4) Career Placement future Requests will remain on file for three (3) years from the date of receipt, but will be canceled upon the occurrence of any of the following:
 - (i) the employee no longer meets the LTP eligibility criteria,
 - (ii) the employee is placed into another job via the LTP, a local voluntary intra-business unit lateral transfer, or any other Lucent voluntary job placement process,
 - (iii) the employee withdraws the request(s),

- (iv) the employee leaves the Lucent payroll, or
 - (v) the employee is no longer a regular full-time, or regular part-time occupational employee, including term.
- (5) If an employee seeking Career Placement refuses a job offer which matches a request he/she has made, then that request is canceled; and it, or any other request for the same title and grade/wage level and location, may not be resubmitted for a period of four (4) months from the date of refusal.
- (6) When an employee accepts a job offer made under the LTP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (c) Career Rehire Placement
 - (1) Eligible, qualified former employees seeking reemployment can request to be considered for current open positions as Career Rehire candidates. They may have up to eight (8) Career Rehire Placement Requests at any one time.
 - (2) Career Rehire Placement Requests will be canceled upon occurrence of any of the following:
 - (i) the former employee is rehired into a regular full-time or regular part-time job (not term or temporary) via the LTP or any other employment process, or
 - (ii) the former employee withdraws the request(s), or
 - (iii) expiration of the three (3) year rehire eligibility period.
 - (3) The former employee has two (2) work days, not including the day of the offer, to accept or reject a job offer.
 - (4) If a former employee seeking rehire placement refuses a job offer for a placement request he/she made, then that request is canceled; and it, or any other request that would include the same title or grade/wage level and location, may not be resubmitted for a period of four (4) months from the date of the refusal.
 - (5) When a former employee accepts a job offer made under the LTP, all other requests on file shall be canceled and the employee may not submit any LTP Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (d) Surplus Placement
 - (1) The Surplus Placement features of the LTP are activated when a surplus is declared in accordance with provisions of any applicable collective bargaining agreement.
 - (2) Eligible employees who are at risk of losing their jobs if the surplus is not otherwise resolved will be given surplus status in the LTP.
 - (3) Surplus employees may submit an unlimited number of Surplus Placement Requests for vacancies which are laterals or demotions.

- (4) A Surplus Employee is no longer eligible for Surplus Placement treatment in the LTP if any of the following occurs:
 - (i) the employee is no longer surplus,
 - (ii) the employee is placed into another job via the LTP or other voluntary transfer or placement process other than the Extended Compensation Option,
 - (iii) the employee is placed into another job via a contractual force adjustment or rearrangement article,
 - (iv) the employee leaves the Lucent payroll, or
 - (v) the employee is no longer a regular full-time or regular part-time occupational employee.
 - (5) A Surplus Employee may refuse without penalty one (1) position for which he/she requested Surplus Placement consideration through the LTP. If, during the same surplus, an employee refuses a second position for which he/she requested Surplus Placement consideration, the employee can no longer participate in the Surplus Placement feature of the LTP. However, if the employee meets the Career Placement eligibility criteria, he/she may participate in that portion of the LTP as long as the employee is on the Lucent payroll.
 - (6) If an employee is no longer eligible for Surplus Placement as per paragraph 4(d)(4) or 4(d)(5) above, all Surplus Placement Requests are canceled; they are not automatically converted to LTP Career Placement Requests.
 - (7) A Surplus Employee shall have a minimum of 60 days surplus status within the LTP.
 - (8) When a Surplus Employee accepts a job offer made under the LTP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (e) Surplus Rehire Placement
- (1) A former employee who has been laid off with recall rights and has not completed sixty (60) day of surplus eligibility in the LTP by the off roll date, will retain surplus eligibility until he/she has achieved 60 days of surplus eligibility.
 - (2) A former employee who is a candidate for Surplus Rehire Placement will be subject to the same requirements and treatment that apply to Surplus Placement as set forth paragraph 4(d) above, except that his/her surplus status will end when any of the following occur:
 - (i) the former employee is rehired into a regular full-time or regular part-time job (not term or temporary) via any employment process, or
 - (ii) the former employee, during the same surplus declaration, refuses a second position for which he/she requested Surplus Placement consideration through the LTP, or
 - (iii) the former employee completes his/her sixty (60) days of surplus eligibility

- (3) The former employee has up to two (2) work days, not including the day of the offer, to accept or reject a job offer.
- (4) When a former employee accepts a job offer made under the Surplus Rehire feature of the LTP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (5) Upon the completion of sixty (60) days of surplus eligibility or the loss of surplus eligibility as described in 4(e)(2)(ii):
 - (i) any Surplus Placement Requests and Career Requests for current vacancies which the former employee has on file will continue;
 - (ii) any future Career Placement Requests will be canceled; and
 - (iii) The former employee may continue to participate as a Career Rehire candidate, as specified in paragraph 4(c) above, for the remainder of the three (3) years.

5 REQUESTS FOR TIME-IN-TITLE AND GRADE AND TIME-IN-LOCATION WAIVER OR RETREAT FROM PROMOTION

(a) Time-In-Title and Grade And Time-In-Location Waivers

Employees requesting Time-In-Title and Grade and Time-In-Location waivers as trailing spouses or because of a hardship, may participate in the LTP without meeting Time-in-Title and Grade or Time-in-Location criteria, if approved by the Company. However they are subject to all other LTP eligibility criteria.

(b) Retreat from Promotion

An employee who accepts a Promotion through the LTP to a position in any Lucent organization may, within six (6) months of placement, request to return to his/her former job, or equivalent job if the former is not available. The Company shall consider any such request, and if approved, the employee will not have to meet Time-in-Title and Grade and Time-in-Location for movement to his/her former job or an equivalent. If the employee has moved to different LPA, he or she may request such treatment in his/her former or new LPA. An employee so returned will be required to satisfy anew any applicable Time-in-Title and Grade or Time-in-Location requirement(s) for eligibility under the LTP before again submitting a Career Placement Request.

6 ORDER OF CONSIDERATION AND SELECTION CRITERIA

(a) Order of Consideration

Occupational vacancies covered by the LTP that are not filled under contractual or legal obligations (e.g. Return from Military, recall under applicable collective bargaining agreements, etc.) will be staffed using the following order of consideration:

- (1) Voluntary LTP Surplus Candidates within the same LPA
- (2) Voluntary LTP Surplus Candidates outside the local LPA
- (3) Recall candidates (Operations only)

- (4) Voluntary LTP regular Career Candidates
- (5) Voluntary LTP Career Rehire Candidates
- (6) Voluntary LTP Term Employee Candidates
- (7) New Hires
- (b) Selection Criteria
 - (1) The senior basically qualified Surplus Placement candidate(s) will be selected.
 - (2) In selecting non Surplus Placement candidates for vacancies, the selection criteria of better/basic tests, skills and seniority, in that order, will govern. The Company maintains the right to interview for determination of the candidate's depth of knowledge in skills.
 - (3) On a multiple vacancy job requisition after any surplus and Operations recall candidates have been handled, if there are five (5) or more vacancies remaining, the hiring organization may fill a minimum of 30% of the remaining vacancies by hiring.
 - (4) As an alternative to hiring, where no LTP Career candidates have requested a specific job vacancy and all surplus and recall obligations have been met, the Company shall have the option to promote from within the immediate work group of the C Level manager initiating the job vacancy, without regard to Time-in-Title and Grade or Time-in-Location criteria provided the employee meets the selection criteria of better/basic tests, skills and seniority, in that order.
 - (5) Eligible, occupational employees, including former employees, not test qualified for positions being sought via the LTP will be provided the opportunity to take such test(s) in the same order of consideration applicable to filling job vacancies subject to the availability of testing resources and the job vacancy activity rate for the position(s) being sought. Within each step of the order of consideration if there are more requests for a specific test than can be accommodated on the test schedule, employees requesting the test will be scheduled in seniority order, most senior first..
 - (6) Voluntary Rehire candidates will be subject to the same selection criteria as other non surplus candidates, but subject to hiring authorization.

7 WAGE TREATMENT/PROTECTION

Wage Treatment for employees for movement through the Lucent Transfer Program *within and between bargaining units*:

- (a) Wage Treatment: An employee's new Standard Rate will be determined as follows:
 - (1) Employees who move within or between collective bargaining agreements and within the same wage table to another location where a different wage area is applicable shall have their Standard Rate adjusted to conform to the schedule in the new locality.
 - (2) Employees who move to a different wage schedule with fixed periodic steps:
 - (i) Promotion - move from present Standard Rate to a whole step above the nearest step on the new schedule

- (ii) Lateral - move from present Standard Rate to nearest step on new schedule insuring no loss in pay
 - (iii) Demotion - move from present Standard Rate to the nearest step on new schedule insuring no gain in pay
 - (3) Employees who move to a wage schedule with no fixed periodic steps shall be placed in the new wage range at the same Standard Rate as their old schedule.
 - (4) In no event shall an employee's new Standard Rate be above the maximum rate of the new schedule.
 - (5) Local collective bargaining agreements may have specific wage treatment provisions affecting the rate of an employee moving from one collective bargaining agreement to a title in another collective bargaining agreement.
- (b) Wage Protection Allowance

Surplus Employees moving through the LTP who receive a reduction in their rate of pay (whether through an Promotion, Lateral or Demotion) shall have their rate of pay reduced over a period of time based on the difference between the Adjusted Rate of the old assignment and the Standard Rate of the new assignment. These reductions in pay are effective at specific periods following the effective date of the new assignment, as shown below:

Number of weeks after effective date of the assignment	Reduction to be applied
0 -10 Years N.C.S.	
Weeks 1 thru 4	No reduction
Weeks 5 thru 8	1/3 reduction
Weeks 9 thru 12	2/3 reduction
Weeks 13 & thereafter	Full reduction
10 - 15 Years N.C.S.	
Weeks 1 thru 30	No reduction
Weeks 31 thru 34	1/3 reduction
Weeks 35 thru 38	2/3 reduction
Weeks 39 & thereafter	Full reduction
15 Years N.C.S. and over	
Weeks 1 thru 56	No reduction
Weeks 57 thru 60	1/3 reduction
Weeks 61 thru 64	2/3 reduction
Weeks 65 & thereafter	Full reduction

8 RELOCATION EXPENSES

- (a) Occupational employees, shall bear any costs and expenses associated with relocation under the Career Placement features of the LTP, unless the employee is surplus at the time the Career Placement job offer is accepted.
- (b) A former occupational employee shall bear any costs and expenses associated with relocation under Career Rehire Placement features of the LTP.
- (c) A Surplus Employee who accepts a position within his/her current LPA shall bear any costs and expenses associated with relocation under the LTP.
- (d) A former occupational employee who accepts a position within his/her current LPA under the Surplus Rehire Placement features of the LTP shall bear any costs and expenses associated with relocation under the LTP.
- (e) A Surplus Employee or Surplus Rehire candidate who accepts a position that is outside his/her LPA is eligible for a lump sum relocation allowance provided the new reporting location exceeds thirty-five (35) road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location.
- (f) Provided the eligible employee elects to relocate his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of:
 - (1) the termination allowance for which they would have been eligible upon layoff, with a minimum relocation allowance of \$2500, or
 - (2) \$14,000.
- (g) An employee who meets the above criteria and elects not to relocate his/her residence, shall be entitled to receive a one-time lump sum allowance of \$1,500 in lieu of such moving expenses provided this election is made within six (6) months of the date of transfer.
- (h) Surplus employees who are placed via the LTP Surplus or Career Placement Program, meet the LTP relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of:
 - (1) the termination allowance for which they would have been eligible upon layoff, or
 - (2) \$14,000,if the following conditions are met:
 - (i) the employee is laid off at the new site within three (3) years of placement; and
 - (ii) the employee relocates back to the original geographic location; and
 - (iii) the employee does not qualify for any other Lucent provided relocation compensation program.

9 OVERSIGHT AND REVIEW BOARD

- (a) The Company and the Unions will establish a Joint LTP Oversight and Review Board. This Board will be comprised of two (2) CWA representatives, two (2) IBEW representatives and two (2) representatives from the Company. The responsibilities of the Board will include:
 - (1) monitoring the ongoing operation of the LTP,
 - (2) analyzing overall LTP results, and
 - (3) addressing concerns raised as to the staffing of positions through the LTP.
- (b) The Board shall meet on a regular basis, but not less than once each quarter.
- (c) The Communications Workers of America and the International Brotherhood of Electrical Workers shall each appoint one (1) person to be the LTP Board Coordinator whose duties shall include assisting the Union members of the LTP Review Board in preparing cases that were not resolved in the appropriate grievance procedure. Additional appropriate duties will be identified.
- (d) The Company's decision made pursuant to the LTP shall be subject to the grievance procedure contained in any applicable local collective bargaining agreement. Issues not resolved in such grievance procedure may be presented to the Joint LTP Oversight and Review Board for final and binding resolution. Issues concerning the Company's decision involving the placement of LTP Rehire candidates may be presented directly to the Joint LTP Oversight and Review Board which shall have the sole responsibility for final and binding resolution. Neither the LTP, nor its administration shall be subject to arbitration.

LEG TIME-IN-TITLE/GRADE AND TIME-IN-LOCATION

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
000A	2	12	12
000B	3	24	12
000C	Not Assigned	NA	NA
000D	Not Assigned	NA	NA
001	Not Assigned	NA	NA
002	Not Assigned	NA	NA
00AA	2	12	12
032	2	12	12
033	2	12	12
034	2	12	12
035	3	24	12
036	3	24	12
037	3	36	12
038	4	36	12
039	4	36	12
040	4	36	12
060	Not Assigned	NA	NA
095	Not Assigned	NA	NA
096	Not Assigned	NA	NA
097	Not Assigned	NA	NA
155	Not Assigned	NA	NA
158	Not Assigned	NA	NA
161	Not Assigned	NA	NA
163	Not Assigned	NA	NA
181	Not Assigned	NA	NA
182	Not Assigned	NA	NA
631	2	12	12
641	3	24	12
651	3	24	12
661	4	36	12
671	4	36	12
681	5	36	12
691	5	36	12
ACES	4	24	12
ACSS	4	24	12
ACST	4	24	12
AR	5	24	12
BL401-Bldg. Atten. (P/T)	1	9	9
BL405-Bldg. Atten. (F/T)	2	9	9
BL407-Print Repro. Operator	2	9	9
BL408-Telephone Operator	2	12	12
BL409-Gentl Utility Wkr.	2	12	12
BL410-Bench Mach. Oper.	2	12	12
BL411-Bldg. & Grounds main.	3	12	12

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
BL413-Rec.-Shpr./Strkpr.	3	12	12
BL415-Alarm & CB Operator	3	12	12
BL416-GPM Painter Trainee	4	18	12
BL417-Grounds Svc. Oper.	4	18	18
BL418-Plant Equipment Maintainer	4	12	12
BL419-Chauffeur	4	12	12
BL420-GPM Tinsmith Trainee	4	18	12
BL421-GPM Mason Trainee	4	18	12
BL422-GPM Carpenter Trainee	4	18	12
BL423-GPM Millwright Trainee	4	18	12
BL424-Pipefitter Trainee	4	18	12
BL426-Chemical Processor	4	18	12
BL427-Electron Device Proc.	4	18	12
BL428-Chef	4	24	12
BL429-Electrician Trainee	4	18	12
BL431-Wiring Mechanic	5	24	12
BL432-Chemical Technology Mech	5	24	12
BL433-Electron Device Mech.	5	24	12
BL434-Instrument Maker	5	24	12
BL435-Plant Watch Oper.	5	24	12
BL436-Sr. Wiring Mechanic	5	24	12
BL438-GPM Painter	5	36	12
BL439-Plant Oper. Mechanic	5	24	12
BL440-GPM Tinsmith	5	36	12
BL441-GPM Mason	5	36	12
BL442-GPM Carpenter	5	36	12
BL443-GPM Millwright	5	36	12
BL444-Pipefitter	5	36	12
BL445-Metal Fab. Mechanic	6	24	12
BL446-Outside Plant Mech.	5	24	12
BL447-Electrician	5	36	12
BL448-Instr. & Cont. Mech.	6	36	12
BL450-Sr. Chem. Tech. Mech.	6	36	12
BL451-Sr. Elec. Dev. Mech.	6	36	12
BL452-Laboratory Mech.	6	36	12
BL453-Watch Engineer	6	36	12
BL454-Technician	6	36	12
BL455-Inst. & Tlmkr.-Prec.	6	36	12
BL456-Sr. Exp. Glass Tech.	6	36	12
BL460-Motor Vehicle Mechanic A	5	24	12
BL461-Motor Vehicle Mechanic B	4	24	12
BL462-Toolmaker A	6	36	12
BL463-Toolmaker B	6	36	12
BL464-Chemical Handler	4	15	12
BL465-Plant System Specialist	6	36	12
BL474-Reprographics Specialist	3	12	12
BL475-Control Room Operator	3	12	12
BL476-Reprographics Operator	2	9	9

