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K8102

TABLE OF CONTENTS

INSTALLATION

ARTICLES

PREAMBLE ..... 1

ARTICLE 1 - DEFINITIONS ..... 2

ARTICLE 2 - TERMINATION OF EXISTING AGREEMENTS ..... 5

ARTICLE 3 - RECOGNITION ..... 8

ARTICLE 4 - APPLICATION AND INTERPRETATION OF CONTRACT ..... 10

ARTICLE 5 - EMPLOYEES SERVING AS UNION REPRESENTATIVES ..... 11

ARTICLE 6 - COLLECTIVE BARGAINING PROCEDURE ..... 18

ARTICLE 7 - GRIEVANCE PROCEDURE ..... 19

ARTICLE 8 - ARBITRATION ..... 21

ARTICLE 9 - UNION AND COMPANY RELATIONSHIPS ..... 22

ARTICLE 10 - SCHEDULED TOURS, TOUR CHANGES AND RELIEF PERIODS<sup>28</sup> ..... 26

ARTICLE 11 - WORK IN EXCESS OF SCHEDULED TOURS ..... 29

ARTICLE 12 - WAGES ..... 33

ARTICLE 13 - LOCAL ASSIGNMENTS AND TRANSFERS ..... 77

ARTICLE 14 - HOLIDAYS ..... 111

ARTICLE 15 - VACATIONS ..... 115

ARTICLE 16 - PAY TREATMENT FOR ABSENCES ..... 121

ARTICLE 17 - BENEFIT PLANS AND PROGRAMS ..... 124

ARTICLE 18 - RIGHTS OF VETERANS ..... 126

ARTICLE 19 - MAINTENANCE OF WORK OPERATIONS ..... 127

ARTICLE 20 - ADJUSTMENTS TO THE WORKING FORCE ..... 128

ARTICLE 21 - LAYOFF ALLOWANCES ..... 131

ARTICLE 22 - DISCIPLINARY SUSPENSION OR TERMINATION OF  
EMPLOYMENT ..... 134

ARTICLE 23 - DEDUCTION OF UNION DUES ..... 138

ARTICLE 24 - AGENCY SHOP\* ..... 139

ARTICLE 25 - EXCUSED WORK DAYS ..... 140

ARTICLE 26 - COMMUNICATION SERVICES INSTALLER ..... 142

ARTICLE 27 - DURATION ..... 149

APPENDICES

TABLE OF CONTENTS

APPENDIX 1 - SPECIAL CITY ALLOWANCE ZONES..... 150  
APPENDIX 2 - BASE LOCATIONS..... 165  
APPENDIX 3 - DUES DEDUCTION PROCEDURES ..... 172  
APPENDIX 4 - VACANT..... 176  
APPENDIX 5 - COCKEYSVILLE REGIONAL CENTER ..... 177  
APPENDIX 6 - NETWORK OPERATIONS AND RELIABILITY CENTER ..... 178  
APPENDIX 7 - CORRESPONDENCE AND REPORT ASSISTANTS ..... 179

LOCAL MEMORANDUMS

AGREEMENT NOT TO PT UNION REPS AND OFFICERS ..... 181  
ALTERNATE WORK SCHEDULE TRIALS..... 182  
AREA DEFINED FOR ARTICLE 13 ..... 183  
CHANGE IN COMPUTATION POINT ..... 190  
CHECKING OUT OF MOTEL ON WEEKENDS..... 191  
COMPANY VEHICLE USAGE PROGRAM..... 192  
DUES DEDUCTIONS FROM NATIONAL LUMP SUM SETTLEMENTS ..... 194  
DUES DEDUCTIONS WHILE ON INTERNATIONAL ASSIGNMENT ..... 195  
DUES DEDUCTION PROCEDURES FOR INSTALLERS ON INTERNATIONAL  
ASSIGNMENTS ..... 197  
ELECTRONIC SURVEILLANCE AND ALARM CONTROL (ESAC) CENTER . 199  
HIRING BONUS ..... 202  
HOME OWNER'S MORTGAGE ALLOWANCE PLAN..... 203  
MAINTENANCE POINT OF PRESENCE..... 205  
MODE OF OPERATIONS AGREEMENT ..... 209  
PERMANENT TRANSFERS FOR SKILL..... 211  
PTH MILEAGE IN LIEU OF AIRPLANE TICKET ..... 213  
RECOGNITION PROGRAMS ..... 215  
RESOLUTION OF MEDICAL DISAGREEMENTS ..... 217  
ROTATION ON TEMPORARY TRANSFERS ..... 218  
SAFETY ADVISORY COMMITTEE ..... 219  
SCHEDULING TIME OFF ..... 220  
SKILL REVIEW AND REASSIGNMENT PROCESS..... 221

TABLE OF CONTENTS

SPECIAL RETENTION INCENTIVE PROGRAM ..... 222  
SPECIAL SKILL REVIEW ..... 224  
TRANSFER OF EMPLOYEES TO AT&T COMPANY ORGANIZATIONS ..... 225  
TRANSPORTING OF TOOLS AND MATERIALS ..... 227  
WAGE TREATMENT AGREEMENT ..... 228  
3 YEAR RECALL RIGHTS ..... 230  
OUT OF HOURS PAGING DEVICE ASSIGNMENT, ON-CALL ..... 231  
SPECIAL CONDITION TRANSFER REQUESTS AFTER A PERMANENT  
TRANSFER ..... 233  
PAYCHECK DELIVERY ..... 234  
OTS MAINTENANCE CONTRACTS REQUIRING SECURITY CLEARANCE  
WHICH ARE IMPACTED BY A FORCE ADJUSTMENT ..... 235  
INSTALLATION JOB SECURITY ..... 238  
MILEAGE REIMBURSEMENT ..... 241  
MPOP ADDITIONS OR REPLACEMENTS ..... 242