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
BL480-Admin. Associate	2	9	9
BL481-Admin. Specialist	2	15	12
BL482-Elec. & Photo. Proc.	5	36	12
BL483-Facilities Maint.	3	15	12
BL484-Facilities Sys. Tech.	5	36	12
BL485-Facilities Tech.	6	36	12
BL486-Mech. Technologist	6	36	12
BL487-Photo. Lab. Tech.	6	36	12
BL488-Sr. Admin. Spec.	4	18	12
BL489-Elec. & Photo. Oper.	3	24	12
BL495-Service Area Oper.	3	12	12
BL496-Mech. Trades Assoc.	3	24	12
BL497-Comp. Master Tlmkr.	6	36	12
BL505-Admin. Svcs. Assoc.	2	9	9
BL506-Admin. Svcs. Spec.	3	15	12
BL507-Elec. Trades Assoc	3	24	12
BL508-Mech. Trds Assoc. (ERC)	3	24	12
BL509-Elec. Trades Tech.	6	36	12
BL510-Tlmkr./Mach. Tech.	6	36	12
BL511	6	36	12
BL512	6	36	12
BL601-Guard	3	24	12
CCA-I	2	12	12
CEI (CEII, CEIS)	2	12	12
CIA (CIC-Grade A)	4	36	12
CIB (CIC-Grade B)	3	18	12
CIC (CIC-Grade C)	2	9	9
CRA (CARA)	3	9	9
CSP	4	18	12
CST-II	5	24	12
CSTS	5	24	12
CSTX	5	24	12
DCAC	2	9	9
DELDVR	5	9	9
DL-1	2	12	12
DL-2	2	12	12
DL-3	3	24	12
DL-4	4	36	12
DMAH	6	36	12
DMBH	5	18	12
DMCH	2	9	9
DPA4	6	36	12
DT	4	18	12
E-1	1	9	9
E-2	2	9	9
E-3	2	12	12
EA5N	6	36	12
ELAR	6	18	12

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
ELCR	5	18	12
ELDR	2	18	12
ELFR	2	18	12
ELGR	1	18	12
ELHR	3	18	12
ELKR	3	18	12
ELNR	2	18	12
ELSR	1	18	12
ELTR	1	18	12
ELWR	2	18	12
EMAR	5	18	12
EMBR	4	18	12
EMER	1	18	12
EMKR	1	18	12
FOA	2	9	9
FOB	1	9	9
HSA	4	18	12
L-1	1	9	9
L-2	2	12	12
L-3	3	15	12
L-4	4	18	12
LSDD	4	9	9
MMA	6	36	12
MMAB	5	18	12
MMAS	6	36	12
MMB.	5	18	12
MMBS	5	18	12
MMC	2	9	9
MMCS	2	9	9
MMD	1	9	9
MS	6	36	12
MSLFA	2	9	9
MSLFB	1	9	9
OT97	5	36	12
PL1	2	12	12
PL2	3	24	12
PL2A	4	24	12
PL3	4	36	12
PL4	5	36	12
PL5	6	36	12
R10	1	9	9
R20	2	9	9
R30	3	15	12
R40	4	18	12
R50	5	36	12
RF97	5	36	12
S-1	3	18	12
S-2	4	18	12

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
S000	2	24	12
S10	2	24	12
S20	2	24	12
S30	3	24	12
SCA	2	9	9
SCAH	2	9	9
SCB	5	18	12
SCBH	5	18	12
SCC	6	36	12
SCCH	6	36	12
SCST	6	36	12
SR	5	24	12
SR-C	5	24	12
SRTECH	6	36	12
SS-1	2	15	12
SS-2	3	15	12
ST-1	6	36	12
ST-2	6	36	12
SUPPAT	3	18	12
SUPPC	4	18	12
SUPPE	5	36	12
SVCCC	4	18	12
SVCD4	3	15	12
SVCTG2	1	9	9
SVCTG3	4	18	12
SVCTG4	2	12	12
SVT	5	9	9
SVT	5	36	12
TA	1	9	9
TD	5	36	12
TDTR	4	36	12
TD1 (Trades Group 1)	5	36	12
TD2 (Trades Group 2)	6	36	12
TD2A	6	36	12
TECH	6	12	12
TECH	6	36	12
TG-3	1	9	9
TG-4	2	12	12
TG-5	3	15	12
TG-5+	3	15	12
TG-6	4	18	12
TG-7	5	24	12
TIER 1	1	9	9
TIER 2	2	9	9
TIER 3	3	15	12
TIER 4	4	18	12
TIER 5	5	36	12
TLA (Tester A)	3	24	12

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Location
TLB (Tester B)	4	36	12
TLC (Tester C)	5	36	12
TR GR2	6	36	12
W1	1	9	9
W2	2	9	9
W3	3	15	12
W4	4	18	12
W5	5	24	12

IMPROVEMENTS TO LTP

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Improvements to LTP

This will confirm the discussions and agreement reached in 1998 Bargaining by the Unions and the Company concerning improvements to the Lucent Transfer Program (LTP) over the life of the Agreement.

Recognizing that the LTP will be implemented initially utilizing technology and programming that replicate the existing AT&T Transfer System/AT&T Rehire System, the Unions and the Company agree to strictly limit investment in the existing systems infrastructure and programming. Until the LTP can be built utilizing appropriate current technology within or interfacing with Global PeopleSoft, the only changes and improvements which will be implemented are those which can be effected by process changes or through current technology outside of the LTP.

Examples of changes and improvements which will be explored for early implementation include:

- allowing occupational employees to access additional information more quickly and easily;
- making documentation concerning LTP easy to use;
- allowing additional avenues for employees to update profiles and submit placement requests.

The schedule for implementation of all changes and improvements will be established and monitored by the Joint LTP Review Board in consultation with the Human Resources Applications (HRA) group.

The Company and the Unions further agree that the Joint LTP Review Board is authorized to:

- establish a task force to study and resolve problems in the staffing through the LTP of positions requiring a security clearance
- remind Business Units of the impacts and expense of canceled job requisitions

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

LUCENT CAREER TRANSITION OPTION PROGRAM (LCTOP)

The parties agree to the following in respect to the Lucent Career Transition Option Program (LCTOP) during the life of the 1998 National Memorandum.

Regular full-time and part-time occupational employees covered by this 1998 National Memorandum are eligible for the provisions of LCTOP. The provisions of LCTOP are not intended to alter, modify or eliminate the force adjustment provisions of the local contracts.

If the Company notifies the Union in writing of a surplus which will necessitate layoffs, the Company may, to the degree necessary to resolve the surplus, in order of seniority, offer employees in the surplus universe the opportunity to elect one (1) of the following options, provided they meet the conditions of the option selected.

1. Special Leave Program, or
2. Optional Termination Pay, or
3. Extended Compensation Option, and/or
4. Transition Leave of Absence

1 Special Leave Program

- (a) The Company will continue to provide the Special Leave Program (SLP) for eligible occupational employees. This program is designed to encourage the development of individual skills, enable employees to pursue career changes and/or personal goals and to allow the Company to alleviate force imbalances, while at the same time maintaining ties between the Company and the employee.
- (b) To be eligible for a SLP, an employee must meet the following requirements:
 - be a regular full-time or a regular part-time employee (i.e., no temporary, occasional or term employees are eligible), and
 - have at least five (5) years of net credited service, and
 - be in a universe which is the subject of a surplus declaration.
- (c) The SLP is without pay and shall be for a period of not less than nine (9) nor more than twenty-four (24) consecutive months. The SLP may be extended beyond its original termination date, provided it did not previously exceed twenty-four (24) months in duration, in a minimum of three (3) month increments but in no event beyond twenty-four (24) months.
- (d) Eligible employees may elect SLP during the applicable SLP enrollment window, provided the election precedes the employee's off payroll date and such election shall be in lieu of termination pay. Employees who choose not to return to work at the conclusion of the SLP will not be granted termination payments. Employees shall be guaranteed reinstatement at the end of the leave to a job of like status and pay. However, employees on SLP who, but for the leave, would have been laid off and who complete the leave and return to the payroll at the end of the leave will be terminated and receive termination pay upon their return to the payroll. Employees declared surplus upon returning to the active payroll will be given normal surplus treatment.
- (e) Service credit for the period of the SLP shall be granted to those individuals who return to the Company payroll at the end of the leave, except that such credit shall not be granted or recognized for force adjustment purposes and pension purposes (including eligibility, benefit accrual and calculation); however, the period of the leave shall be

counted in the years of service to determine termination pay that the employee may receive thereafter.

- (f) Except as indicated below, while on the SLP, an employee shall be covered, pursuant to the same conditions and to the same extent as a comparable employee active on the payroll, by the following benefit plans and programs:

Death Benefits - Company continues coverage for the period of the leave,

Basic Group Life Insurance - Company pays the premium for the period of the leave,

Medical Expense/Managed Care - Company provides coverage for the period of the leave,

HMO - Company pays premium up to the same amount it pays for company medical plan,

Dental/DMO - Company provides coverage for the period of the leave,

Vision - Company provides coverage for the period of the leave,

Legal - Company pays premium for period of the leave,

Child/Elder Referral - Company provides service for the period of the leave,

Supplementary Group Life Insurance - Available at the employee's expense,

Dependent Group Life Insurance - Available at the employee's expense,

Savings Plan participation is suspended during the leave. Employee obligation under the loan provision continues,

Tuition Assistance - Continues under the same guidelines that apply to active employees.

- (g) While on SLP, an employee cannot be employed by or render services to Lucent Technologies or any of its affiliates, subsidiaries, joint ventures or entities, any of their competitors, any companies involved in divestiture related mandatory portability or interchange agreements or companies with which there may be an agreement for the interchange of benefit obligations.

2 Optional Termination Pay

- (a) Regular full-time or regular part-time occupational employees (not term or temporary employees) who are part of a surplus universe may, to the degree necessary to relieve the surplus and in order of seniority, request Optional Termination Pay on a voluntary basis provided they have two (2) or more years of net credited service at the time of the request.
- (b) An employee who elects this option shall leave the payroll without recall rights on a date determined by the Company and receive any vacation pay to which the employee is entitled plus a lump sum payment calculated using the following table:

Optional Termination Pay Schedule

Completed Years of Svc.	Weeks of Pay	Completed Years of Svc.	Weeks of Pay
2	2	11	12
3	3	12	14
4	4	13	16
5	5	14	18
6	6	15	20
7	7	16	22
8	8	17	24
9	9	18	26
10	10	19	28

- (c) Three (3) weeks of additional pay for each full year of service in excess of nineteen (19) years.
- (d) Under no circumstances will the Optional Termination Pay be greater than \$30,500. An employee who is receiving Optional Termination Pay shall not be eligible to the Termination Pay provided for laid off employees under the terms of the applicable collective bargaining agreement.

3 Extended Compensation Option

- (a) Regular full-time and regular part-time occupational employees (not term or temporary employees) who are part of a surplus universe and have completed five (5) years of net credited service may elect to participate in the Extended Compensation Option.
- (b) Employees who select this option shall be reassigned to the Lucent Technologies Job Match Center (JMC) for a period not to exceed the number of weeks, based on net credited service, provided for in the termination pay schedule in the collective bargaining agreement of the sending organization, provided they were "at risk" of being laid off; for those individuals who were not "at risk" of layoff but were part of a surplus universe, such period of participation will be based on the Optional Termination Pay schedule.
- (c) Extended Compensation Payments shall be based on the methods used to compute termination allowance as determined by the applicable Collective Bargaining Agreement for the position held by the employee immediately prior to reassignment to the JMC. Such payments are subject to deduction of appropriate taxes and Union dues as applicable.
- (d) As long as the participants remain eligible for Extended Compensation Payments, the Company agrees to render weekly compensation for a period of time not to exceed the number of weeks provided for in the termination schedule of their former position's collective bargaining agreement or the Optional Termination Pay schedule as determined above.
- (e) To remain eligible for Extended Compensation Payments an employee must agree:
 - (1) to accept work assignments within the Local Placement Area (LPA) in all job titles for which they are qualified, not just the title held when declared surplus,
 - (2) to accept the appropriate wage rate at the location for the position they are filling on a temporary basis, in addition to Extended Compensation Payments.

- (3) that such pay shall not be used in the computation of any benefits, which shall be based solely upon Extended Compensation,
 - (4) to remain in same pension band applicable to the employee immediately prior to reassignment to JMC,
 - (5) to accept the unused portion of the Extended Compensation as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of Lucent Technologies, if the employee was "at risk" when selecting this option,
 - (6) to accept the unused equivalent portion of the Optional Termination Pay Schedule (2(b)) as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of Lucent Technologies, if the employee was part of a surplus universe but not "at risk" when this option was selected, and
 - (7) not to accept employment or render services to competitors of Lucent Technologies or an Interchange Company in which the employee is eligible for portability of service.
- (f) Employees electing this option will be active employees while eligible for Extended Compensation payments and may, if eligible, participate in LTP. At risk employees with surplus status in LTP, prior to reassignment to JMC, shall maintain their surplus status while participating in the Extended Compensation Option.
 - (g) Extended Compensation will be offset by any payments made under the [Lucent Disability Plan or Sickness and Accident Disability Plans] coverage and the programs run concurrently.
 - (h) Employees must elect to schedule and take their vacation, non-designated EWD's and Floating Holidays prior to transferring into JMC (business needs permitting), and/or receive a lump sum payment for any balance of vacation not taken. JMC employees do not accrue vacation time or Excused Work Days but are compensated for holidays or Company designated EWD's when worked.
 - (i) While participating in the Extended Compensation Option, each participant may reject one (1) assignment in any continuous twelve (12) month period, as well as designate any full one (1) week period in any consecutive three (3) months as "unavailable" time.
 - (j) Acceptance of a regular, temporary or term position with Lucent Technologies terminates participation in the Extended Compensation Option.
 - (k) JMC Review Board
 - (1) Temporary assignments of Lucent Technologies employees participating in JMC may be reviewed using the following two (2) step review process.
 - (i) Step One (1): Grievred directly to the designated JMC manager within fifteen (15) calendar days of the assignment or action which is the subject of the grievance. The grievance must identify the issue and the remedy sought.
 - (ii) Step Two (2): If the issue is not resolved at Step One (1), the case may be appealed within fifteen (15) calendar days of the management decision at Step One (1) to a joint review panel established by the Company and the Unions. This panel will be called the JMC Review Board and all decisions of

the Board shall be final and binding. The Board will be comprised of one (1) CWA representative, one (1) IBEW representative and two (2) representatives appointed by the Company. The Board shall meet on a regular basis but no more frequently than once each quarter.

- (2) Grievances under the, Extended Compensation Option, shall be limited to disputes and appropriate remedies regarding the selection or non selection of an Lucent Technologies employee participating in JMC for a JMC assignment, and questions relating to work rules, for which the collective bargaining agreement covering the temporary position to which the employee is assigned shall be controlling.
- (3) Neither JMC nor its administration nor any grievance under the review process described above shall be subject to arbitration.
- (l) It is further understood that when an employee who is participating in the Extended Compensation Option is not assigned to a JMC assignment, the provisions of the applicable collective bargaining agreement for the position held by the employee immediately prior to assignment to the JMC shall apply to those matters not directly related to the employee's participation in the Extended Compensation Option.

4 Transition Leave of Absence

- (a) A Transition Leave of Absence (TLA) is granted to employees voluntarily or involuntarily separating from the Company under a Lucent Technologies plan or program for reducing force surplus. The TLA option serves as a mechanism for allowing these employees to qualify for a service pension under certain conditions.
- (b) An employee separating (voluntarily or involuntarily) under a Lucent Technologies force surplus plan or program is eligible for a TLA if he/she is within one (1) year of actual age and/or service requirements for service pension eligibility under the Lucent Technologies Pension Plan as of the Company specified separation date (i.e., must meet age and service requirements for pension eligibility no later than the one (1) year calendar anniversary date of the Company specified separation date).
- (c) The minimum combination for age/service requirements for TLA eligibility, based on the current service eligibility requirement of the Lucent Technologies Pension Plan and if not otherwise service pension eligible, is as follows:

<u>AGE</u>	<u>NCS</u>
any age	29 years
49	24 years
54	19 years
64	9 years

The service and age attained during the TLA are counted only for service pension eligibility and not for computing the amount of the service pension.

- (d) A TLA shall not exceed one (1) year from the date the leave starts (i.e., leave expires on the calendar date anniversary of the Company specified separation date), but in any case, will end on the earliest of:
 - (1) the date the eligible employee returns to work for the Company, a Participating Company, a Lucent Controlled Group entity, or any other Lucent Subsidiary or

the eligible employee becomes employed by an Interchange Company in which the employee is eligible for portability of service,

- (2) the date the employee attains required age and/or service to become service-pension eligible, or
- (3) death of the employee.

- (e) The TLA will be canceled effective with the date of (re)hire or death and pension entitlements will be those as of the day before the effective date of the TLA.

5 Involuntary Termination Due To Layoff

- (a) Employees involuntarily terminated due to layoff will have the termination payment schedule, as well as the method of payment computed in accordance with the appropriate collective bargaining agreement. In addition, regular full-time and regular part-time employees (not term or temporary employees) who have been involuntarily terminated pursuant to the force adjustment procedures of the applicable collective bargaining agreement and have a minimum of one (1) year net credited service as of the date of termination are eligible for up to \$2,500 in funds for certain education, training, out placement and relocation expenses. These funds will be available through the Funds for the Alliance/ETOP Distribution (FAED) program.

EXTENDED COMPENSATION PARTICIPANT IN ALLIANCE OR ETOP

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Extended Compensation Participant in Alliance or ETOP

This is to confirm our mutual understanding that an eligible occupational employee who has chosen to participate in the Extended Compensation Option of the Lucent Career Transition Option Program and is available for temporary assignments through the Job Match Center, and who is also a participant in an Alliance or and ETOP training program, may reject a Job Match Center temporary assignment if that assignment conflicts with a verified Alliance or ETOP training program in which the employee is participating at the time.

It is also the Company's intent to develop administrative practices for the Job Match Center that foster a reasonable approach to unanticipated personal situations beyond the control of the employee which result in the declination of a Job Match Center temporary assignment.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

EMPLOYEE RESOURCE CENTERS (ERCS)

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Employee Resource Centers (ERCs)

This will confirm our understanding that the existing ERC program will be continued during the term of the 1998 Memorandum of Understanding and will be extended to those eligible employees previously covered by the AT&T Resource Centers (ARCs).

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

WORKPLACE OF THE FUTURE

Lucent, CWA and IBEW reaffirm their commitment to the basic goals and principles of Workplace of the Future (WPOF) as expressed in past contracts. The parties also recognize that WPOF at Lucent needs to be revitalized in order to achieve its goals. All parties see the need for significant culture change at all levels of their respective organizations in order to achieve greater responsiveness and involvement, and for shared involvement of the Unions and management from the beginning of this change process. They therefore agree on the need to jointly re-examine and renew the approach for WPOF in order to move it to a new level.

This re-examination will be pursued separately from the 1998 collective bargaining process. It will begin within six weeks of the ratification of all contracts with a thorough re-evaluation of the process and program structure so far and a joint commitment to future courses of action.

With respect to 1998 bargaining, the parties agree to continue existing language of the Workplace of the Future provisions contained in the 1995 National Memorandum of Understanding between the CWA, IBEW and AT&T. The parties reserve their right to redraft language to reflect their renewed commitment and agreement. The parties will redraft language to reflect their renewed commitment and agreement by the end of 1998.

EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Extension of Constructive Relationship Trials

The Company and the Unions agree that for the life of the 1998 Memorandum of Understanding all Constructive Relationship Councils (CRCs) approved trials shall be extended.

Either party to the trial may discontinue a trial, upon fifteen (15) days advance written notice to their counterpart with a copy to the CRC(s).

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

MEMORANDUM OF UNDERSTANDING REGARDING NEUTRALITY AND CONSENT ELECTION

This agreement between CWA, IBEW and Lucent Technologies addresses Union organizing and consent elections in those job titles and occupations in Lucent organizations that are not covered by the 1986 Union-Management Relations Agreement, separately attached hereto. It is effective on July 1, 1998.

As recognized by their participation in Work Place of the Future, and as a part thereof, the Unions and the Company recognize that it is in their mutual interest to operate in the spirit of partnership and common vision. 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.

The parties also recognize the Unions' goal of growing membership. In order to maintain this perspective and to also avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and consent election will be applicable to all wholly owned Lucent Business Operating Groups and Divisions throughout the country and shall be the exclusive means by which the Unions, their locals, or individuals acting on their behalf, will conduct an effort to organize non-management employees in the covered Lucent Business Operating Groups or Divisions.

1 Employee Choice

Both the Unions 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 local management and local Union officials, i.e., those directly impacted by these discussions. The local Union and management officials may request a meeting with the appropriate Union and Company headquarters representatives at the beginning of this process.

2 Neutrality

The Company and the Unions agree that an organizing drive should be and will be met by Company conduct that neither helps nor hinders organizing efforts. This statement is consistent with and reinforces the previously established principle of employee choice. The environment is intended to foster employee choice and information communicated by either party should 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 vote against Union representation.
- (c) The Union(s) will be afforded reasonable opportunities for access to communicate with employees.

- (d) Management may respond to individual employee questions, and may 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 simultaneously shared with the other. The parties' communications with employees will be in accordance with this agreement.
- (g) Neither party will hire or seek the assistance of consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked, by name or by descriptive reference, in campaign literature or discussions.
- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct "captive" audience meetings.

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

3 Election Procedures

The procedures to be followed are listed below:

- (a) The Union must show that a majority of employees in a unit appropriate for collective bargaining have signed show of interest cards indicating their desire for a representation election. The cards must be dated within three months of the date they are presented to the Third Party Neutral (TPN). Cards signed by persons who are no longer employed by Lucent at the time of submission to the TPN will not be valid.
- (b) If an election is conducted and the Union is not successful, another election will not be scheduled for twelve months. During this time, no Union organizing campaign for that unit will be permitted.
- (c) A majority of those who vote, validated by the TPN, will determine the outcome.
- (d) The TPN will resolve any issue concerning challenged ballots by following the NLRB's rules and decisions.

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 the 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 outside of the workplace. If the employees

vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and any resulting collective bargaining agreement will apply only 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 any obligations and responsibilities of the parties
- (c) correcting any inaccuracies or misstatements or any employee misunderstandings of information disseminated during the campaign process.

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 persons or entities during any part of this process. One way to ensure this objective is to have an NLRB conducted election.

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

- (a) The Unions shall initiate the consent election process by providing to a third party neutral (TPN) proof of support by means of show of interest cards as described in Paragraph 3(a), above. The TPN will then notify Lucent and request a list of names, job titles and work addresses. The Company will furnish the list within three business days. The applicable 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(s) has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.
- (b) The election process will be supervised by a mutually selected TPN, whose role it is to ensure the integrity of the process itself, and will be conducted within two (2) 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 secret ballot election. The TPN will count the votes and advise the parties of the outcome. Consistent with Paragraph 3(c) of this agreement, a majority of those who vote will control. Each party may have an observer present when the TPN counts the ballots.
- (c) 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 in which 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 the TPN and/or of using a neutral site will be shared equally by the parties.

If there is a dispute as to the composition of the unit, the TPN shall either decide the issue within an additional seven days or order an election as described above with the

decision as to the composition of the unit to follow the election within no more than seven days.

7 Access Agreement

As soon as reasonably practicable after a request by the Union(s) for access, local management and Union representatives will meet to discuss the details related to reasonable access to the unit by Union representatives. The Union(s) will be allowed reasonable opportunities for access to Lucent facilities. It is the intent and commitment of the parties that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of Lucent generally and, specifically, the unit which is the subject of the organizing campaign. Access agreed upon will be in non-working areas and during employee non-working times.

If Lucent and the Union(s) are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other Lucent units will be looked to for guidance as to what works and is reasonable. Lucent and the Union(s) commit that they will negotiate an access agreement 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, local Lucent management and appropriate Union representatives. It is the intent and desire of Lucent and the Union(s) that such matters be dealt with and are best 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 still remains unresolved, the process described below will be utilized.
- (b) The TPN will resolve disputes in the manner set forth in this agreement. The TPN must be an active or retired attorney who has experience in, and is familiar with, NLRB procedures and precedents regarding unit determination issues. Either Lucent or the Union(s) 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 business days' written notice to both the other party and the TPN. The notice will provide a complete 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 themselves.
- (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 access problem. However, in no event will the TPN take longer than five (5) 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 the TPN and an expeditious hearing shall be conducted. 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 National Labor Relations Board 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. Lucent and the Unions believe that these matters are best handled by and between the parties themselves and resort to a TPN should be necessary in only a limited number of cases.

Lucent and the Union(s) 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 shared equally by Lucent and the Union.

9 Acquisitions And Ventures

The parties recognize the rapidly changing nature and structure of the communications equipment industry. Lucent may acquire 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 these entities may be unrepresented, represented in whole or in part by the CWA or IBEW, or represented in whole or in part by some other labor organization. It is not possible to structure a single rule which will apply to all such circumstances and the Company cannot compel other entities to abide by this agreement. Nevertheless, Lucent will, after an initial transition period of one year following the closing on an acquisition, and subject to any contrary legal or contractual requirements, apply this Neutrality and Consent Election agreement to any wholly owned subsidiary.

10 Annual Review

On an annual basis, the Lucent Vice President of Workforce Effectiveness, the President of the CWA and the President of the IBEW may review whether there has been substantial compliance with the provisions of this Agreement and, if the parties find repeated instances of violations or repeated instances of interference during the period up to the review, may implement a process for recognition based on "card check" to replace elections in all cases or, if not, this Agreement shall continue in effect for the remaining term of the Agreement.

TRIAL MAIL BALLOT

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Trial Mail Ballot

This will confirm our agreement that during the life of this collective bargaining agreement, the Union may request and the Company will agree to trial a Mail Ballot process to replace the Consent Election process in the Neutrality and Consent Election agreement in the 1998 Memo. It is further agreed that this trial will occur in a smaller unit (i.e., 50 or fewer employees).

Following this trial, the Union and the Company will meet to review the success of the trial and to consider possible future use of the mail ballot process.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

UNION MANAGEMENT RELATIONS

May 31, 1998

Mr. R. F. Morrison, Chairman, System Council T-3, IBEW
Mr. F. P. Possinger, President, System Council EM-3, IBEW

Gentlemen:

Re: Union Management Relations

The attached National item that was agreed to in 1986, and continued in 1989, 1992 and 1995, will continue in effect in accordance with its original terms until the termination of the 1998 CWA/IBEW/Lucent National Memorandum of Understanding dated May 31, 1998.

It does not apply to any Lucent organization covered by the Neutrality and Consent Election procedure negotiated by the parties during 1998 bargaining.

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

UNION MANAGEMENT RELATIONS

AT&T organizations will neither help nor hinder efforts by the Union to organize and represent employees who occupy job titles or occupations in which other employees in the same AT&T organization are already represented by the Union as of the date of this Agreement; provided, however, that the Company is not precluded from responding to employees' inquiries related to the issue of union representation.

When the Union represents that a majority of such employees have signed authorization cards designating the Union as their exclusive bargaining agent in an appropriate unit, the Company will recognize the Union as the bargaining agent of such employees without an NLRB-supervised election, provided the following conditions are satisfied:

- (a) The Company and the Union have mutually agreed that the bargaining unit in which the Union seeks recognition is an appropriate bargaining unit; and
- (b) The Company and Union have mutually agreed upon the number and identity of the employees eligible for representation in such a unit; and
- (c) The Union submits to a mutually selected third party signed authorization cards from a majority of the employees in the agreed upon bargaining unit, all of which expressly state that by signing the card the employee designates the Union as his/her exclusive bargaining representative and, further, understands that if a majority of the employees in the unit also sign such cards, the Company will recognize the Union without an NLRB-supervised election; and
- (d) The Union's majority status in the agreed-upon bargaining unit is confirmed by the mutually selected third party.

If the Company and Union fail to agree upon either of the conditions set forth in Paragraphs (a) and (b), above, the matter may be referred to the NLRB for determination.

Card check recognition shall not be granted in situations in which the Company is aware that representation of employees is sought by two or more unions.

EMPLOYEES ON UNION LEAVE OF ABSENCE – BENEFITS

The following benefits shall be available to employees on a union leave of absence as of the effective dates set out below:

Lucent Service Anniversary Award

Effective as of May 31, 1998, employees on a union leave of absence shall participate in the Lucent Technologies Inc. Lucent Service Anniversary Award on the same terms and conditions as active employees.

Life Insurance

Effective January 1, 1999, the annual amount of basic life insurance which the company provides to employees who are actively at work on union business while on a union leave of absence will be determined based on the amount of the employee's current pay.

Effective January 1, 1999, employees who are actively at work on union business while on a union leave of absence may purchase an amount of supplementary life insurance under the Lucent Technologies Inc. Supplementary Life Insurance plan that will be determined based on the amount of the employee's current pay.

Long Term Savings and Security Plan

An employee on a union leave of absence shall be able to make fund exchanges among his or her accounts in the Lucent Technologies Inc. Long Term Savings and Security Plan in the same manner and with the same frequency as participants who are active employees of the company.

UNION DUES PORTABILITY

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Union Dues Portability

As you are aware, our current labor contracts contain provisions for continuing the deduction of dues for employees who authorize deductions. All contracts with the CWA and contracts with the IBEW System Council EM-3 contain the following language in their union dues Payroll Deduction Authorization forms:

This authorization shall remain in effect when I am employed by Lucent unless canceled by me.

When that language was agreed upon in 1992, the intent was to continue deductions for employees who used those authorization forms for as long as they were in jobs represented by the same union, irrespective of the individual labor contract. In addition, it was intended to reactivate the deductions following periods of separation from their represented universe. Those commitments were predicated on AT&T's intention to adopt a single payroll system for all employees and the development of mechanized procedures to support the commitments.

A similar provision is contained in the Payroll Deduction Authorization form contained in the contract with the IBEW System Council T-3 which provides:

The amount equal to regular monthly Union dues shall be that which is certified to Lucent by the International Brotherhood of Electrical Workers for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes, if applicable.

This authorization shall remain in effect when I am employed by Lucent unless canceled by me.

In that case, the continuation of the dues deductions were predicated upon changes of jobs within that contract and not to other jobs represented by the IBEW.

Since 1992, AT&T's intentions with respect to the single payroll system changed, and were additionally impacted by the separation of Lucent Technologies from AT&T. During that period, administrative procedures were implemented to enable Lucent to honor its commitments. Those procedures have been generally successful when employees have changed jobs within the same payroll system and when large numbers of employees changed from one payroll system to another. In those cases, the dues deductions continued. However, in some cases, especially for individual transfers of employees from one payroll system to another, the deductions stopped and needed to be reactivated later.

National Memorandum

As you know, Lucent plans to adopt a single payroll system (SAP) for all employees. That system will be configured to ensure that the commitments expressed above will be met on a regular basis. In the meantime, the Company will make every practicable attempt to ensure that we meet those commitments.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

COPE PAC DEDUCTIONS - IBEW

May 31, 1998

Mr. R. F. Morrison, Chairman, System Council T-3, IBEW
Mr. F. P. Possinger, President, System Council EM-3, IBEW

The Company will continue procedures, which became effective January 1, 1987, to permit IBEW-represented employees to contribute to the IBEW-COPE Political Action Committee ("IBEW-COPE PAC") through payroll deductions. Such procedures shall continue in effect during the term covered by this 1998 National Memorandum of Understanding.

As provided for in the regulations of the Federal Election Commission, the Union will reimburse the Company for the costs of development, implementation and administration of the payroll deduction system for IBEW-COPE PAC. The parties agree that such costs, during the term of this Memorandum of Understanding, have been projected and included, as advance reimbursement, in the amount of the economic settlement contained in this Memorandum of Understanding, as a debit to the Union and a credit to the Company.

Payroll deductions authorized pursuant to this Agreement will be transmitted to the Treasurer of IBEW-COPE PAC on a monthly basis.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

COPE DEDUCTION**IMPLEMENTATION AND ADMINISTRATION COST SUMMARY**

Payroll System	Union	Employees	Monthly Deductions	Annual Deductions
Tech Payroll	CWA	679	\$1,417	\$17,004
	IBEW	251	581	6,972
TOTAL		930	\$1,998	\$23,976
IPAY	CWA	785	\$2,718	\$32,616
	IBEW	2	12	144
TOTAL		787	\$2,730	\$32,760
TOTAL	CWA	1,464	\$4,135	\$49,620
	IBEW	253	593	7,116
TOTAL		1,717	\$4,728	\$56,736

Administrative support approximately 3 hours per month per line office

1. 6 hours per month X 12 months = 72 hours
2. 72 hours X \$45 = \$3,240 annually
3. 5 years = 5 X \$3,240 = \$16,200

Miscellaneous expenses in manpower and supplies in connection with card data entry, problem resolutions, remittance efforts to each Union, general maintenance of processes and documentation amounts to approximately \$10,000 for 5 years.

Total estimated cost over life of contract:

$$\mathbf{\$16,200 + \$10,000 = \$26,200}$$

DRUG TESTING

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

This will confirm our agreement concerning drug testing of employees pursuant to current regulations of the Department of Defense (DOD) and Department of Transportation (DOT).

The Company and the Unions recognize that, during the life of the agreement, certain of the Company's employees will be or may become subject to such laws or regulations. The Company and the Unions agree that drug testing including, but not limited to, random drug testing, of bargaining unit employees may be conducted as required by law or government regulation. The Company and the Unions further recognize that current DOD and DOT regulations do not require the imposition of sanctions or disciplinary action against any employee to be found to be using drugs illegally. Accordingly, the Company further agrees that it will take no adverse action against such an employee, as a direct and immediate result of information obtained in a test applied under DOD or DOT regulation, other than to transfer the employee from a position that is subject to the regulations. In the event an employee sues the Union and/or the Company because of the enforcement or Company's compliance with such regulations, the Union shall be held harmless by the Company.