**2004 NATIONAL MEMORANDUM**

2004 CWA/IBEW/LUCENT NATIONAL  
MEMORANDUM OF UNDERSTANDING ..... 243

**COMPENSATION**

WAGES ..... 248  
ESCALATION ADJUSTMENT ..... 250  
SIGNING BONUS ..... 252  
LUCENT PERFORMANCE PLAN ..... 253  
WAGE & COMPENSATION PRACTICES ..... 259  
WAGE PROTECTION ALLOWANCE ..... 260

**PENSION**

PENSION BAND INCREASE ..... 261

**HEALTH BENEFITS – ACTIVE EMPLOYEES**

TABLE OF CONTENTS

MEDICAL AND DENTAL EXPENSE PLAN BENEFITS..... 263  
ACTIVE HEALTH BENEFITS..... 264  
DENTAL PLAN: REASONABLE AND CUSTOMARY (R&C)..... 268

**POSTRETIREMENT HEALTH BENEFITS**

POSTRETIREMENT MEDICAL AND DENTAL BENEFITS ..... 269  
RETIREE HEALTH BENEFITS ACT OF 2005 ..... 277  
POSTRETIREMENT HEALTH BENEFITS..... 287

**SAVINGS PLAN**

LONG TERM SAVINGS AND SECURITY PLAN ..... 292  
FINANCIAL COUNSELING SERVICES ..... 294

**OTHER BENEFITS**

VACATIONS..... 295  
EXCUSED WORK DAYS ..... 296  
DOMESTIC PARTNER BENEFIT COVERAGE..... 297  
MILITARY LEAVES OF ABSENCE - MODIFICATIONS ..... 298  
MILITARY LEAVES OF ABSENCE..... 299  
BENEFIT PLANS AND PROGRAMS ..... 303

**EDUCATION AND TRAINING**

THE ALLIANCE..... 304  
FAMILY CARE DEVELOPMENT FUND (FCDF) ..... 309  
LEAD 21 ..... 310

**CAREER TRANSITION PROGRAM**

ERC/LTP COORDINATORS ..... 311

TABLE OF CONTENTS

EMPLOYEE RESOURCE CENTERS (ERCS) ..... 314  
LUCENT CAREER TRANSITION OPTION PROGRAM (LCTOP) ..... 315  
LTP OVERSIGHT AND REVIEW BOARD..... 316

**UNION MANAGEMENT RELATIONSHIPS**

COPE PAC DEDUCTIONS..... 318  
MANAGED CARE PROGRAM COORDINATORS AND ERC/LTP  
COORDINATORS..... 320

**CONTINUATION OF PRE 2004 AGREEMENT ITEMS**

PRE 2004 MEMORANDUM..... 322  
ATTACHMENT 1 ..... 324  
    SERVICE BRIDGING RULES ..... 324  
ATTACHMENT 2 ..... 325  
    AD HOC PENSION INCREASE ..... 325  
ATTACHMENT 3 ..... 326  
    DENTAL EXPENSE PLAN..... 326  
ATTACHMENT 4 ..... 327  
    PRESCRIPTION DRUG PROGRAM EDUCATION ..... 327  
ATTACHMENT 5 ..... 328  
    MANAGED CARE PLAN EDUCATION..... 328  
ATTACHMENT 6 ..... 329  
    FUNDS FOR THE ALLIANCE/ETOP DISTRIBUTION PROGRAM (FAED)  
    ADMINISTRATION..... 329  
ATTACHMENT 7 ..... 331  
    MANAGEMENT PERFORMING BARGAINING UNIT WORK DISPUTE  
    RESOLUTION PROCEDURE ..... 331  
ATTACHMENT 8.1 ..... 337  
    NEW RECOGNITION AWARD PROGRAMS ..... 337  
ATTACHMENT 9 ..... 339  
    JOINT HEALTH CARE COMMITTEE ..... 339  
ATTACHMENT 10 ..... 343

TABLE OF CONTENTS

EMPLOYEE ASSISTANCE PROGRAM (EAP) .....	343
ATTACHMENT 11 .....	344
ACADEMIC AWARDS .....	344
ATTACHMENT 12 .....	346
TUITION ASSISTANCE .....	346
ATTACHMENT 13 .....	348
LUCENT TRANSFER PROGRAM (LTP) .....	348
ATTACHMENT 14 .....	370
LUCENT CAREER TRANSITION OPTION PROGRAM (LCTOP) .....	370
ATTACHMENT 15 .....	378
EXTENDED COMPENSATION PARTICIPANT IN ALLIANCE OR ETOP .....	378
ATTACHMENT 16 .....	379
EMPLOYEE RESOURCE CENTERS (ERCS) .....	379
ATTACHMENT 17 .....	386
WORKPLACE OF THE FUTURE .....	386
ATTACHMENT 18 .....	387
EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS .....	387
ATTACHMENT 19 .....	388
MEMORANDUM OF UNDERSTANDING REGARDING NEUTRALITY AND CONSENT ELECTION .....	388
ATTACHMENT 20 .....	396
TRIAL MAIL BALLOT .....	396
ATTACHMENT 21,1 .....	397
UNION MANAGEMENT RELATIONS .....	397
ATTACHMENT 22 .....	399
DRUG TESTING .....	399
ATTACHMENT 23 .....	401
STANDING JOINT SUBCOMMITTEE ON TESTING .....	401
ATTACHMENT 24 .....	403
TECHNOLOGY CHANGE COMMITTEE .....	403
ATTACHMENT 26 .....	407
PENSION ASSET TRANSFER AND SPECIAL SOCIAL SECURITY SUPPLEMENT .....	407