The Company further agrees to notify the Unions if it enters into a contract with the DOD which includes the "Drug-Free Work Force" clause currently prescribed by DOD regulations or has positions which are subject to regulations under the DOT, and to submit in written form its proposal regarding any testing program. Upon such notification, the Unions agree to enter into negotiations concerning the program. Should agreement not be reached within thirty days from such date of notification, the Company may implement the program only to the extent necessary to meet the requirements of the Drug-Free Work Force clause and applicable DOD/DOT regulations.

Please confirm your agreement below and return one signed copy to us.

Sincerely,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

LTP COORDINATORS AND MANAGED CARE PROGRAM COORDINATORS

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: LTP Coordinators and Managed Care Program Coordinators

This will confirm our discussions and agreement reached in 1998 Bargaining, that effective October 1, 1998, the titles of LTP Coordinator and Managed Care Program Coordinator will be created. There will be 2 (two) LTP Coordinator positions and 2 (two) Managed Care Program Coordinator positions during the life of this agreement. The CWA and the IBEW will each select one person to fill the LTP Coordinator position and one person to fill the Managed Care Program Coordinator position.

Job duties and responsibilities for the LTP Coordinator and the Managed Care Program Coordinator are outlined in Attachments A and B.

The pay associated with these titles will be an annual rate of \$52,500 (\$25.24 per hour) and a pension band of 125 for any and all such individuals. Other terms and conditions associated with these positions are as follows:

- eligibility for these titles is limited to Lucent Technologies regular full-time employees,
- the Unions will recommend the employees to be assigned to these positions, and these titles will not be staffed using the Lucent Transfer Program or the article(s) of any applicable collective bargaining agreement,
- employees will be temporarily assigned to these titles,
- time spent in these titles will count towards time-in-title/grade and time-in-location in the title from which the employee was temporarily assigned,
- if a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to his/her regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the appropriate Coordinator title,
- Coordinators will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in LTP. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of a Workforce Relations Director or his/her designee,
- Coordinators will be eligible for reimbursement of reasonable business expenses associated with the performance of their Coordinator function as outlined in the appropriate Company practices with prior approval from the Workforce Relations Director.

- Following the creation of the LTP and Managed Care Program Coordinator job titles, the standard General Wage Increase formula will apply.
- Coordinators will be eligible for applicable Pay for Performance Awards under the Lucent Occupational Employees' Pay for Performance Plan.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

LTP COORDINATOR

The incumbent will be responsible for contributing to the successful operation of the Lucent Transfer Program (LTP) and the effective participation of eligible Lucent employees represented by the CWA or the IBEW in LTP. Additionally, the incumbent may provide support for other aspects of Lucent Technologies career transition programs for eligible Lucent occupational employees represented by the CWA or the IBEW.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Monitor the on-going operation of the LTP.
- Review LTP performance, policies and procedures in order to assist the LTP Review Board in assessing the effectiveness and efficiency of the program.
- Address concerns raised as to the staffing of positions through the LTP.
- Interface with local and national union officials, employees represented by the CWA or the IBEW, staffing and/or testing personnel, and Workforce Relations in connection with LTP problems and resolutions.
- Provide LTP program and system information and assistance to union officials and employees represented by the CWA or the IBEW.
- Participate in LTP Review Board and other LTP meetings when appropriate.
- Participate on implementation and/or process improvement teams in connection with the LTP and other career transition programs.
- May provide Lucent Career Transition Option Program (LCTOP) assistance to local and national union officials and eligible employees represented by the CWA or the IBEW.
- Review LTP and LCTOP employee information packages in order to assist in improving and/or assuring its effectiveness and ease of use for employees.
- May act as a liaison between Workforce Relations and the Unions on LTP and LCTOP issues.

Attachment B

MANAGED CARE PROGRAM COORDINATOR

The incumbent will be responsible to assist the Joint Health Care Committee (JHCC) in the introduction and on-going maintenance of the Managed Health Programs for Lucent employees represented by the CWA or the IBEW.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Develop and maintain a working knowledge of the occupational Managed Health Programs and related provisions under the 1998 National Memorandum of Understanding.
- Assist JHCC members in reviewing quality related communications to occupational employees regarding Managed Health Programs.
- At the direction of the JHCC, participate in meetings to communicate features of the Managed Health Programs.
- Collect general information on network operations and provide feedback to the JHCC on specific areas of network performance.
- Assist JHCC members in evaluating network expansions for occupational employees represented by the CWA or the IBEW.
- Assist in monitoring ongoing network performance.
- Identify and recommend areas for review by the JHCC that may improve the quality, efficiency and effectiveness of the Managed Health Programs for active occupational employees represented by the CWA or the IBEW.
- At the direction of the JHCC, participate in various ad hoc sub-committees to provide perspective and input into issues confronting the JHCC.
- At the direction of the JHCC, acts as a liaison between the JHCC, local networks and occupational employees represented by the CWA or the IBEW during network implementations and expansions.

STANDING JOINT SUBCOMMITTEE ON TESTING

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW
Mr. F. P. Possinger, President, System Council EM-3, IBEW

Gentlemen:

Re: Standing Joint Subcommittee on Testing

This will confirm our understanding reached during 1998 Bargaining that a CWA-IBEW-Lucent Technologies standing joint subcommittee on testing will be formed. The subcommittee, to be appointed by the bargaining chairs, will consist of four (4) representatives from the Unions, two (2) from IBEW and two (2) from CWA, and four (4) representatives from the Company.

Measurement and Selection Systems (M&SS), part of Lucent's corporate human resources organization, is the organization with sole responsibility for the development or selection, validation, and authorization of all tests and policy and procedures used in the selection of candidates for Lucent occupational positions. M&SS is responsible to ensure that such tests meet Federal and professional standards for relevance and non-discrimination.

If the committee identifies a test currently in use which has not been authorized by M&SS, the test will be suspended pending the outcome of a review and report to the committee by M&SS.

At least thirty days prior to implementation, M&SS will notify the members of the committee of the intent to implement a new test or to revise a test or critical test score. M&SS will communicate to members of the committee the following pertinent information concerning the test:

- the purpose
- the objective
- the need for the test or change
- the title(s) for which it will be a requirement
- the business groups which will use it

After receiving the information described above, if the committee so requests, a meeting will be held to explore appropriate ways for the Company and the Unions to make available opportunities to assist employees in development of the new skills or job knowledge. The committee will also be expected to identify and recommend ways to maximize the many advantages and resources offered through the Alliance, ETOP, and ERC's in meeting the goals described above.

In addition, the committee may explore other issues with M&SS, including such matters as an apparent low percentage of employees qualifying on a specific test. Where the Committee agrees, a Third Party Neutral (TPN) may be selected to review any disputed new or revised test for relevancy and validity, applying appropriate legal standards. The TPN shall guarantee confidentiality of all tests under review and shall not release test items or scores to any person or entity. The TPN shall make recommendations to the Committee about the disputed test or score. Nothing herein shall prevent the implementation or use of a test during the TPN review.

The committee will meet upon request of the members, but no less than four (4) times a year to review new or revised tests.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

TECHNOLOGY CHANGE COMMITTEE

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA
Mr. F. P. Possinger, President, System Council EM-3, IBEW
Mr. R. F. Morrison, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Technology Change Committee

This will confirm our understanding that the Technology Change Committee referred to in Attachment A will apply to those Lucent organizations covered by the CWA and IBEW Operations local contracts which do not have an applicable Planning Council in place.

It is further acknowledged that one of the responsibilities of the Constructive Relationship Council(s) includes reviewing broad technological developments taking place in the industry in order to provide the parties with a deeper understanding of the future impacts of technology on bargaining unit employees and the business. Where appropriate, Lucent subject matter experts will be consulted on such matters.

Very truly yours,

/s/ M. R. Lewis
Workforce Relations, V.P.

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

/s/ R. F. Morrison
Chairman, System Council T-3, IBEW

TECHNOLOGY CHANGE COMMITTEE

- 1 The Company and the Union recognize that technological changes in equipment, organization, or methods of operation have a tendency to affect job security and the nature of the work to be performed. The parties, therefore, will attempt to diminish or abolish the detrimental effects of any such technological change by creating a joint committee to be known as the Technology Change Committee to oversee problems and recommend solutions of problems in this area as set forth below.

- (a) Such Committee will consist of not more than six (6) representatives of the Company and not more than six (6) representatives of the Unions (3 CWA, 3 IBEW). Such committee may be convened at the option of either party at mutually agreeable times.
- (b) The purpose of the Committee is to provide for discussion of technological changes (including changes in equipment, organization, or methods or operation) which may affect employees represented by the Unions. The Company will notify the Unions at least six (6) months in advance of planned technological changes.

Meetings of the Committee will be held as soon thereafter as can be mutually arranged. At such meetings, the Company will advise the Unions of its plans with respect to the introduction of such changes and will familiarize the Unions with the progress being made.

- (c) The impact and effect of such changes on the employees shall be appropriate matters for discussion. The Company will discuss with the Unions:
 - (1) What steps might be taken to offer employment to employees affected:
 - (i) In the same locality or other localities in jobs which may be available in occupations covered by the collective bargaining agreements between the parties.
 - (ii) In other occupations in the Company not covered by the collective bargaining agreement.
 - (iii) In other Lucent Companies or any of its affiliates, subsidiaries or entities.
 - (2) The applicability of various Company programs and agreement provisions relating to force adjustment plans and procedures, including LCTOP, Reassignment Pay Protection Plan termination payments, retirement, transfer procedures and the like.
 - (3) The feasibility of the Company providing training for other assignments for the employees affected. (Example: sponsorship of typing training on Company time).
- (d) The Committee shall not formulate policy or arrive at binding decisions or agreements, but rather shall be charged with the responsibility to develop facts and recommendations so that the Company can make well-informed decisions regarding the matters covered by these provisions.

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1998
MANUFACTURING AND NATIONAL UNITS
SUPPLEMENT

Memorandum of Agreement

Between

Lucent Technologies Inc.

and

The IBEW System Council EM-3

February 19, 2001

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MEMORANDUM OF AGREEMENT

Between

Lucent Technologies Inc.

and

The IBEW System Council EM-3

February 19, 2001

MEMORANDUM OF AGREEMENT

This Memorandum is entered into by and between Lucent Technologies Inc. (on behalf of itself and its proposed spin-off company (Agere Systems, Inc) that will be formed from Lucent's Microelectronics Division), [hereinafter collectively referred to as "Lucent" or "the Company"] and the International Brotherhood of Electrical Workers System Council EM-3 on behalf of Local Unions 21, 1522, 1560, 1599, 1612, 1898, 2000, 2020, and 2021 [hereinafter referred to as "the IBEW" or "the Union"]. The commitments, understandings and agreements by and between the parties are:

- 1 This Memorandum of Agreement, and any supplements or attachments hereto, hereinafter referred to collectively as "Agreement," shall be binding on the parties hereto. It is further agreed that the new microelectronics company (Agere Systems, Inc.) and any other "spin-off" of Lucent or the new microelectronics company shall be bound by the 1998 National Memorandum of Understanding and the applicable local collective bargaining agreements by and between Lucent and the Union throughout their term.
- 2 The Union shall formally execute the 1998 National Memorandum of Understanding by and between the parties, and each appropriate constituent Local Union shall execute the applicable collective bargaining agreements; provided, however, the parties agree that all such applicable collective bargaining agreements shall be modified to incorporate the additional agreements and understandings set forth in this Memorandum of Agreement.
- 3 This Agreement sets forth the understandings reached as to the following:
 - (a) the treatment to be afforded eligible employees in a production and maintenance and/or salaried bargaining unit represented by the Union when a decision by the Company to subcontract or outsource work performed by bargaining unit employees, or work that is or has been traditionally performed by bargaining unit employees, directly results in the layoff, termination or separation of employees in the bargaining unit.
 - (b) a notification and information sharing process that shall apply with respect to the subcontracting or outsourcing of any production or salaried work performed by bargaining unit employees, or work that is, or has been traditionally performed by such bargaining unit employees.
 - (c) a notification and information sharing process that shall apply with respect to the sale of a business or the spin off of a business which directly results in the layoff, involuntary termination or involuntary separation of employees in the bargaining unit.
 - (d) The parties agree that a "Sale of the Business" shall not be construed as subcontracting or outsourcing for the purpose of triggering the benefits set forth in subparagraphs 5(a) through (g) herein; provided, however, the Company's Columbus, Oklahoma City and Agere facilities shall be handled separately as provided in the side letters dealing with those facilities.

It is further understood by the parties that a "spinoff" by the Company shall not be construed as subcontracting or outsourcing within the meaning of this Memorandum of Agreement provided the "spinoff" company is fully bound and obligated by all provisions set forth in the applicable collective bargaining agreement(s) between the Company and the Union, as modified by this Memorandum of Agreement."

- 4 A new provision shall be added to the applicable collective bargaining agreement(s) titled "Application of LCTOP (or applicable successor plan) in the Event of Subcontracting or Outsourcing Directly Resulting in Surplus Conditions." The provision shall read:

"In the event the Company decides to subcontract or outsource any work performed by production and maintenance and/or salaried bargaining unit employees, or work that is, or has been traditionally performed by production and maintenance and/or salaried bargaining unit employees and such decision directly causes a surplus condition resulting in a layoff of employees with a term of employment of two or more years within the affected bargaining unit, the Company shall, to the extent necessary to relieve the surplus, offer to eligible employees in the affected universe the full range of options provided for under the parties' LCTOP Agreement. It is further agreed that, in the event the provision set forth herein is triggered, the \$30,500 limit set forth in paragraphs (2)(d), Optional Termination Pay in the Lucent Career Transition Option Program, and 3(b), Extended Compensation Option, of the 1998 National Memorandum shall be increased to \$40,000. The Company may, in its discretion, extend the application of this paragraph beyond the normal surplus universe.

It is understood and agreed by the parties that employees who elect to receive benefits described under this provision shall not be eligible for recall, termination allowances under the collective bargaining agreement or benefits otherwise provided by application of the provision titled "Treatment of Employees Directly Impacted by the Company's Decision to Subcontract or Outsource Bargaining Unit Work – Application of Certain Employee Benefit Plans and Programs."

- 5 A new provision shall be added to the applicable collective bargaining agreement(s) titled "Treatment of Employees Directly Impacted by the Company's Decision to Subcontract or Outsource Bargaining Unit Work – Application of Certain Employee Benefit Plans and Programs." The provision shall read:

"In the event the Company decides to subcontract or outsource bargaining unit work or to accomplish such subcontracting or outsourcing through any form of business transaction, including but not limited to lease arrangements or similar transactions, that effectively constitute subcontracting or outsourcing, each employee who is laid off, involuntarily terminated or involuntarily separated from the Company as a direct result of a decision by the Company to subcontract or outsource, and who has a term of employment of two (2) or more years (hereinafter "Affected Employees"), shall, in addition to any other rights or benefits set forth in the collective bargaining agreement (unless specifically stated to the contrary herein), receive the benefits set forth in this Paragraph 5.

"Affected Employees" include employees at the affected facilities with a term of employment of two (2) or more years who are on an approved leave of absence, disability benefits or accident/worker's compensation benefits on the date their employment would have ended had they been actively employed if and when they present themselves for employment at or before the end of the approved leave, or are certified as fit to return to work under the applicable plan and present themselves for employment, as applicable.

- (a) **Five Year Enhanced Transition Leave of Absence Under the Lucent Technologies Inc. Pension Plan.** The Pension Plan shall be amended to provide that Affected Employees who, as of the day their employment with the Company ends, have not met the eligibility requirements for a service pension and are within five (5) years of the age and/or service requirement for attaining service pension eligibility, shall, on the day their employment with the Company ends, be eligible for an enhanced eligibility provision (the "Enhanced TLA"). Under the Enhanced TLA, such employees will be credited with up to five (5) years of age and/or service, to the extent necessary to obtain service pension eligibility. Such credit shall be extended as of the Affected Employee's off-roll date and the pension benefit may be commenced immediately. The additional age and service credit will not be counted for the purposes of computing the employee's pension. The additional age and service credit will be counted and applied for purposes of reducing the discount for early retirement for all Affected Employees. It is the intent of the parties that the addition of five (5) years of age and/or service may be used by an Affected Employee not only to attain eligibility for a service pension as set forth above, but to reduce, to the maximum extent possible by adding five (5) years of age and/or service, any discount for early retirement that may have otherwise applied to such Affected Employee.

Neither the Company nor the applicable pension plan may reduce or eliminate an Affected Employee's entitlements to the rights set forth in Paragraph 5 (a).

- (b) **Expanded and Enhanced Social Security Supplement.** The Pension Plan shall be amended to extend a Social Security supplement to the Affected Employees who are service pension eligible when their employment with the Company ends (including those who are service pension eligible as a result of the Enhanced TLA), and whose service pension is subject to a discount for early retirement. The amount of the Social Security supplement shall equal the amount of the reduction in the employee's monthly pension annuity payment because of retirement prior to age 55. Social Security supplement payments will continue until the first to occur of the attainment of age 62 or death of the retired employee. All other provisions of the existing Social Security supplement provided under the Pension Plan apply.
- (c) **Special Pension Benefit.** The Pension Plan shall be amended to provide a special pension benefit ("SPB") for the Affected Employees in addition to any other accrued benefit. The SPB also applies to Affected Employees who have not yet reached age 21, even though they are not otherwise eligible to participate in the Pension Plan. The amount of the SPB shall be equal to a percentage of Eligible Annual Pay, computed in accordance with the Schedule of SPB Benefits below. The Affected Employee's service will be determined at the time the employee is no longer employed by the Company. Eligible Annual Pay shall be determined as of the first of the month in which the off-roll date occurs, unless Lucent elects a date one month earlier to facilitate the faster payment of the SPB. Eligible Annual Pay shall be determined in accordance with the description below.