TABLE OF CONTENTS

OTHER CONTINUED ITEMS

CONTINUE – 1998 MANUFACTURING AND NATIONAL UNITS SUPPLEMENT 409  
CONTINUE – NATIONAL OPERATIONS TABLE ITEMS ..... 410

MANUFACTURING AND NATIONAL UNITS

MANUFACTURING AND NATIONAL UNITS – INSTALLATION AND CARE ... 411  
EMERGENCY RESPONSE TEAM ..... 412  
LAYOFF SERVICE BRIDGE ..... 413  
CONTINUATION OF CWA PRE-1998 AGREEMENTS:  
INSTALLATION AND CARE ..... 414  
    AGENCY TEMPORARIES ..... 416  
    ATTOP ..... 417  
    SUBCONTRACTING - NETWORK SYSTEMS & BELL LABS ..... 418  
  
INDEX ..... 421

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**PREAMBLE**

This CONTRACT LUCENT/CWA - INSTALLATION - 24 (the "General Agreement") is by and between LUCENT TECHNOLOGIES INC. WORLDWIDE SERVICES BUSINESS UNIT (the "Company") and the COMMUNICATIONS WORKERS OF AMERICA, (the "Union").

**ARTICLE 1 - DEFINITIONS**

- 1 Except where otherwise indicated, the following definitions of terms shall apply throughout this contract:
- (a) As used with reference to the communication equipment workers of Installation field forces, "Company" means Lucent Technologies, Inc. Lucent Worldwide Services. As used with reference to the employees described in Appendix 5, 6 & 7, "Company" means Lucent Technologies Inc. Lucent Worldwide Services.
  - (b) "Area" means an administrative unit of the Installation Field forces of the Company which is under the direction of a Manager.
  - (c) "Local Management" means the Installation supervisory personnel of the Installation Organization of the Company.
  - (d) "National" means COMMUNICATIONS WORKERS OF AMERICA.
  - (e) "Local" means any one of the chartered Locals of the National as now or hereafter constituted and which represent the Employees working in the respective Areas of the Installation Organization of the Company. The Locals as of the date of this contract are as follows:

Alabama Local No. 3990  
Albany Local No. 1191  
Arizona, New Mexico, El Paso County Local No. 7090  
Carolinas Local No. 3790  
Connecticut Local No. 1290  
Denver Local No. 7790  
Florida Local No. 3190  
Georgia Local No. 3290  
Illinois Local No. 4290  
Kansas City Local No. 6391  
Kentucky-Tennessee Local No. 3890  
Louisiana-Mississippi Local No. 3490  
Michigan Local No. 4090  
Missouri-Arkansas-Kansas Local No. 6390  
New Jersey Local No. 1090  
New York Local No. 1190  
North Pacific Local No. 7990  
Northwestern Local No. 7290  
Ohio Local No. 4390  
Oregon Local No. 7991  
Pacific Local No. 9490  
Philadelphia Local No. 13590

Pittsburgh Local No. 13591  
Southern California Local No. 9590  
Southwestern Local No. 6290  
Washington Local No. 2390

- (f) "Union" means both the National and the Locals.
- (g) "Union Representative" means a person elected or appointed in a duly authorized manner as a representative or agent of the National, the Local, or both.
- (h) "Employee" means communication equipment worker, for whom the National is recognized as exclusive bargaining representative, except for other specialized workers temporarily hired by the Company.
- (i) "7-Day Coverage Employee" means an Employee whose Scheduled Weekly Tour involves special or rotating Scheduled Daily Tours which frequently include working on calendar Saturdays and/or Sundays, and who works on a 7-Day Coverage Job.
- (j) "7-Day Coverage Job" means 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.
- (k) "Term of Employment" - A period of credited employment as computed by the Company under the Pension Plan.
- (l) The terms "Layoff" or "Laid-Off" shall cover a termination of employment arising out of a reduction in the force due to lack of work.
- (m) "Standard Rate" - A rate of pay assigned to an Employee based on the Employee's Occupational Job Classification.
- (n) "Adjusted Rate" - An Employee's total rate, resulting from the sum of his or her Standard Rate and any applicable wage protection allowance.
- (o) "Nonscheduled Day" - A day outside the Scheduled Weekly Tour.
- (p) "Installation Service" means the time an Employee has been in the Installation Field Forces of the Company, beginning with the date the Employee was placed on the Installation Field Forces' payroll and adjusted for any period of wage credit given for prior experience, for absences of sixty (60) consecutive calendar days or more because of accident or sickness, and for absences of thirty (30) consecutive calendar days or more for reasons such as lay-off, personal leaves of absence (including leaves of absence for Union business) and other separations from the payroll.

**Article 1**

**2 Generic Terms**

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 2 - TERMINATION OF EXISTING AGREEMENTS**

All contracts and agreements previously entered into are hereby terminated except those set forth below, which continue in effect according to their terms. The parties agree and understand that the name "Lucent Technologies" shall be substituted for the name "AT&T" and that the term "Company" means Lucent in the agreements that follow:

Memorandum of Understanding dated May 28, 1989 regarding the Transfer of Employees to AT&T Company Organizations.

Memorandum of Understanding dated May 31, 1992 regarding the Safety Advisory Committee.

Memorandum of Understanding dated May 31, 1992 regarding the Mode of Operation Agreement.

Memorandum of Understanding dated May 31, 1992 regarding the Agreement not to Permanently Transfer Union Representatives and Officers.

Memorandum of Understanding dated May 31, 1992 regarding the Area Defined for Article 13, Paragraph 2.92 Application.

Memorandum of Understanding regarding the Transporting of Tools and Materials.

Memorandum of Understanding regarding the Understanding Regarding Checking Out of Motel on Weekends.

Letter dated December 1, 1986 regarding Rotation on Temporary Transfers.

Letter dated September 16, 1993 regarding Resolution of Medical Disagreements.

Memorandum of Understanding dated May 28, 1995 regarding the Electronic Surveillance and Alarm Control (ESAC) Center.

Memorandum of Understanding dated May 28, 1995 regarding Alternate Work Schedule Trials.

Article 2

Memorandum of Understanding dated May 28, 1995 regarding Maintenance Point of Presence.

Letter dated May 28, 1995 regarding the Skill Review and Reassignment Process.

Agreement entitled Recognition Programs.

Memorandum of Understanding dated May 31, 1998 regarding Change in Computation Point.

Memorandum of Understanding dated May 31, 1998 regarding Dues Deductions from National Lump Sum Settlements.

Memorandum of Understanding dated May 31, 1998 regarding Due Deductions While on International Assignment.

Letter dated May 31, 1998 regarding Hiring Bonus.

Memorandum of Understanding dated May 31, 1998 regarding Home Owner's Mortgage Allowance Plan.

Memorandum of Understanding dated May 31, 1998 regarding Permanent Transfers for Skill.

Memorandum of Understanding dated May 31, 1998 regarding Scheduling Time Off.

Memorandum of Understanding dated May 31, 1998 regarding Special Retention Incentive Programs

Memorandum of Understanding dated May 31, 1998 regarding Special Skill Review.

Memorandum of Understanding dated March 1, 2003 regarding Wage Treatment Agreement.

Memorandum of Understanding effective January 1, 2003 regarding 3 Year Recall Rights.

Memorandum of Understanding dated March 1, 2003 regarding Out of Hours  
Paging Device Assignment, On-Call.

Letter dated March 1, 2003 regarding Special Condition Transfer Requests  
after a Permanent Transfer.

Letter dated January 13, 2003 regarding MPOP Additions or Replacements.

**ARTICLE 3 - RECOGNITION**

- 1 The Company hereby recognizes the National as the exclusive bargaining agent on behalf of all communication equipment workers of the Installation Field forces of the Company, as the unit of such Employees was established by the National Labor Relations Board. The Company also recognizes the Union as the exclusive bargaining agent on behalf of those employees whose titles and work locations are listed in Article 1A of Appendix 5, Article 1A of Appendix 6 and Article 3 of Appendix 7.
- 2 With respect to the interpretation of this collective bargaining agreement, it is the intent of the parties to apply the terms and conditions set forth in the body of this agreement to the Installation Field Employees only; the terms of Appendix 5 shall apply to the CRCC Employees only; the terms of Appendix 6 to the NORC Employees only; the terms to Appendix 7 to the CARA and DSC Employees only. However, notwithstanding the above, this recognition clause shall apply to all of the employees covered under this agreement.
- 3 The National hereby delegates to each of the Locals jurisdiction over all grievances as to Employees who are within their respective jurisdictions.
- 4 The National shall have exclusive bargaining authority except insofar as jurisdiction is herein specifically delegated to the Locals. With respect to any subject proper for collective bargaining and exclusively local in character, not covered by this contract, the National may, by specific delegation, authorize the Local to bargain locally on such subject. In each such case, the National shall forward to the Company a copy of the delegation of authority.
- 5 The Local Management and the respective Local will negotiate the settlement of grievances in accordance with the provisions of Article 7 and will bargain collectively on subjects specifically delegated to the Local in accordance with the provisions herein. The formal or informal writings evidencing agreements reached as a result of such collective bargaining shall show the Union party to be the National and said writings shall be signed by the duty authorized representative of the Local Management and by the National.
- 6 *Collective bargaining on subjects assigned to the Locals may be transferred to the National by the Local in the event local negotiations do not result in a satisfactory settlement. When the National has notified the Company of the acceptance of such transfer, the bargaining subject will not be re-transferred to the Local, except by mutual agreement between the National and the Company.*

**Article 3**

- 7** The Company and the National will bargain collectively on all subjects proper for collective bargaining, not delegated to the Locals or, if so delegated, after they have been transferred to the National and the National has notified the Company that such transfer has been accepted. Any formal or informal writings evidencing agreements reached will be signed by the Company and the National.
- 6** In the event a question arises as to whether a matter presented by the Local is within the scope of the grievance procedure, or is a matter for collective bargaining, the matter shall be referred to the National for determination and its decision shall be final. The National shall promptly advise the Company of its decision.

**ARTICLE 4 - APPLICATION AND INTERPRETATION OF CONTRACT**

**1 Application**

The provisions of this contract shall apply to all Employees, including those who are on loan to (a) Company organizations other than the Installation Field forces of the Company or (b) to other companies, provided they remain on the payroll of the Installation Organization. To the extent there is any conflict between the terms of Article 26, on the one hand, and the terms of CWA-24 and Appendices 1, 2, and 3 on the other, the terms of Article 26 will control.

**2 Amendments**

The provisions of this contract may be amended by mutual consent of the parties.

**3 Matters Not Covered**

Matters not specifically covered by this contract may be negotiated and made a supplement to this contract.

**4 Specialized Workers**

The wages and working conditions to apply to specialized workers referred to in Article 1, Paragraph 1(h) of this contract will be a matter of local agreement.