With respect to Affected Employees who are service pension eligible (after application of the Enhanced TLA), or whose entire benefit under the Pension Plan is otherwise immediately distributable, the SPB shall be available in the form of a lump sum or in any other form of benefit so long as such other form is the same form selected for the immediately distributable benefit under the Pension Plan. With respect to other Affected Employees, the SPB shall be available in the form of a lump sum, a single life annuity or a joint and 50% surviving spouse annuity. In all cases, the form of benefit shall be subject to the normal spousal consent requirements of the Pension Plan. The SPB may be commenced, at the election of the employee, at any time beginning as soon as administratively practicable after employment with the Company ends, and until distribution is required to commence. However, if the present value of the SPB and all other accrued benefits under the Pension Plan (determined in accordance with Internal Revenue Code Section 417(e)) does not exceed the amount (currently \$5,000) permitted to be distributed without consent under Internal Revenue Code Section 411(a)(11), or any successor provision, such present value shall be distributed in a lump sum.

If distribution of the SPB is deferred, the amount of the SPB shall bear interest equal to the average yield on 10-year Treasury bills for August of the preceding calendar year, determined in accordance with IRS guidelines. Interest shall be credited at the end of each plan year except that in the case of a distribution during the year, interest shall be credited through the end of the month preceding the annuity starting date.

For purposes of the SPB, Eligible Annual Pay shall be equal to an employee's annualized weekly rate of pay, based on his or her Adjusted Rate plus applicable Night Work and 7-Day Coverage Bonuses in effect as of the date specified for the calculation of the affected Employee's SPB with a minimum, for other than a part-time employee, equal to four (4) of the employee's Scheduled Daily Tours per week. In no event shall the SPB for any Affected Employees be less than 110% of the termination allowance that the Affected Employees would have been eligible for under the applicable collective bargaining agreement if laid off.

When an employee's Standard Rate has been reduced and the effective date of such reduction falls within the twenty-six (26) week period preceding the date specified for the calculation of the affected employee's SPB, the Standard Rate used shall be that in effect immediately preceding the reduction from the highest standard rate which was effective within such twenty-six (26) week period, if it is higher than the Standard Rate in effect as of the date specified for the calculation of the affected Employee's SPB. Any decrease in an employee's Standard Rate immediately following a temporary increase which was in effect for a period not to exceed eight (8) weeks shall not be considered a "reduction" when applying this paragraph.

Neither the Company nor the applicable pension plan may reduce or eliminate the SPB of an Affected Employee.

Any term not defined in this Memorandum of Agreement shall have the meaning set forth in Article 3 of the applicable collective bargaining agreements dated as of May 31, 1998 between the Company and the Union.

It is understood that employees who receive the treatment described in this subparagraph 5(c) are not eligible for recall, termination allowances under the collective bargaining agreement, or any provisions of the Lucent Career Transition Option Program. Duplicate payments of the SPB and termination allowance are not intended or permitted.

The parties also agree that nothing in this Agreement or in this provision is intended to deprive an otherwise eligible employee of termination allowance that is otherwise payable under the collective bargaining agreement in circumstances where this Agreement does not apply.

Special Pension Benefit (SPB) Schedule of Benefits

Completed Years of Service	SPB % of Eligible Annual Pay Equivalent to 110% of Termination Allowance The Employee Would Have Been Eligible for if Laid Off
2	4.23%
3	6.35%
4	8.46%
5	10.58%
6	12.69%
7	14.81%
8	19.04%
9	23.27%
10	27.50%
11	31.73%
12	35.96%
13	40.19%
14	44.42%
15	50.77%
16	59.23%
17	67.69%
18	76.15%
19	84.62%
20	95.19%
21	105.77%
22	116.35%
23	126.92%
24	137.50%
25	148.08%
26	158.65%
27	169.23%
28	179.81%
29	190.38%
30	200.96%
31	211.54%
32 or more	220.00%

- (d) **Special One-Time Lump Sum Transition Payment.** All Affected Employees with a term of employment of at least two (2) years as of the day their employment with the Company ends will be entitled to a special one-time lump sum transition payment in the amount of \$10,000, subject to applicable taxes (including payroll taxes) and tax withholding. Such payment is not part of the Employee's standard rate of pay or basic wages for any purpose, nor is it included in the computation of any payments or benefits under any pension or benefits plan, fringe benefit, allowance or differential. Such payment will be made as soon as administratively practicable after employment with the Company ends. The parties agree that such payment will normally be paid within 30 days of the employee's date of termination but in no event later than 60 days of such termination date.

Before making a decision to subcontract or outsource bargaining unit work at a manufacturing location(s), the Company may amend the Pension Plan to provide an enhanced pension benefit for Affected Employees at such manufacturing location(s), in addition to any other accrued benefit (including the Special Pension Benefit). Such enhanced pension benefit shall be payable, at the election of the Affected Employee, in a lump sum with an immediate present value equal to \$11,000, and shall be subject to terms and conditions otherwise identical to the Special Pension Benefit described under Paragraph 5(c) above. An Affected Employee who receives such enhanced pension benefit shall not be eligible to receive the special one-time lump sum transition payment, as described in the first subparagraph of this Paragraph 5(d).

- (e) **Extended Benefit Coverage for Affected Employees.** The Company's retiree medical, dental and life insurance plans shall be amended to the extent necessary to provide that an Affected Employee who becomes eligible for a service pension under the enhanced TLA will also become immediately eligible for retiree medical, dental and life insurance benefits. In addition:
- (1) An Affected Employee who is not service pension eligible, who is offered employment by the company to which Lucent is subcontracting or outsourcing and who accepts such offer within 30 days and commences employment on the date designated by the new employer shall be eligible to receive a one-time payment in an amount equal to the employee's monthly premium under the other company's medical, dental and vision plans (on a family basis) at the time such employment commences multiplied by 12. Such payment shall be made as soon as administratively practicable after transfer of employment and shall be subject to applicable taxes, including payroll taxes, and tax withholding.
 - (2) An Affected Employee who is not eligible for a service pension, who refuses an offer of employment by the company to which Lucent is subcontracting or outsourcing, and the job being offered is in the same metropolitan area as the Lucent facility at which he or she was employed, shall be eligible to the same medical, dental, vision and other insurance benefits otherwise available to employees whose employment ends as a result of a layoff.

- (3) An Affected Employee who is not eligible for a service pension and either (A) is not offered employment by the company to which Lucent is subcontracting or outsourcing or (B) refuses an offer of employment by the company to which Lucent is subcontracting or outsourcing and the job being offered is outside the same metropolitan area as the Lucent facility at which he or she was employed, shall be entitled to continued company paid medical, dental and vision plan coverage for 12 months on the same basis as if actively employed. An additional six months of COBRA coverage will be available upon the employee's election.
- (4) Other benefit plans described below shall be available to an Affected Employee described in (3) immediately above, as follows:
- Basic Life Insurance and Accidental Death and Dismemberment coverage shall be available for all Affected Employees for six months on the same basis as if actively employed.
 - Supplemental Life Insurance and Supplemental Accidental Death and Dismemberment coverage shall be available for six months at the expense of the Affected Employee (at active employee rates).
 - Dependent Life and Dependent Accidental Loss coverage shall be available for 90 days at the expense of the Affected Employee (at active employee rates).
- (f) **Enhanced FAED Reimbursement Allowance.** With respect to Affected Employees, Section 5 of the description of the Lucent Career Transition Option Program in the 1998 MOU entitled "Involuntary Termination Due to Layoff," shall be amended to provide for an eligibility of up to \$5,000 (rather than \$2,500) in funds for certain education, training, out-placement and relocation expenses. All other provisions of such section apply.
- (g) **Long-Term Savings and Security Plan.** Under the Long Term Savings and Security Plan (the "LTSSP"), the account balances of all Affected Employees shall be fully vested as of the date their employment with the Company ends.

The Company and the Union acknowledge that, under current law, the subcontracting or outsourcing arrangement may not constitute a distribution event permitting distribution of the LTSSP account balances of those Affected Employees who are employed by a new company. As a result such account balances may continue to be held in the LTSSP. The Company agrees that such Affected Employees shall have access to in-service withdrawals and loans as if they remained employed by the Company, except that loan payments must be made by coupon payments rather than payroll deduction. If the Company determines that the law has changed so as to permit distribution of the LTSSP account balances, the Company shall take such steps as are necessary to permit Affected Employees to elect a distribution, unless such account balance does not exceed the amount (currently \$5,000) permitted to be distributed without consent under the Internal Revenue Code Section 411(a)(11), or any successor provision, in which event such account balances shall be distributed in a lump sum.

- (h) Issues that relate to the administration of the Plans through which the benefits described in this Paragraph 5 (except for subparagraph 5(f)) are made available shall be subject to the claims and appeals process provided under each applicable Plan.

- 6 A new provision shall be added to the collective bargaining agreement entitled "Successor Clause." The provision shall read:

"In the event the Company engages in negotiations for the sale of a Company business in which employees covered by this Agreement are employed, the Company shall make a good faith effort to have any purchaser of the Company business be bound by the provisions set forth in the applicable collective bargaining agreement(s) (including this Agreement) as a condition of the sale. The parties agree, however, that the Company (or any spinoff thereof) shall not be required to be successful in such good faith efforts and that the Union shall have no right, under this paragraph, to require that any such sale of the Company business include a provision relating to the adoption of this Agreement as a condition of such sale except to the extent required by law."

- 7 A new provision shall be added to the applicable collective bargaining agreements titled "Subcontracting and Outsourcing of Production or Salaried Graded Work – Notification to Union." The provision shall read:

"Subcontracting and Outsourcing of Production or Salaried Graded Work – Notification to the Union." The Company shall not subcontract or outsource any production or salaried graded work performed by the bargaining unit employees, or work that is, or has been, traditionally performed by bargaining unit employees, unless all of the following conditions have been satisfied.

- (1) Prior to any decision to subcontract or outsource bargaining unit work, the Company will provide the Union with written notice that it intends to consider the use of subcontracting and outsourcing. This notification by the Company will be given at an early stage of its consideration of any potential subcontracting or outsourcing but substantially before any final decision is made to subcontract or outsource bargaining unit work. The purpose of this notice will be to engage the Union in meaningful discussion concerning the possibility of such subcontracting or outsourcing, and to examine any proposals by the Union that will maintain the work and job security of bargaining unit members. The parties recognize that in a competitive environment the Company must have the ability to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Company employees.
- (2) The Company will share all information that is relevant to the subcontracting or outsourcing of production or salaried graded work. In addition, the Company agrees to meet with the Union on a regular basis to engage in dialogue prior to making a final decision to subcontract or outsource the production or salaried graded work.
- (3) No final decision by the Company to subcontract or outsource any production or salaried graded work performed by bargaining unit employees, or work that is, or has been, traditionally performed by bargaining unit employees, shall be made until after the Union has been notified in writing of the Company's decision or, in any event, prior to the Company's compliance with the provisions of subparagraphs (1) and (2).

- (4) The notification, commitment to dialogue and exchange of information provisions set forth in subparagraphs (1) through (3) above shall be in addition to, and not in limitation of, the responsibility and obligation of the Company under the parties' Workplace of the Future Agreement (or its applicable successor agreement) and any other relevant provisions set forth in the collective bargaining agreement related to subcontracting or outsourcing of production work or salaried graded work. The commitments set forth in subparagraphs (1), (2) and (3) do not alter or otherwise modify the provisions in the collective bargaining agreement relating to subcontracting or outsourcing of work performed by Trades personnel.
- (5) The provisions of these subparagraphs (1) through (4) shall not be subject to the Grievance Procedure and the National Grievance Step outlined in Article 6, and will not be subject to the provisions of Article 7 (Arbitration) of the applicable collective bargaining agreement. Instead, when alleged violations of this "Notification to the Union" procedure occur, the dispute resolution process set forth below will apply:
 - (a) The Union may file a grievance directly with the bargaining agent who shall have five (5) days to discuss and resolve the grievance. Should the grievance not be resolved within five (5) days, the Union may request, in writing, that the grievance be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties.
 - (b) The parties shall schedule a hearing with the neutral third party within ten (10) days of the Union's request. At the hearing with the neutral third party, the Union shall present its case concerning why the "Notification to the Union" procedures set forth in this provision were violated, and the Company shall present its case in defense. In order to expedite the hearing and decisional process, no transcript of the hearing shall be required. Each party may be represented by legal counsel. Post-hearing briefs shall not be permitted. Each party shall present its entire case at the hearing.
 - (c) The neutral third party shall issue a written decision within ten (10) days of the hearing. The written decision will settle the grievance at issue, but will not constitute a precedent in any other case. No written opinion will be prepared unless specifically requested by both parties, in which case such opinion will follow within thirty (30) days thereafter.
 - (d) The parties agree that the issue to be determined by the neutral third party under this special resolution process is limited to whether the Company violated the "Notification to the Union" provisions set forth in this provision. The neutral third party shall not, under this process, be empowered to determine issues relating to whether the Company has a right to subcontract or outsource bargaining unit work. Any issues that arise between the parties relating to whether the Company has a right to subcontract or outsource bargaining unit work are reserved for resolution through the traditional grievance process set forth in the agreement under Articles 6 and 7, it being understood that each party is permitted to raise any appropriate claims or defenses, including arbitrability.

This limitation on the authority of the neutral third party under this special procedure shall not, however, limit the neutral third party, in any manner, from imposing any reasonable or traditional remedy, as part of his/her award, against the Company, in the event a violation of this Article is found to have occurred. Such remedies may include, but not be limited to, an order that all subcontracting or outsourcing at issue be stopped until the Company has complied with the provisions set forth in this article. Any back pay award shall be limited to a period not to exceed one hundred and twenty (120) days.

- 8 **Continuation of "Consultant Arrangement" by and between the Company and the International Brotherhood of Electrical Workers.** The parties agree that the terms, provisions and commitments set forth in the attached transaction letter by and between the Company and the International Brotherhood of Electrical Workers are incorporated herein by reference. The letter is titled "Sale of a Business or Spin-off of a Business – Notification to the Union."
- 9 **Employment Opportunities for Bargaining Unit Employees at Columbus Works and Oklahoma City Works.** Because of special circumstances relating to employees in the bargaining units at the Columbus Works and the Oklahoma City Works, the parties agree that the commitment(s) set forth in the attached letter shall apply.
- 10 The Union agrees to request in writing the immediate withdrawal of the unfair labor practice charges, Case Nos. 6-CA-30583 (formerly 4-CA-28196) and 6-CA-31076 (formerly 4-CA-28858), pending with the National Labor Relations Board. The Union further agrees that this Agreement will not be effective until the National Labor Relations Board notifies the parties that the above-referenced charges are dismissed. The Union agrees it shall not file any further unfair labor practice charge with respect to or arising out of the facts giving rise to the charges specified above. In addition, the Company and the Union shall promptly form a Joint National Committee to review any national or local grievances that are pending relating to "subcontracting/outsourcing of bargaining unit work." The parties agree that the objective of the Committee shall be to define any such grievances that were filed to protect the Union's interests as a result of the pendency of the NLRB case and that such grievances shall be construed, under this Memorandum of Agreement, as resolved. The parties also understand that some local grievances may be pending that pre-date or are distinguishable from the underlying circumstances relating to the NLRB case and this commitment is not intended to affect the pendency or viability of such grievances.
- 11 The parties agree that this Memorandum of Agreement will supplement the existing 1998 National Memorandum of Understanding between the parties, as well as the applicable local collective bargaining agreements, the terms of which shall remain in full force and effect, as supplemented by the provisions set forth herein.

Subject to the National Labor Relations Board's dismissal of the unfair labor practice charges referenced in paragraph 10 above, and subject to approval of this Agreement by the IBEW System Council EM-3, the understandings set forth herein shall become effective as the date of the execution of this Agreement. Except as modified herein, the existing terms and conditions of the 1998 National Memorandum of Understanding and the applicable collective bargaining agreement shall remain in full force and effect in accordance with their original terms.

This Memorandum of Agreement is agreed to this 19th day of February, 2001.

**INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS**

/s/ Stephen T. Lynn

Stephen T. Lynn
President
System Council EM-3, IBEW

/s/ Michael D. Quinlan

Michael D. Quinlan
International Representative
IBEW

LUCENT TECHNOLOGIES INC.

/s/ Louis D. Hudson

Louis D. Hudson
Vice President - Workforce Relations
Lucent Technologies Inc.