**5 Federal and State Laws**

In the event that any provision of this contract should be modified or deleted to conform to any federal or state law or regulation, or any order, determination or ruling or regulation of a federal or state administrative agency or court, the Company shall notify the National in writing. Negotiations shall then take place if requested by the National. 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 the law, regulation, order, determination or ruling, whichever occurs sooner.

**ARTICLE 5 - EMPLOYEES SERVING AS UNION REPRESENTATIVES**

**1 Definitions**

- (a) For the purposes of this article, the following definitions shall apply:
- (1) A "Union Representative" is an Employee of the Company within the bargaining unit who has been designated as such in accordance with Paragraph 2(a) or 2(b).
  - (2) A "Job Steward" is an Employee of the Company within the bargaining unit who has been authorized by the Local to handle grievances of Employees assigned to a job or jobs. The Local shall notify Local Management as to those Employees it designates as Job Stewards.
  - (3) Time spent within their Scheduled Daily and Weekly Tours by not more than five (5) Union Representatives while serving as authorized bargaining representatives (designated by the National as such and as eligible to the treatment provided herein) during the sixty (60) day period immediately preceding the final termination date of this contract shall be treated in accordance with Paragraph 6(c) below in determining whether they have met the requirements of Paragraph 5(a)(1) below.

**2 Designation of Union Representatives**

- (a) The National shall advise the Company, in writing, of the names of Employees who are serving as Officers or Representatives of the National.
- (b) The Local shall advise Local Management, in writing, of the names of Employees who are serving as Officers or Representatives of the Local.
- (c) The President of each Local or such specific Representatives as may be designated by the Local shall be recognized by the Company as the business agent representing the Employees under the jurisdiction of the respective Local.
- (d) The President of each Local shall notify Local Management, in writing, as to the Representatives of the Local who are authorized by the Local to represent Employees in certain territories for the purpose of settling grievances not settled by Job Stewards. This notice shall clearly state the territories and jurisdictions delegated to such Representatives.

Article 5

3 Reclassification of Union Representatives

- (a) A proposal on the part of the Company to change the classification of a Union Representative, excluding Job Stewards, to a classification not represented by the Union shall be made, in writing, to the Union with a copy to the Employee involved, not less than thirty (30) days prior to the effective date of such change.
- (b) In the event an Employee serving as a Union Representative, excluding Job Stewards, shall give the Company a signed statement indicating that the Employee does not wish to be considered for any change in classification which would remove the Employee from the bargaining unit while serving the Union in such capacity, the Company shall not offer to make such change while the Employee is serving in such capacity.

4 Transfer of Union Representatives and Job Stewards

- (a) In transferring Union Representatives to meet the needs of the business, consideration will be given to the business needs of the Union.
- (b) A Job Steward shall not be transferred when there is, assigned at the same work site or building, another Employee of comparable experience and ability who can be as readily released and transferred at no greater cost to the Company.
  - (1) A "work site" encompasses a group of Employees normally engaged in a common effort. The work site may be involved in multiple points of work, such as, but not limited to those encountered in outside plant operations.

5 Excused Absences for Union Duties at Union Request

- (a) Upon request, the Company will excuse a Union Representative who wishes to take time from his or her assigned Company duty to perform Union duties provided the work situation permits, and provided such request has been approved by the President of the National or the President's authorized delegate.
  - (1) Such time off shall not be paid for by the Company and shall be limited to a maximum of two hundred and fifty (250) hours per fiscal quarter for Union Representatives other than the Local President. The Local President shall be limited to three hundred and fifty (350) of such hours per fiscal quarter.
  - (2) Excused time off in excess of the limitations contained in Paragraphs 5(a)(1) shall result in a requirement for a Union Representative to take a Leave of Absence for Union Business in accordance with the provisions of Paragraph 7.
- (b) Upon request, a reasonable number of Employees who have been selected by the Union to perform Union duties will be excused from their

assigned Company duty for a reasonable length of time, provided such request has been approved by the President of the National or the President's authorized delegate. However, the Company may refuse to excuse an Employee at a time when the Employee's absence from work will seriously interfere with the operations of the business and may limit such absences for any one (1) Employee (other than Union Representatives) to a cumulative period of one (1) month in a calendar year. Such absence shall be for periods not to exceed one (1) month, shall be without pay, with credit for previous service and for the period of excused absence, with eligibility to Sickness Disability Benefits under and pursuant to the Sickness and Accident Disability Plan beginning on the eighth calendar day following expiration of the excused period and with eligibility to other benefits under and pursuant to the Pension Plan and the Sickness and Accident Disability Benefit Plan. Each such absence shall be for a stated period, but can be terminated before the expiration of said period by the return of the Employee to the Employee's assigned Company duties.

- (1) A request that an Employee other than a Union Representative be excused from his or her assigned Company duties shall be made by the President of the National or the President's authorized delegate.
- (c) When a Union Representative's time off for Union business exceeds the number of hours allowed during the period specified in Paragraph 6(c) below, such Employee shall be notified in writing, copy to the Union, that his or her employment with the Company will be terminated on the fourteenth day following the date of such notification unless the Employee either (1) requests a Leave of Absence as provided in Paragraph 7 below, or (2) the Employee assures the Company that he or she will meet the requirement for the next fiscal month, adjusted for the number of hours he or she exceeded the requirement for the previous fiscal quarter. If assurance is given but at the end of the then current fiscal month, the Employee fails to meet the adjusted requirement and fails to request such Leave of Absence, his or her employment with the Company will thereupon be terminated.