SALE OF A BUSINESS OR SPIN OFF OF A BUSINESS - NOTIFICATION TO THE UNION

I General

In the event that Lucent considers a closing, sale, spinoff or other disposition to any third party firm or entity of any business (or any part thereof, hereafter called the "business") having a bargaining unit represented by the IBEW System Council EM-3, and the proposed course of action directly results in the layoff or termination of employees in the bargaining unit, the Company will provide the IBEW with written notification of its proposed course of action, will provide the IBEW with pertinent information to explain the reasons for the proposed course of action, and will make available knowledgeable personnel to discuss the proposal in detail. It is the intent of the parties that there be an education and information sharing process as a prelude to a substantive discussion wherein the IBEW will have a meaningful opportunity to offer alternatives to the proposed course of action, and that such alternatives will be considered by the Company before the decision is made final.

II Business Disposition

In the case of any proposed sale of a business in which bargaining unit employees represented by the IBEW are employed, and which directly results in the layoff or termination of employees in the bargaining unit, the Company will provide the IBEW the opportunity to organize a transaction to purchase the business. The process will begin with the Company providing the IBEW with written notification of a proposal to sell a business, which notification will be provided sufficiently in advance of the Company's solicitation of external bids so that the IBEW can determine whether to organize a transaction to purchase the business. If the IBEW wishes to pursue such a transaction, it will deliver to the Company written notification of its intention to do so within 10 days after the receipt of written notice of the proposed sale. Thereafter, the parties will form a Committee pursuant to the Labor-Management Cooperation Act of 1978 to assess the feasibility of a purchase transaction, and will engage in the information sharing process set forth below.

- (a) The Committee will be empowered to retain financial advisors to assist the parties during the information sharing process and/or any purchase proposal made by the IBEW, and the Company agrees to pay a reasonable fee for the financial advisors in an amount to be agreed to by the parties when the financial advisors are retained.
- (b) Should the IBEW seek to introduce any entities or firms into the proposed transaction, the Union will inform the Company of the identity of those firms within 5 days after the IBEW commences discussions with the entity or firm. The purpose for this notification is to permit the Company to screen prospective purchasers, and to inform the IBEW of the acceptability of any proposed purchaser.
- (c) The Company will make available to the IBEW, to any financial advisors retained pursuant to Section II (a) above, and to any acceptable business partner of the IBEW in a proposed purchase of a business the pertinent documentation (including but not limited to financial information) supporting the proposal to sell the business. Additionally, the Company will make available knowledgeable personnel to discuss the proposed sale, and/or the supporting documentation.

- (d) Upon expiration of ten (10) days from the time the IBEW is notified of a proposed sale transaction, the Company may solicit bid proposals from external sources. The Company reserves the right to establish reasonable time limits for the bidding process, which time limits shall apply to all bidders (including the IBEW) submitting proposals.
- (e) Should the Company seek and obtain proposals from external sources, it is agreed that the IBEW will be informed of the general nature of the proposals, but will not be told the identity of the bidder(s). The purpose for this information sharing is to enable the IBEW to provide input to the Company on the bid proposals, from a business perspective and from a Collective Bargaining Agreement perspective, while maintaining the integrity of the bid proposal process.
- (f) If the Company selects a proposal other than that submitted by the IBEW (including any of the IBEW's acceptable partners), the Company will inform the IBEW of the selection and will furnish it with a summary of the bids in order to provide the IBEW with one opportunity to improve its previous bid. The IBEW will have 5 days to respond to the Company, and thereafter the Company shall, in its discretion, make its final decision on the proposal(s) for the purchase of the business.
- (g) The parties recognize that as part of the process set forth herein, the IBEW and any of its acceptable business partners and/or financial advisors will have access to propriety and confidential business and strategic information which, if revealed to anyone, could cause significant and irreparable harm to the Company. Accordingly, the information process described herein is conditioned upon the execution of binding non-disclosure agreements in favor of the Company by anyone participating in the foregoing information sharing process. If any person refuses to execute the non-disclosure agreement, this information sharing process will not apply.
- (h) The parties agree that, in the event the IBEW declines to offer a proposed transaction as set forth herein, the IBEW shall, nevertheless, be given all information concerning the bidding process that it would have received under these provisions and be kept informed of all developments and decisions by the Company during this process.

III Applicability

Notwithstanding anything to the contrary herein, the foregoing provisions of this section will not apply to proposed transactions within the Company or between the Company and one or more of its subsidiaries or between two of such subsidiaries.

**APPLICATION OF PARAGRAPHS 5(a) - 5(g) TO
COLUMBUS WORKS AND OKLAHOMA CITY WORKS**

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

This is to confirm that effective with the execution of the Memorandum of Agreement dated February 19, 2001 (Agreement) and notwithstanding any exceptions set forth in the Agreement, including but not limited to the sale of business exception, the benefits and rights set forth in Paragraphs 5(a) through 5(g) of the Agreement shall apply to those Affected Employees at the Columbus Works and Oklahoma City Works who are represented by the IBEW System Council EM-3, and whose employment with Lucent is involuntarily terminated (for other than disciplinary reasons) in relation to the completion of the commercial transaction referred to as Tranche 2 (defined as the disposition of plant, property and equipment) at each location respectively.

Very truly yours,

/s/ L. D. Hudson
Workforce Relations Vice President
Lucent Technologies Inc.

**EMPLOYMENT OPPORTUNITIES FOR BARGAINING UNIT EMPLOYEES
AT COLUMBUS WORKS AND OKLAHOMA CITY WORKS**

February 19, 2001

S.T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

**Re: Employment Opportunities for Bargaining Unit Employees at Columbus Works and
Oklahoma City Works**

This will confirm our agreement regarding the application of the Lucent Transfer Program (LTP) to Affected Employees at the Columbus Works and the Oklahoma City Works. Effective on or after March 6, 2001, such employees will have the option, upon their written request, to participate in LTP as a "Surplus Placement" candidate until their employment with Lucent Technologies at the Columbus Works or Oklahoma City Works ends.

Very truly yours,

/s/ L. D. Hudson
Workforce Relations Vice President
Lucent Technologies Inc.

**STATUS OF LAYOFFS OF EMPLOYEES REPRESENTED BY
THE IBEW SYSTEM COUNCIL EM-3 IN LUCENT TECHNOLOGIES**

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

**Re: Status of Layoffs of Employees Represented by the
IBEW System Council EM-3 in Lucent Technologies**

This is to confirm that, other than one exception, there have been no employees represented by the IBEW System Council EM-3 in Lucent Technologies who have been involuntarily laid off on or after August 1, 2000 and who had two or more years of service at the time of such layoff.

The one exception was T. W. Oravsky, who was an employee in the Engineering Research Center bargaining unit at Princeton, N.J. This employee was laid off effective 12-1-00 upon the expiration of his SLP granted under the Special Leave Program provided for in the parties' Lucent Career Transition Option Program (LCTOP). Mr. Oravsky was part of a surplus declaration which took place in November 1998. He elected the SLP option under LCTOP.

Very truly yours,

/s/ L. D. Hudson
Workforce Relations Vice President
Lucent Technologies Inc.

**OPTION FOR CERTAIN EMPLOYEES INVOLUNTARILY TERMINATED
AS A RESULT OF SUBCONTRACTING OR OUTSOURCING**

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

**Re: Option for Certain Employees Involuntarily Terminated As a Result of
Subcontracting or Outsourcing**

Gentlemen:

This will confirm that for the life of the applicable Collective Bargaining Agreement ("CBA"), an Affected Employee as defined in the Memorandum of Agreement ("MOA") dated February 19, 2001, whose employment is involuntarily terminated in a situation where the Company continues to operate the facility shall have the option of receiving either the benefits provided in the parties' MOA or the provisions set forth in the applicable CBA.

In circumstances where this option applies, the Company shall inform the employee of his/her right to exercise this option prior to termination, separation or layoff from the Company.

It is understood and agreed that in no case will any employee receive the benefits set forth in the MOA more than once. It is further understood that the option provided in this letter shall not apply to the Company's facilities in Columbus and Oklahoma City.

Very truly yours,

/s/ L. D. Hudson
Workforce Relations Vice President
Lucent Technologies, Inc.

**SPECIAL ONE-TIME LUMP SUM TRANSITION PAYMENT – APPLICATION TO AFFECTED
EMPLOYEES AT COLUMBUS WORKS AND OKLAHOMA CITY WORKS**

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

**Re: Special One-Time Lump Sum Transition Payment – Application to Affected
Employees at Columbus Works and Oklahoma City Works**

This is to advise you that in accordance with the provisions of Paragraph 5(d) of our Memorandum of Agreement dated February 19, 2001 that the Company has elected to amend the Pension Plan to provide the enhanced pension benefit described in that provision to Affected Employees at the Columbus Works and Oklahoma City Works who are impacted by the closing of the commercial transaction(s) in Tranche 2.

Very truly yours,

/s/ L. D. Hudson
Workforce Relations Vice President
Lucent Technologies, Inc.

AGERE IPO AND SPIN OFF

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

This letter will confirm Lucent's publicly stated intent to proceed with the IPO and spin of Agere Systems. The current anticipated final separation from Lucent is September 30, 2001. Lucent has no plans to sell or otherwise dispose of Agere (or its assets), other than through the previously announced IPO and distribution of stock to its shareholders. However in the event of such a sale, Lucent agrees that the benefits for Affected Employees set forth in the Memorandum of Agreement (MOA) dated February 19, 2001 shall apply unless the sale is to a purchaser which agrees to assume the provisions of the collective bargaining agreement, as modified by the MOA, in effect at the time of the closing of the transaction.

Very truly yours,

/s/ R. P. Craviso
Vice President, Workforce Effectiveness
Lucent Technologies Inc.

SALE OF AGERE BUSINESS

February 19, 2001

S. T. Lynn, President, System Council EM-3, IBEW
M. D. Quinlan, International Representative, IBEW

Gentlemen:

This letter will confirm that the provisions set forth in Paragraph 3D of the Memorandum of Agreement (MOA) dated February 19, 2001 between Lucent Technologies and the IBEW System Council EM-3 shall be construed in accordance with the understanding set forth below.

Should Agere Systems sell one or more of its businesses after its final separation from Lucent, thereby directly causing the layoff, involuntary separation or involuntary termination from Agere of IBEW System Council EM-3 bargaining unit employees having two or more years of service and (a) such sale is accompanied by an agreement under which Agere (or its affiliates) agrees to purchase product(s) from the buyer which were previously manufactured by Agere using IBEW System Council EM-3 represented employees or (b) the terms or nature of such sale effectively constitutes subcontracting or outsourcing of bargaining unit work as set forth in Paragraph 5 of the MOA, such transaction will trigger the payment of the compensation and other benefits described in the MOA, notwithstanding any sale of business exception contained therein.

This letter shall be a part of the MOA.

Very truly yours,

/s/ P. A. Schuster
Manufacturing & Operations Director
Agere Systems

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1998

Manufacturing and
National Units
Supplement to
the

CWA/IBEW/Lucent
National
Memorandum of
Understanding

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1998 CWA/IBEW/LUCENT MANUFACTURING AND NATIONAL UNITS

MEMORANDUM OF UNDERSTANDING

This Memorandum is executed by the Communications Workers of America (hereinafter "CWA"), the International Brotherhood of Electrical Workers System Council EM-3 (hereinafter "IBEW") on behalf of Local Unions 1470, 1522, 1560, 1599, 1612, 1614, 1898, 1942, 1974, 2000, 2020, 2021, 2022, 2188 and 2300 and Lucent Technologies Inc. (hereinafter "Lucent Technologies" or "the Company") in the bargaining units listed under Manufacturing and National Units on Attachment A, to set forth the understandings reached as to wages, hours, terms and conditions of employment that have application to all such bargaining units. This Memorandum will be included as a Supplement to the understandings reached at the CWA/IBEW/Lucent National Manufacturing and National Units Table and will be included in the 1998 CWA/IBEW/Lucent National Memorandum of Understanding.

This Memorandum binds the CWA and its local labor unions, the IBEW and its affiliated local unions, and those Business Units and Divisions that have employees represented by the CWA or IBEW in the bargaining units listed on Attachment A under Manufacturing and National Units to amend and extend the collective bargaining agreements covering such bargaining units so as to incorporate the items hereinafter set forth, where applicable.

It is understood that, unless a different effective date is set forth herein, these Manufacturing and National Units items will become effective on May 31, 1998, and are subject to the provisions of the National Lucent Technologies/CWA/ IBEW Memorandum of Understanding.

This Manufacturing and National Units Memorandum of Understanding is agreed to this 30th day of May, 1998.

COMMUNICATIONS WORKERS OF AMERICA

/s/ Ralph V. Maly
Assistant to the Vice President, CWA

/s/ Mary Jo Sherman
CWA Representative

/s/ Bruce G. Fabian
President, CWA Local 1061

/s/ Leon A. Gusek
President, CWA Local 3263

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

/s/ Frank P. Possinger
President, System Council EM-3, IBEW

/s/ Michael D. Quinlan
International Representative, IBEW

/s/ Stephen T. Lynn
Vice President, System Council EM-3
President, Local 1898 IBEW

/s/ Alice Duncan
Secretary/Treasurer, System
Council EM-3
President, Local 1599 IBEW

Lucent Technologies

/s/ Richard J. Clampitt
Workforce Relations, Director

/s/ Penney B. Bromell
Manager, Workforce Relations,
Bargaining Agent - Denport

/s/ Donald R. Forester
Manager, Workforce Relations

/s/ Richard S. Muñoz
Manager, Workforce Relations
Bargaining Agent - Omaha

/s/ Dwain C. Saxton, Jr.
Workforce Relations Manager

/s/ Edgar L. Tanner, Jr.
Manager, Workforce Relations
Bargaining Agent - Allentown

/s/ Jeanette L. Zdan
Workforce Relations Manager

Attachment A

IBEW AND CWA BARGAINING UNITS

Operations:

CWA

IBEW

Manufacturing & National Units

CWA

MFG #7: (Atlanta, Dallas, CMC-Greensboro, Merrimack Valley)

MFG FT #3: (Atlanta, Merrimack Valley)

BELL LABS: (NJ, IL) (Mech & Plant Svcs.)

REPAIR, DISTRIBUTION, SERVICE AND SUPPORT #2

NS INSTALLATION CWA-22

NS INSTALLATION - CARA, CWA-JC-22

NS OPERATIONS SUPPORT CENTER OSC #5- P&M

COCKEYSVILLE CWA-22 Appendix 5

NETWORK RELIABILITY CENTER CWA-22 Appendix 6

IBEW

ALLENTOWN - Clerical

ALLENTOWN - P&M

BELL LABS - NAPERVILLE - Trades

COLUMBUS - P&M

COLUMBUS - Clerical

DENPORT SOUTH - P&M

DENPORT WEST - P&M

ENG. RESEARCH CENTER - Trades/Clerical

LITTLE ROCK REPAIR AND DISTRIBUTION CENTER

NEWARK, GATEWAY CENTER TWO - Clerical

NETWORK SOFTWARE CENTER - Trades

OKLAHOMA CITY - Clerical

OKLAHOMA CITY - P&M

OMAHA - P&M

OMAHA - Clerical

OPTOELECTRONICS CENTER - Trades/Clerical

ORLANDO - P&M

READING - Clerical

READING - P&M

SUBCONTRACTING SUBCOMMITTEE STRUCTURE AND GUIDELINES

During 1998 negotiations, the Company and the Unions expressed mutual concerns over the employment security of on-roll Lucent employees represented by the Unions and their desire to retain work traditionally performed by those employees. The parties also understood the Company's need to maintain flexibility in making business decisions involving subcontracting of work traditionally performed by represented employees and the potential that such decisions may have a detrimental effect on the employment security of on-roll Lucent employees.

In recognition of these mutual concerns, the parties agree that a process should be developed to address these issues. Thus, it is agreed that the Unions will be provided, in advance, pertinent information such as, but not limited to, the economics, skills necessary to perform the work, and the impact such subcontracting may have on the employment security of on-roll Lucent employees. In addition, the Unions will be given an opportunity to discuss such matters relating to the Company's intentions to subcontract work traditionally performed by members of the affected bargaining unit. It is further agreed that any process cannot interfere with the Company's right to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Lucent employees.

In an effort to reach a better understanding of this complex issue, the parties agree that it is in their mutual interest to establish appropriate subcommittee(s) for advanced information sharing and open and thorough discussion of matters involving subcontracting. The subcommittee(s) shall be established by the Business Group or Division, as appropriate. By January 1, 1999 or 90 days after ratification, whichever ever is longer, the specific composition of the subcommittee(s) shall be determined between the Company and the Union(s) at the appropriate plant, facility or geographical region.

Subcommittee Structure and Purpose

Subcontracting Subcommittees consisting of Union and Company representatives will be established at each factory location. For non-manufacturing locations, the Subcontracting Subcommittee will be established within the organization or other appropriate mutually agreed upon groups.

The purpose of the subcommittee is to give the parties the opportunity to conduct open and thorough discussion concerning the Company's intention to subcontract work presently performed by on-roll Lucent employees. The process each subcommittee will use to facilitate discussions will be determined by the subcommittee. Attached hereto is a form used by one location, which the parties recommend as a model. It is understood that in non-manufacturing organizations, other processes may be more appropriate.

Subcommittee Information Sharing Guidelines

Sharing information on the Company's intention to subcontract should include the following:

- Advance information
- Economics

- Skills necessary to do the work
- Impact subcontracting may have upon on-roll Lucent employees at the affected location(s)
- Other pertinent information (e.g., time constraints, market opportunities, flexibility, other and viable alternatives)

Role of Workforce Relations

Corporate Workforce Relations will have final responsibility to assure that the Information Sharing Guidelines are followed. Workforce Relations will be notified of each intention to subcontract work presently performed by bargaining unit employees. Once notification is provided, the local subcommittee process described above may be initiated.

Any dispute that may arise as to whether the Information Sharing Guidelines have been followed shall be submitted to Corporate Workforce Relations for final resolution. Nothing contained herein is subject to the Grievance and Arbitration provision of the General Agreement.

NOTICE OF WORK/SERVICES TO BE CONTRACTED

NATURE OF WORK

☐ Plant ☐ Test Set
☐ Construction ☐ Construction ☐ Maint. & Repair ☐ Tool Room ☐ Clerical ☐ Miscellaneous

☐ CLASSIFICATION

☐ CMT ☐ EL ☐ SMW ☐ PF ☐ TECH ☐ TM ☐ TSM ☐ FLH ☐ TIER ☐ OTHER

DESCRIPTION OF WORK	HRS	LUCENT	CONT

Reason for Contracting: _____

Anticipated Start Date: _____

Required Completion Date: _____

Associated Work to be Done by Lucent Personnel: _____

NAME OF CONTRACTOR	AMOUNT OF CONTRACT	PRICE OF MAT'L	LABOR RATE
TOTAL			*****

DISTRIBUTION:	ORIGINATOR	DEPT	DATE
	LINE MANAGER		DATE
	UNION		DATE

5-TIER DISPUTE RESOLUTION PROCESS

June 1, 1998

R. V. Maly
F. P. Possinger

Gentlemen:

This will confirm our understanding concerning the Five Tier Dispute Resolution Process. It is agreed that the process will include the following:

General:

- The process will apply to new and changed SGA1 through SGA5 or equivalent jobs in the Management Pay Plan, or successor titles.
- Incidental duty disputes are to be processed through the normal grievance procedure. (Work performed by non-bargaining unit employees with no permanent intent.)
- The parties understand overlap, however it is not the intent of management to systematically eliminate clerical jobs by assuming clerical job functions.
- Disputes are to be limited to job tours and permanent migration of work.
- A third party dispute resolution process will be used.
- The Union commits to scrub current cases for applicability.

Control of job creation process:

- Bargaining Agent approval/rejection of new and changed jobs prior to posting.
- Written Union notification prior to posting.
- Discussion between Bargaining Agent and Union in a timely manner.
- Executive support for Bargaining Agent's role and process.
- Management Job Evaluators' (MJE) involvement and education; MJE and Occupational Job Evaluators' (OJE) alignment.
- Internal Workforce Relations review process to support Bargaining Agent.
- Discovery Process (Union/Company discuss their respective positions).
- One step grievance procedure for applicable disputes at the Bargaining Agent level.

Third Party Process:

- Speed is essential.
- Independent third party dispute resolution process.
- Selection process for third party same as that used for expedited arbitration. Arbitrator to be Job Evaluation Specialist or to have Job Evaluation experience.
- Joint scheduling and administration to be performed by National Five Tier Committee.
- Process same as expedited arbitration:
 - no transcripts
 - no precedent
 - no briefs
 - yes/no decision
 - time frames pursuant to Article 7, Expedited Arbitration
- Presentations by local Presidents or designee and/or International Representative, National Five Tier Committee and Bargaining Agent or designee.
- Final and binding decision.

Other Issues:

- No back pay awards
- Incumbents placed according to collective bargaining agreements.
- Company funding to resolve cases submitted to the National Step of the Grievance Procedure prior to May 30, 1998.
- Cost sharing going forward as agreed to under Article 7, Expedited Arbitration.
- National Five Tier Committee pursuant to Article 21 of the current collective bargaining agreement.

Sincerely,

/s/ R. J. Clampitt
Workforce Relations Director

Concurred:

/s/ R. V. Maly
Assistant To The President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

JOURNEYMAN TRADES PLAN

May 31, 1998

R. V. Maly
F. P. Possinger

Gentlemen:

This will confirm our understanding reached in 1998 Bargaining concerning the issue of "once qualified always qualified".

The CWA, IBEW and Lucent Technologies agree that the Joint National Labor Management Skilled Trades Committee will investigate and endeavor to develop a mutually acceptable solution that will enhance a Journeyman Tradesman's ability to transfer between manufacturing facilities.

/s/ R. J. Clampitt
Workforce Relations Director

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

EMERGENCY RESPONSE TEAM

May 30, 1998

R. V. Maly
F. P. Possinger

Gentlemen:

This will confirm our understanding concerning Emergency Response Teams. Effective January 1, 1999, members of the Emergency Response Teams who are currently receiving \$75 per quarter (\$300 per year) and are trained and certified in accordance with OSHA standards will receive \$100 per quarter (\$400 per year).

Guidelines associated with the payment of this allowance will continue to be developed locally by the Company/Union Emergency Response Team Committee at each facility.

/s/ R. J. Clampitt
Workforce Relations Director

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

5-TIER CERTIFICATION TEST ALTERNATIVE

May 30, 1998

R. V. Maly
F. P. Possinger

Gentlemen:

This will confirm our agreement reached during 1998 Bargaining that CWA, IBEW and Lucent Technologies agree that locally, the Company and Unions may endeavor to develop educational alternatives to existing Tier IV Certification Tests.

/s/ R. J. Clampitt
Workforce Relations Director

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

/s/ F. P. Possinger
President, System Council EM-3, IBEW

EMPLOYEE RESOURCE CENTERS

The language contained in the attached document shall replace the existing language pertaining to Employee Resource Centers contained in all Manufacturing contracts that are supported by the 1998 National Manufacturing and National Units Table and shall be added to the Operations Agreements (CWA and IBEW).

EMPLOYEE RESOURCE CENTER PROGRAM

Purpose

- 1 Lucent Technologies, the Communications Workers of America (CWA), the International Brotherhood of Electrical Workers, System Council EM-3 (IBEW SC EM-3), and the International Brotherhood of Electrical Workers, System Council T-3 (IBEW SC T-3) continue to recognize that, where practicable, the provision of certain services associated with employee training, career development, and various personnel and benefit programs should be made more readily available to employees in the manufacturing environment.
 - (a) In an effort to achieve this objective, Lucent Technologies and the Unions have agreed to continue to support and fund Employee Resource Centers during the term of the 1998 Agreement.
 - (b) Each Employee Resource Center will continue to represent strong physical evidence of the joint concern that Lucent Technologies and the Unions have for employees and their welfare, which is manifested by a shared commitment of the parties to jointly administer and staff the Centers.
 - (c) Each Center will continue to augment services already provided by Lucent Technologies and serve as a means to centralize those information and service resources which most personally affect employees. The role of the Center is to assist employees in making decisions about future training and career plans, interfacing with various personnel programs and providing assistance and referral for employee benefit issues.

Services

- 2 The Employee Resource Center will continue to provide services to employees which include the following:
 - education and training;
 - career and personal counseling;
 - resource data for local area jobs and skills required;
 - interface with Lucent Transfer Program and the Facility Closing Program;
 - assistance and referral concerning benefit programs;
 - other services and counseling deemed to be appropriate by the local Joint Labor-Management Oversight Committee.
 - (a) It is recognized that certain services provided in the Center are provided for at the location by the Alliance for Employee Growth and Development (Alliance), the Enhanced Training Opportunities Program (ETOP) or Lucent Technologies. It is not intended that such services be duplicated but rather that the Center will centralize and focus the services to facilitate access by employees.

- (b) Employees interested in visiting the Employee Resource Center will, upon request, normally be granted reasonable time off with pay during their SCHEDULED DAILY TOUR to visit the Center. However the parties recognize that the job situation may require that such requests be accommodated at a time other than when initially requested.
- (c) In recognition of the parties' shared commitment to the joint administration of the Employee Resource Center, such Center will be referred to as the "Lucent Technologies/ ("CWA", "IBEW SC EM-3" or "IBEW SC T-3") Employee Resource Center. This title shall be used in all references to this operation at the location and shall be prominently displayed at the entrance to the Employee Resource Center facility.

Staffing

- 3 Each Employee Resource Center will continue to be staffed by a mutually agreed upon number of COMPANY and UNION appointees. The appointment of Employee Resource Center personnel is a joint responsibility of the local Labor-Management Oversight Committee; however both the COMPANY and the UNION are free to select their own representatives.
 - (a) Represented employees appointed to work in the Center will retain the Occupational Job Classification and wages they were receiving immediately prior to that assignment.
 - (1) If such an employee subsequently accepts a promotion to another Occupational Job Classification within the bargaining unit, he or she may be retained on the Employee Resource Center assignment. In such case, the employee will be assigned the Occupational Job Classification and wages which would have been applicable on the Occupational Job Classification to which promoted.
 - (2) For movement of personnel purposes, such employees shall be exempt from displacement by surplus employees outside the Employee Resource Center but shall be subject to LAYOFF in accordance with the contract as a result of a lack of work situation in the bargaining unit.
 - (3) In those instances where the employee would otherwise have been displaced, he or she shall be assigned the Occupational Job Classification and wages which would have been applicable as a result of such displacement.

Structure

- 4 The National Employee Resource Center Steering Committee established by Lucent Technologies and the Unions will continue to include two representatives each from the IBEW SC EM-3 and the CWA, and four Lucent Technologies representatives. The members of this Committee shall be appointed by the Chairpersons of the National Manufacturing Bargaining Committees for the CWA, IBEW SC EM-3 and Lucent Technologies. One additional representative from CWA Operations and IBEW SC T-3 will be appointed by their respective chairs.
 - (a) The Joint National Steering Committee will continue to be responsible for the implementation, coordination and review of Employee Resource Center activities in Manufacturing, Operations, Repair and Distribution, Installation, OSC, Network Reliability Center and Cockeysville. The Committee's specific responsibilities will include:

- determining at which locations an Employee Resource Center will be implemented;
 - establishing the timetable for implementation at designated locations;
 - determining the staffing level requirements for each Employee Resource Center; except those supporting repair and distribution and material distribution center locations which shall be determined by the National Joint Labor-Management Oversight Committee established in paragraph 4(b),
 - managing available funds including authorizing the distribution of such funds to cover applicable costs at locations with Employee Resource Centers;
 - overseeing the services and activities provided by the individual Employee Resource Centers.
- (b) At each location having an Employee Resource Center, a local Joint Labor-Management Oversight Committee comprised of an equal number of COMPANY and UNION members will be established. For repair and distribution and material distribution center locations, a National Joint Labor-Management Oversight Committee comprised of one CWA and one IBEW System Council T-3 and two Lucent Technologies members shall be established. These committees will coordinate Alliance and ETOP activities at the local/national level and be responsible for the implementation, staffing and administration of the local Employee Resource Center.

Funding the Employee Resource Center

- 5 The cost of constructing an Employee Resource Center and all ongoing tenant expenses shall continue to be the responsibility of the COMPANY.
- (a) The COMPANY will be responsible for the pay and related expenses of those management designated employees who are assigned to work in the Employee Resource Center.
 - (b) For the period May 31, 1998 through May 31, 2003, inclusive, Lucent Technologies and the Unions agree funds will be made available each month for the Employee Resource Center Program which shall be calculated by multiplying the total number of regular full time IBEW SC EM-3, IBEW SC T-3, and CWA Operations/Manufacturing represented employees on the payroll of the applicable facilities/organizations as of December 31, 1997 by \$3.00 for all organizations except Installation, OSC, Network Reliability Center and Cockeysville where the applicable rate shall be \$1.50. Annually thereafter, the National Employee Resource Center Steering Committee will review the funding level to determine if an increase in funding is warranted to ensure the efficient operation of the ERC's. If so determined, the funding level in subsequent years will be increased back to the original 1992 level of \$3.50. However, the rate for Installation, OSC, Network Reliability Center and Cockeysville shall remain at \$1.50. Lucent Technologies shall credit these funds to an account designated for the Program and its activities within fifteen (15) days of the end of each such month.
 - (c) Each location which has an Employee Resource Center will be periodically reimbursed from this account for the wages and expenses incurred by the represented employees assigned to work in the Employee Resource Center.

- (d) At the end of calendar years 1998, 1999, 2000, 2001 and 2002 funding balances in the Program's account which were accrued during any of those years will be carried forward into the ensuing year's account.
- (e) If, at the expiration of the 1998 Manufacturing and National Units National Memorandum of Understanding, the parties should not agree to continue the Employee Resource Center Program, all outstanding claims to monies on the books of the Program shall be settled and any remaining monies shall be disposed of in such a manner consistent with the purposes of the Program.

Reports

- 6 The Joint National Steering Committee will publish an Annual Report summarizing the status of Employee Resource Centers, the funds expended and the manner in which the funds were utilized.

LAYOFF SERVICE BRIDGE

The original Layoff Service Bridge language bargained in 1992 is amended as follows:

Effective May 31, 1992, for all employees on the active roll on or after that date, who were laid off and have been rehired by the Company and have prior periods of three (3) years or more net credited service (which is eligible for recognition under the Lucent Technologies Pension Plan upon completion of a three year bridge) that are not yet included in current net credited service, all such prior net credited service will be recognized by the Company for purposes of determining the selection of employees to be laid off (but not for any pension purpose).

It is understood that this will not affect the provisions of MISCELLANEOUS SERVICE BRIDGE, contained in the 1989 Operations Memorandum of Understanding and the 1989 Manufacturing Memorandum of Understanding.

UNIT SENIORITY

May 31, 1998

Mr. R. V. Maly
Assistant to the Vice President
Communications Workers of America
501 3rd Street NW
Washington, DC 20001-2797

Dear Mr. Maly:

This will confirm our understanding of May 31, 1998 at which time it was agreed that any employee, or former employee, entering the bargaining unit from another Lucent Technologies location with Lucent Technologies service will have unit seniority for a period of two (2) years for Movement of Personnel purposes except layoff. For layoff purposes, the employee's TERM OF EMPLOYMENT, as defined in the General Agreement, will apply. After the two (2) year period, the employee's TERM OF EMPLOYMENT will apply for Movement of Personnel purposes.

Please signify your agreement to the foregoing by signing the original and one copy of this letter at the place indicated below and return them to me.

/s/ R. J. Clampitt
Workforce Relations Director

Concurred:

/s/ R. V. Maly
Assistant to the Vice President, CWA

CONTINUATION OF IBEW PRE-1998 AGREEMENTS

May 30, 1998

Mr. F. P. Possinger, President
System Council EM-3
International Brotherhood of Electrical Workers
103 S. Main Street
Mountain Home, AR 72653

Dear Mr. Possinger:

Re: Continuation of Pre-1998 National Manufacturing Agreement Items

The following agreements will continue in effect in accordance with their original terms until the termination of the 1998 Manufacturing and National Units Memorandum of Understanding between Lucent Technologies, CWA, and IBEW. It is agreed that this letter and the attachments described below are to be appended to each of the applicable Manufacturing local agreements.

- | | |
|--------------|--|
| Attachment A | - Four Day Work Week (1989) |
| Attachment B | - Treatment Afforded An Employee Who Has Been Identified for Layoff and On Effective Date of Such Layoff is Absent Due to Sickness or Accident Disability (1986) |
| Attachment C | - Designation of Certain Union Representatives as Exempt from Layoff (1986) |
| Attachment D | - Kelly/Manpower letter (1986) |
| Attachment E | - Miscellaneous Service Bridge (1989) |
| Attachment F | - Medical Disagreements re Employee's Ability to Return to Work (1992) |
| Attachment G | - 5-Tier Plan (1992) |
| Attachment H | - Journeyman Trades Apprenticeship Program (1995) |
| Attachment I | - Journeyman Card (1995) |
| Attachment J | - Recall for Facility Closings (1995) |
| Attachment K | - 5-Tier Plan (1995) |
| Attachment L | - 5-Tier Return to Former Positions Held Prior to Conversion (1995) |
| Attachment M | - Return to Unit - 5-Tier (1995) |
| Attachment N | - Return to Unit - Hourly (1995) |
| Attachment O | - ATTOP (1995) |
| Attachment P | - Subcontracting Manufacturing and National Units (1995) |

Very truly yours,

LUCENT TECHNOLOGIES

By: /s/ R. J. Clampitt
Workforce Relations Director

AGREED:

By: /s/ F. P. Possinger
President, System Council EM-3
International Brotherhood of Electrical Workers

FOUR DAY WORK WEEK

The Union and the Company recognize that in certain administrative work units or work groups it may be beneficial to the employees and in the best interest of the business to establish a four day schedule as a normal work week. Accordingly, where the parties involved agree, on a local basis, the number of hours which presently constitute a normal five day work week schedule will be scheduled in equal amounts over four consecutive days. No daily overtime payment shall be made for any of the hours worked which constitute the normal work week even though scheduled over four days. No differential payments for evening and night work shall be made unless some or all of the hours which would otherwise constitute a normal workday if scheduled over five days fall within the period of time for which such differential is paid, in which event differential payments shall be made in accordance with the agreement.