#### 6 Pay Treatment

- (a) A Union Representative shall be paid for time lost from assigned Company duties when conferring with Management during his or her Scheduled Weekly Tour, except for such time lost while negotiating agreements, provided the Union Representative does not exceed the number of hours allowed during the period specified in Paragraph 6(c).
  - (1) Pay for such time will be based on the Employee's Adjusted Rate plus night work bonus when applicable.

Article 5

- (2) Pay treatment outlined above may include necessary travel time to or from the place of discussion when such travel does not exceed fifteen (15) minutes for each trip.
- (b) For the following other items, a Union Representative shall be eligible to receive:
- Rate progression increases, per Article 12 of this Contract,
  - Pay allowance for observed holidays, per Article 14 of this Contract,
  - Vacations with pay, per Article 15 of this Contract,
  - Payment for absences per Article 16 of this Contract,
  - Pay allowance for paid Excused Work Days, per Article 25 of this Contract,
  - Payment for Military Leave of Absence, per National Items Section, provided the Union Representative does not exceed the number of hours allowed during the period specified in Paragraph 6(c) below, and provided the Union Representative is otherwise eligible to such payments under the applicable provisions of this Contract.
- (c) The period for determining whether the Union Representative has met the requirement of Paragraph 5(a)(1) above shall be the preceding fiscal quarter except that for Union Representatives:
- (1) who are designated, per Article 5, Paragraphs 2(a) and 2(b) during the period of this Contract, or
  - (2) who are reinstated from a Leave of Absence granted under the provisions of Paragraph 7 below where the period of absence is in excess of one (1) month

the period shall be the remainder of the fiscal quarter in which said effective date fell or in which the Representative was so designated or reinstated as the case may have been under items (1) or (2) above. The allowed hours for Union business will be prorated by fiscal month for these cases and the Representative shall not exceed the prorated hours by fiscal month for the remainder of that fiscal quarter or the provisions of Paragraph 5(c) will apply.

**7 Leaves of Absence for Union Business at Union Request**

- (a) Upon request of the President of the National or the President's authorized delegate, a reasonable number of Employees who have been selected by the Union to perform Union duties which will take them from their assigned Company duties for a continuous period of more than one (1) month shall be granted a Leave of Absence. However, the Company may refuse to excuse an Employee at a time when the Employee's absence from assigned Company duties will seriously interfere with the operation of the business.
- (b) All absences for more than one (1) month shall be covered by a formal Leave of Absence stating the specific purpose for which the leave 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 was approved or if and when any part of the absence is used for activities other than for which the Leave of Absence was approved.
  - (1) The terms of a Leave of Absence covering such absences and other conditions relating thereto shall be as prescribed in Paragraph 8 below.
  - (2) Upon the expiration date of such a Leave of Absence, the Employee shall either be reinstated, in accordance with the provisions of Paragraph 9 or action taken as provided in Paragraph 8(a).

**8 Terms and Other Conditions of Leaves of Absence for Union Business Granted under the Provisions of Paragraph 7.**

- (a) 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.
- (b) The terms and other conditions of such Leaves of Absence shall be as follows:
  - (1) without pay;
  - (2) with credit in Term of Employment for previous credited service (upon subsequent reinstatement from the Leave of Absence);
  - (3) with credit in term of Employment for the time absent (upon subsequent reinstatement from the Leave of Absence);

Article 5

- (4) with eligibility to Sickness Disability Benefits under and pursuant to the Sickness and Accident Disability Benefit Plan for Occupational Employees beginning on the eighth (8th) calendar day following the expiration date of the Leave of Absence;
- (5) with eligibility to Sickness Death Benefits and pension under and pursuant to the Pension Plan;
- (6) with eligibility to continued insurance under and pursuant to the Group Life Insurance Plan;
- (7) with eligibility to continue participation in the Supplementary Life Insurance Plan;
- (8) with eligibility to continue coverage under and pursuant to the Dental Expense Plan for Active Employees by the Employee's paying one hundred percent (100%) of the premium;
- (9) without eligibility to continued coverage under the Long Term Disability Plan for Occupational Employees;
- (10) with eligibility for coverage under and pursuant to the Medical Expense Plan for Occupational Employees (MEP);
- (11) with eligibility for coverage under and pursuant to the Vision Care Plan, by the Employee's paying one hundred percent (100%) of the premium.
- (12) shall be eligible to participate in the Lucent Technologies Inc. Lucent Service Anniversary Award on the same terms and conditions as active Employees.
- (13) 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.
- (14) 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.
- (15) 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.

9 Consideration Following Leaves of Absence

- (a) 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 in case prior arrangements for extension have been completed. Such Leaves of Absence may be terminated prior to the expiration date if the Employee gives the Manager ten (10) days' prior written notice of intention to return to work and returns to work on the date specified. Notice of intention to return to work of a Union Representative shall include assurance that the provisions of Paragraph 5(a)(1), above, will be met as described in Paragraph 6(c), above.
- (b) Upon return from a Leave of Absence for Union business an Employee shall be reinstated provided, however, that following the Employee's reinstatement he or she shall be subject to the provisions of Article 20, relating to termination of service due to lack of work.
- (c) Upon reinstatement from a Leave of Absence, the Employee's Standard Rate shall be the rate in effect prior to the Leave of Absence, adjusted by any applicable change in wage levels made during the Leave of Absence.
- (d) No physical or other examination shall be required as a requisite of reinstatement, except where the Company finds that an obvious physical or mental condition exists which requires medical advice regarding job placement or fitness for work, but this shall not limit or prejudice any existing rights under the Benefit Plan.

**ARTICLE 6 - COLLECTIVE BARGAINING PROCEDURE**

- 1 Collective bargaining shall be conducted by the duly authorized bargaining representatives of the Company and the duly authorized bargaining representatives of the National or Local, as the case may be. The parties to such bargaining shall notify each other of the names of such representatives and of any subsequent changes which may occur.
- 2 Meetings for the purpose of collective bargaining shall be held upon request of either of the parties to such bargaining. The party requesting the meeting shall furnish the other in advance of the meeting with a notice of the subjects to be considered, except in those instances where the urgency of the case precludes such advance notification.
- 3 It is the intention of the parties, with respect to the collective bargaining of future replacing contracts, to conduct their negotiations thereon in such a manner as to reach a new agreement on or before the termination date of this present contract.

**ARTICLE 7 - GRIEVANCE PROCEDURE**

**1 Grievances Presented by the Union**

- (a) The Local shall normally attempt to settle grievances with the levels of Local Management below that of the Operations Director, normally starting with the immediate Supervisor of the Employee or Employees involved. If not settled in those levels, the grievance may be taken up with the Operations Director. Grievances not settled by the Operations Director may be transferred to the National and, if so transferred, the Operations Director shall be notified.
  - (1) Except where a shorter period is specifically set forth elsewhere in this Agreement, any grievance under the provisions of this Article must be presented to the Company within ninety (90) days following the occurrence of the action which gave rise to the grievance.
- (b) When a grievance has been presented to Local Management by the Local, Local Management shall not initiate a further discussion of the grievance with the Employee involved unless the Job Steward or other representative of the Local is present.
- (c) Every effort shall be made by both parties to consider and settle grievances as soon as possible.
- (d) When a grievance is presented by a Local and after discussions have been held at the level of presentation, separate statements of the grievance shall be prepared as follows:
  - (1) Local's statement of grievance.
    - (i) View of the facts and circumstances held by the Local.
    - (ii) Demand for settlement presented by the Local.
    - (iii) Statement of whether the grievance is to be referred to higher level, settled or dropped.
  - (2) Company's statement of grievance.
    - (i) View of the facts and circumstances held by the Supervisor.
    - (ii) Management's position on the Union's demand.
  - (3) A copy of the separate statements prepared in accordance with Paragraphs 1(d)(1) and 1(d)(2) shall be exchanged. The Local's statement shall be signed by the Job Steward or other representative and the Company's statement shall be signed by the Supervisor.

Article 7

- (4) If subsequent discussions of the grievance ensue, in which new views of the facts and circumstances are presented or changes in the respective positions are put forward by either party, separate supplementary statements shall be prepared by the level of supervision and the representative of the Local then considering the grievance, and copies of such statements shall be exchanged.
  - (5) Grievances not settled by the Local may be transferred to the National and, if accepted, the National shall so notify the Company. If the National intends to change the demand or present the grievance on a basis different from the previous presentation, the National shall notify the Company of such change within ten (10) days from the time when such transfer has been so accepted.
- (e) For the purpose of adjusting grievances of Employees who, at the time of the grievance, were represented by the Union, the Company shall recognize the Union as representing:
- (1) Employees reclassified to a salary-rated non-supervisory occupation, Laid-Off, suspended for disciplinary reasons, or dismissed, provided the grievance is presented to the Company by the Local within thirty (30) days after the Employee is reclassified or separated from the payroll, except that where the justification of the action is involved in disciplinary suspension, or dismissal cases, the provisions of Article 22, Disciplinary Suspension, or Termination of Employment, will apply.
  - (2) Employees granted Leaves of Absence (Special Leave, Sickness Leave, Disability Leave, and Personal Leave of Absence) during the period of the Leaves of Absence and thereafter, if the grievance is presented not later than thirty (30) days after the termination of the Leave of Absence.
- (f) If the National and the Company fail to settle by negotiation any grievance arising with respect to the interpretation of this contract, or the performance of any obligation hereunder, such grievance may be subject to arbitration in accordance with Article 8 of this contract as the final step in the settlement thereof.
- 2 Any individual Employee or group of Employees shall have the right at any time to present grievances to the Company and to have such grievances adjusted without the intervention of the Union, as long as the adjustment of such grievances is not inconsistent with the terms of this contract and provided that the Union has been given opportunity to be present at such adjustment.

**ARTICLE 8 - ARBITRATION**

- 1 If the National and the Company fail to settle by negotiation any differences arising with respect to the interpretation of this contract or the performance of any obligation hereunder, such differences shall (provided that such dispute is not excluded from arbitration by other provisions of this contract, and provided that the grievance procedures as to such dispute have been exhausted) be referred upon written demand of either party to an impartial arbitrator mutually agreeable to both parties. Such demand shall be presented within ninety (90) days after the Company notifies the Union of its final answer to the grievance. Each such referral shall include but one such dispute unless otherwise agreed. If, within ten (10) days of such demand, the parties are unable to agree on the person to be selected as arbitrator, an arbitrator shall be designated upon request of either party by the Federal Mediation and Conciliation Service. The direct expense of the arbitration, but not including the expense incurred by the parties or their witnesses, shall be borne equally by the Union and the Company.
- 2 The arbitrator shall have no authority to alter or modify the provisions of this contract. Any decision made in compliance with the foregoing shall be final and the parties agree to abide by such decision.

**ARTICLE 9 - UNION AND COMPANY RELATIONSHIPS**

**1 Management Functions**

The Union recognizes the right of the Company (subject to the limitations contained in the provisions of this contract, but otherwise not subject to the provisions of the arbitration clause) to exercise the functions of managing the business which involve, among other things, the hiring and placement of Employees, the termination of employment, the assignment of work, the determination of methods and equipment to be used, and the control of the conduct of the work.