Subject to the above, and before local implementation of a four day schedule in any work group, the Company and the Union, at the National Level will establish the parameters and implementation procedures for such four day work week.

TREATMENT OF LAID OFF EMPLOYEES

June 1, 1986

THE IBEW NATIONAL BARGAINING COMMITTEE
Washington, D.C.

Gentlemen:

This will confirm our understanding of June 1, 1986, concerning the treatment to be afforded an employee who has been identified for LAYOFF and on the effective date of such LAYOFF is absent due to a sickness or accident disability.

1. If such an employee is not on the Sickness Disability Benefit roll or the Accident Disability Benefit roll as of the effective date of LAYOFF, (s)he will be terminated as LAID OFF as of that date.
2. If such an employee is on either the Sickness Disability Benefit roll or the Accident Disability Benefit roll as of the effective date of LAYOFF, the employee will remain on the Company roll, and except as provided in Paragraph 2.1, will be LAID OFF when and if (s)he is found fit to return to work prior to the expiration of benefits. For recall purposes, the employee's TERM OF EMPLOYMENT as of the originally scheduled LAYOFF date shall apply.

- 2.1 If the employee has a service bridging anniversary during the Sickness or Accident Disability Benefit absence and if the employee's revised TERM OF EMPLOYMENT would have protected him/her from LAYOFF, then the employee will be retained on the roll after being found fit to return to work.

Very truly yours,

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY

By: /s/ J. J. Dowdall

AGREED:

IBEW NATIONAL BARGAINING COMMITTEE

By: /s/ R. Stander

UNION REPRESENTATIVES EXEMPT FROM LAYOFF

June 1, 1986

IBEW NATIONAL BARGAINING COMMITTEE
Washington, D.C.

Gentlemen:

This will confirm our understanding of June 1, 1986, in which it was agreed that up to three (3) employees in each bargaining unit, who serve as Union representatives, whose functions involve local contract administration will be exempt from layoff.

Within sixty (60) days of the effective date of the Memorandum of Agreement dated June 1, 1986, the Local Union President shall notify the Company in writing of the identity of the representatives who are covered by this understanding. The Local Union President shall also give the Company 30 days written notice of any replacements for the identified representatives.

Very truly yours,

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY

By: /s/ J.J. Dowdall

AGREED:

IBEW NATIONAL BARGAINING COMMITTEE

By: /s/ R. Stander

KELLY/MANPOWER LETTER

June 1, 1986

IBEW NATIONAL BARGAINING COMMITTEE
Washington, D.C.

Gentlemen:

This is to confirm our understanding of today that if represented employees at a Company facility, are on lay off status with recall consideration rights, the Company will not employ, "Kelly" or "Manpower" type contract employees at that facility.

Very truly yours,

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY

By: /s/ J.J. Dowdall

AGREED:

IBEW NATIONAL BARGAINING COMMITTEE

By: /s/ R. Stander

MISCELLANEOUS SERVICE BRIDGE

For purposes of vacation and sickness and accident disability benefit eligibility for calendar year 1990 and thereafter, all employees on the active role on or after January 1, 1990, and who have been rehired by the Company in a classification eligible for vacation and/or sickness and accident disability benefits, all prior net credited service will be recognized by the Company for such two purposes (but not for pension or any other purposes) after two (2) consecutive years of reemployment service.

MEDICAL DISAGREEMENTS

April 28, 1992

R. J. ALLEN - CWA
E. A. KELLER - IBEW

Gentlemen:

Re: Medical Disagreements re Employee's Ability to Return to Work

This will confirm our understanding of today regarding the disposition of the Unions' demand at the Manufacturing and National Units Table to establish a third party doctor routine for all medical disagreements between an employee's personal doctor and a Company doctor concerning ability to work.

The Company and the Unions recognize that these types of disagreements between professionals in the medical community have at times been the basis for disputes among the parties at the local level. Therefore, we have agreed that the process for resolving such disagreements should be addressed at the local bargaining tables where the problem may exist.

Very truly yours,

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY

By: /s/ J. J. Breslin

AGREED:

COMMUNICATIONS WORKERS
OF AMERICA

By: /s/ Ronald J. Allen

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS (EM3)

By: /s/ E. A. Keller

5 TIER PLAN

- 1 Employees in all tiers will be permitted to take the Tier 4 Certification Exams. Exams will be periodically administered based upon both employee requests and Company convenience.
- 2 Individuals who have unsuccessfully completed a Tier 4 Certification Exam will be provided a written feedback form describing performance on the Exam which includes the areas of individual strength and weakness. The Company will normally provide the feedback within 10 working days of administering the Exam. Certification Exam feedback forms will be implemented no later than 90 calendar days following ratification of the 1992 General Agreement.
- 3 A review of current results from the administration of all Tier 4 Certification Exams will be conducted by the Company. Based on the results of this review, the Company will evaluate and determine if any changes in cut scores, test content, or re-test intervals are warranted.
- 4 Individuals who have attained the qualifications for a Tier 5 Occupational Job Classification in one location will be considered qualified for the same Tier 5 Occupational Job Classification in all locations, with the exclusion of those cases where there is a special licensing requirement. Any disputes regarding employees being disqualified for movement between locations under this provision shall be submitted to the Joint National 5 Tier Plan Job Evaluation Committee for final resolution.
- 5 Appendices A and B in Article 8 - Occupational Job Classifications will be amended to eliminate the existing Technical and Non-Technical Corridors at Tier 3. The Tier 3 Technical Associate and Tier 3 Non-Technical Associate Occupational Job Classifications will be combined into a single Occupational Job Classification.
- 6 Candidates for Tier 5 vacancies in the Administrative, Financial, Materials Management, Computer Operations, Technical Support and Drafting Corridors which occur during the life of the 1992 General Agreement will be considered conditionally qualified with respect to the educational prerequisite provided the employee has completed a minimum of three courses or has a combination of courses and equivalent experience in Tier 4 as outlined in Item #15 to equal three courses, and makes a commitment to enroll in the appropriate educational program at the first available opportunity and complete the required core courses by June 1, 1996.
- 7 The Company/Union will conduct joint clarification sessions for all local union presidents and all bargaining agents with salaried units to explain changes to the 5 Tier Plan. Such sessions will be held within 30 calendar days of ratification of the 1992 General Agreement.
- 8 Local Company/Union officials will conduct joint contract clarification sessions for all union representatives and supervisors who have responsibility for 5 Tier Plan employees to explain changes to the 5 Tier Plan. Such sessions will be conducted within 30 calendar days after completion of the joint clarification sessions provided for in Item #7.
- 9 In the event it is necessary for a job evaluator to perform work site studies when evaluating a new or changed 5 Tier Plan job, a representative of the Union will be offered the opportunity to observe such study.

- 10 The Joint National 5 Tier Plan Job Evaluation Committee will normally respond to all grievances properly brought before the Committee within 30 calendar days of the hearing of the case.
- 11 The provisions of the March 18, 1991 letter of understanding between AT&T, the CWA, and the IBEW System Council EM-3 regarding "RETURN TO FORMER POSITIONS HELD PRIOR TO CONVERSION" shall be continued through the life of the 1992 General Agreement.
- 12 Appendix B, Job Descriptions in Article 8 - Occupational Job Classifications will be amended to reflect the following application of skills tests:
 - (a) Typing Test - Applies to all Tier 2 and Tier 3 Secretaries. Applies to Tier 2 Report Clerks where typing is one-half of their jobs.
 - (b) Stenography Test - Applies to Tier 3 Secretaries.
 - (c) DEST(Data Entry Skills Test) - Applies to any Tier assignment which requires the incumbent to spend at least 50% of time performing data entry. The local job evaluator will identify those jobs which require DEST. The Company will review those jobs with the Union at the Union's request.
- 13 In order to avoid a situation in which no qualified candidates exist for a vacancy due to the lack of an experienced feeder pool, both the Union and the Company have an obligation to inform each other of pending openings for the purpose of populating any Tier and Corridor commensurate with current job requirements to produce a feeder pool for such pending openings.
- 14 Any discussion of moving specific job assignments from one Occupational Job Classification to another will take place at the local level between Management and the Union. The effective date of any change in Occupational Job Classification for any individual whose assignment moves as a result of such discussions will include any previous experience.
- 15 The following years of experience at Tier 4 in the applicable Corridor will be counted toward the completion of required core courses:
 - 1 to 3 years = 1 course
 - 4 to 5 years = 2 courses
 - 6 or more years = 3 coursesIn no event will credit be given for more than 3 courses.

To be counted, the experience must have been gained after the start of the 1986 contract.
- 16 A Special Designation will be assigned to the following job assignments which currently exist in the Technical Support Corridor:
 1. Plant Inspector
 2. Laboratory Assistant
 3. Trades Order Analyst
 4. Photographic Technician
 5. X-Ray Technician

These assignments will be held separate from the six established Corridors for purposes of Movement of Personnel, Occupational Job Classifications, Prerequisites, and Qualifications.

When the Company determines a vacancy exists in one of the Special Designation occupations, the order of consideration on the job posting will be as follows: (Qualifications refer to qualifications used to fill these assignments prior to the 5 Tier Plan.)

First Consideration - Fully qualified individuals in the 5 Tier universe

Second Consideration - Conditionally qualified (As determined by the Company) individuals in the 5 Tier Universe

Third Consideration - Fully qualified individuals in the hourly universe

Fourth Consideration - Conditionally qualified (As determined by the Company) individuals in the hourly universe

Fifth Consideration - Fully qualified individuals bidding through ATS

Sixth Consideration - Fully qualified individuals from the street

- 17 Paragraph 4.21 of Article 8 - Occupational Job Classifications, will be amended and Paragraph 4.22 will be added as follows:

4.21 If Agreement is not reached within such sixty (60) days, the matter will be referred to the Joint National Job Evaluation Board. Such Board shall consist of one (1) Representative from the International Brotherhood of Electrical Workers, System Council EM-3; one (1) Representative from the Communications Workers of America (CWA), and two (2) Representatives from the COMPANY. The fifth member of the Board shall be an independent job evaluation specialist from a panel of three job evaluation specialists chosen from time to time by the parties. Members of the panel will rotate with each successive case. Any party shall have the right to remove any job evaluation specialist from the panel but such removal shall not deprive the specialist of jurisdiction to decide any matter currently before him or her. The Board shall resolve the matter and the decision of the Board shall be final and binding.

- 18 Core courses may be attained one-half on Company time and one-half on the employee's time provided:

- (a) the courses are applicable to the corridor the individual is working in or declares as a career path.
- (b) a reasonable number of individuals covered under this item as determined by the Company based on forecasted Tier 5 needs.
- (c) volunteers will be taken in order of seniority from Tier 4 employees in the applicable corridor.
- (d) volunteers who fail to complete the courses will be considered after other volunteers have been provided the opportunity.
- (e) Company time will be straight time and may be provided through an adjustment in schedule when specific courses are offered at an educational institution.

JOURNEYMAN TRADES APPRENTICESHIP PROGRAM

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

RE: Journeyman Trades Apprenticeship Program

This will confirm our understanding of May 27, 1995, at which time it was agreed that when the Company determines that there is a need to institute Journeyman Trades Apprenticeship Programs, the Local Labor/Management Trades Committees will work jointly to develop such programs.

/s/ J. J. Breslin
Labor Relations, V. P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

JOURNEYMAN CARD

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

RE: Journeyman Card

This will confirm our understanding of May 27, 1995, at which time it was agreed that the Company and the Union will jointly sign and issue a Journeyman Card to those Journeymen who have reached the Maximum Trade rate as specified in Article 10, Wages, of the General Agreement.

/s/ J. J. Breslin
Labor Relations, V. P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

RECALL FOR FACILITY CLOSINGS

May 27, 1995

Mr. R. E. Allen, Assistant to the Vice President, CWA
Mr. E. A. Keller, President, System Council EM-3, IBEW

Re: Recall for Facility Closings

Gentlemen:

This letter is to confirm our agreement that employees terminated under the Facility Closing Program, whether a partial or complete facility closing, will be entitled to recall to the location from which terminated as provided in the applicable articles and subject to the repayment process as set forth in Article 18 of the applicable agreement.

Sincerely,

/s/ J. J. Breslin
Labor Relations, V. P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

5 TIER PLAN

- 1 Conditionally Qualified Tier 5 employees who have completed at least 50% of the required core courses at an educational institution (excluding those courses waived through equivalent experience at Tier 4) and who are actively pursuing the remainder of the core courses on June 1, 1996, will be allowed to remain conditionally qualified as long as they continue to take required core courses. For those employees, core courses must be completed by June 1, 1997.
- 2 In order to avoid situations in which no qualified candidates exist for a vacancy due to lack of an experienced feeder pool, the Company and the Union agree to meet at the Local level at least quarterly to discuss pending and future openings and ways of populating the applicable Tiers and Corridors with qualified candidates in order to produce qualified feeder pools for these openings

5 TIER RETURN TO FORMER POSITIONS HELD PRIOR TO CONVERSION

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

The Company will consider individuals to possess the required prerequisites for Tier 4 and Tier 5 vacancies as follows:

For Tier 4 Vacancies

If the individual held a 208, 209 or M/R40 grade position in the applicable corridor at the involved location with satisfactory performance, the individual will be considered grandfathered on the Certification Exam and the previous experience prerequisite for that corridor. The individual must have held the position for a minimum of 12 months and the downgrade must have occurred during the life of the 1986 Agreement.

For Tier 5 Vacancies

If the individual held a 210, 211, 212 or M/R50 grade position in the applicable corridor at the involved location with satisfactory performance, the individual will be considered grandfathered on the Associate Degree or equivalent and the previous experience prerequisite for that corridor. The individual must have held the position for a minimum of 24 months and the downgrade must have occurred during the life of the 1986 Agreement.

/s/ J. J. Breslin
Labor Relations, V.P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

RETURN TO THE UNIT - 5 TIER

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

This will confirm our understanding reached in 1995 Bargaining in applying the Company's policy of returning employees to the bargaining unit. For an employee on roll after October 1, 1995, who leaves the bargaining unit and later returns to the bargaining unit within five (5) years, the Company will return the employee to the same tier and corridor from which they left. If the employee returns to the bargaining unit beyond five (5) years, then the employee shall return to an entry level position.

This understanding shall not apply to any employee who left the bargaining unit prior to October 1, 1995, and, as to those employees, the Company's normal policy on return to the unit shall apply.

/s/ J. J. Breslin
Labor Relations, V.P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

RETURN TO THE UNIT - HOURLY

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

This will confirm our understanding reached in 1995 Bargaining in applying the Company's policy of returning employees to the bargaining unit. For a production level employee on roll after October 1, 1995 who leaves the bargaining unit and later returns to the bargaining unit within five (5) years, the Company will return the employee to the same level from which they left. If the employee returns to the bargaining unit beyond five (5) years, then the employee shall return to an entry level position.

This understanding shall not apply to any employee who left the bargaining unit prior to October 1, 1995, and, as to those employees, the Company's normal policy on return to the unit shall apply.

/s/ J. J. Breslin
Labor Relations, V. P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

ATTOP

May 27, 1995

R. J. Allen
E. A. Keller

Gentlemen:

This will confirm our understanding reached in 1995 Bargaining concerning the offering of the AT&T Option Plan (ATTOP). The Company will offer the Optional Termination Pay provision of ATTOP to the degree necessary to resolve a surplus, in order of seniority, where there is an employee(s) at risk of layoff having more than ten (10) years Term of Employment at the time the surplus is declared.

/s/ J. J. Breslin
Labor Relations, V. P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

SUBCONTRACTING - MANUFACTURING AND NATIONAL UNITS

May 27, 1995

Mr. R. J. Allen, Assistant to the Vice President, CWA
Mr. E. A. Keller, President, System Council EM-3, IBEW

During 1995 negotiations, the Company and the Unions expressed mutual concerns over the employment security of on-roll AT&T employees represented by the Unions and their desire to retain work traditionally performed by those employees. The parties also understood the Company's need to maintain flexibility in making business decisions involving subcontracting of work traditionally performed by represented employees and the potential that such decisions may have a detrimental effect on the employment security of on-roll AT&T employees.

In recognition of these mutual concerns and the parties mutual commitment to *Work Place of the Future*, the parties agree that a process should be developed to address these issues. Thus, it is agreed that the Unions will be provided, in advance where practicable, pertinent information such as, but not limited to, the economics, skills necessary to perform the work, and the impact such subcontracting may have on the employment security of on-roll AT&T employees. In addition the Unions, will be given an opportunity to discuss such matters relating to the Company's intentions to subcontract work traditionally performed by members of the affected bargaining unit to other than AT&T locations.

Therefore, it is agreed that these mutual concerns and interests for the Manufacturing Bargaining Units are better addressed at the Manufacturing and National Units Table, where process guidelines may be fully discussed and developed for implementation by the respective Business Unit Planning Council(s) or by the Business Unit(s), as appropriate. It is further agreed that any process cannot interfere with the Company's right to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll AT&T employees.

/s/ J. J. Breslin
Labor Relations, VP

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

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