**2 Non-Discrimination**

- (a) The Company shall in no manner discriminate, coerce or interfere with Employees because of membership or non-membership in the Union or because of activities in behalf of the Union.
- (b) Employees, officers or representatives of the Union shall not intimidate or coerce any Employees into membership in the Union and shall not distribute Union printed matter or perform Union business (except for time conferring with Management when paid for by the Company) on Company time.
- (c) In a desire to restate their respective policies, 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.

**3 Bulletin Boards**

- (a) Wherever installation jobs are conducted on the customer's premises, and facilities are given the Company for its bulletin board announcements, the Company will attempt to obtain approval of the customer involved to allow the Union to use a portion of the facilities so given for such of its own bulletin board announcements as may be necessary and proper under the circumstances. These facilities shall not be used by the Union except for the following purposes:
  - (1) Notices of meetings, and subjects pertinent thereto.
  - (2) Nominations and election notices.
  - (3) Results of elections.
  - (4) Copies of agreements with the Company.
  - (5) Official records and reports relating to the operation of the National or the Local.

- (b) A violation of the above conditions shall be cause for withdrawing of the bulletin board privilege upon notice to the National and the Local.

4 Report of Job Addresses of Employees

- (a) Upon the written request of the Local, the Company shall furnish the Local each month or quarter, as requested, with a complete list of all Employees represented by the respective Local (including Employees on regular "man loan" order), together with their job addresses. The Company will also furnish the Local upon request on either a weekly or bi-weekly basis a list of additions and removals of Employees and their changes of job addresses.
- (b) When requested the Company will furnish the Local with a list of Employees and their job mailing addresses, on loan to other Lucent Technologies Inc. entities, other than Employees on regular "man loan" orders, as may be agreed upon between the Local and the Company.

5 Notice to Union of Transfer of Employees

- (a) When an Employee is transferred to another organization of the Company, or when personnel from another organization of the Company or another Lucent Technologies Inc. entity are transferred to the Installation Field forces of the Company to perform work normally performed by the Employees represented by the Union, or when Employees are transferred to points outside of the United States, the Local affected will be notified at least thirty (30) days in advance, unless unknown or unforeseen conditions prevent the Company from giving such notice. Except where such transfers are covered by a separate contract, the Company, upon request of the Union, will negotiate the treatment to be granted Employees leaving the Installation Field forces of the Company on such transfer.
- (b) When an Employee is reclassified to or from a salary-rated, non-supervisory job in the Installation Field forces of the Company, the Local affected will be given at least one (1) week's advance notice of such reclassification and, upon request, negotiations will take place.
- (c) When Employees are to be transferred between Areas of the Company, the Company will notify the Local from whose jurisdiction the Employee is to be transferred seven (7) days in advance of the date of departure, unless unknown or unforeseen conditions prevent the Company from giving such notice.
- (d) When an Employee is to be transferred on a Permanent Transfer, the Company will notify the Local from whose jurisdiction the Employee is to be transferred and the Local which has jurisdiction at the destination Work Location, if applicable, forty-five (45) days in advance of the effective date of such transfer.

**Article 9**

**6 Hiring and Rehiring**

- (a) When the Company contemplates a hiring or rehiring program, the Manager will advise the Local of the estimated number of Employees to be added in the Area, and the Base Locations or Hiring Locations involved.
- (b) Laid-Off Employees will be offered reemployment in accordance with Article 20, Paragraph 7 before others are hired.

**7 Information to be Furnished Prospective Employees**

The Company agrees to inform all accepted applicants for employment as communication equipment workers that (a) the Communications Workers of America represents the Employees doing the work to which they are to be assigned, (b) wages and working conditions are a matter of agreement between the Union and the Company, and (c) a copy of the contract is available on the job or can be obtained from the Job Steward or Representative.

**8 Payment For Joint Union - Management Activities**

Employees who are involved in joint Union-Management business may request that their reasonable time and expenses while participating in such activities be paid by the Company. If approved in advance, these Employees will be paid for time lost while participating in such activities during their Scheduled Weekly Tour. This includes any associated travel time during the Employee's Scheduled Weekly Tour. Hours paid while engaged in such joint activities will be considered as time worked. In addition, such Employees will be reimbursed for reasonable travel and board and lodging expenses which are directly related to their participation in these activities.

**9 Union Orientation For New Employees**

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 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 Union Representative's Scheduled Daily Tour will be paid as time worked. In addition, the Company also agrees to introduce Employees permanently transferring into a different work group to the local Union representative assigned to that area.

**10 Mutual Respect**

The Company and the Union recognize that it is in the best interest of both parties, the Employees and the public that all dealings between them continue to be characterized by mutual respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this contract fairly in accord with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all Employees in the unit. Each party shall bring to the attention of all Employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and the measures they agreed upon to insure adherence to this purpose.

**ARTICLE 10 - SCHEDULED TOURS, TOUR CHANGES AND RELIEF PERIODS**

1. The Workweek of the Company consists of 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. Scheduled Tours
  - (a) Scheduled Daily Tours

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.
  - (b) Scheduled Weekly Tours
    - (1) The Scheduled Weekly Tour for other than a 7-Day Coverage Employee shall consist of five (5) tours of duty (Scheduled Daily Tours), from Monday through Friday, including the Friday night tour which extends into Saturday when the Employee was not scheduled to work the previous Sunday night tour extending into Monday.
    - (2) The Scheduled Weekly Tour for a 7-Day Coverage Employee shall be arranged by the Company on any days within the Workweek, frequently including Saturdays and/or Sundays.
  - (c) Day Tour

The standard day tour schedule shall start at 8:00 A.M. and stop at 12:00 M, and start at 1:00 P.M. and stop at 5:00 P.M. but this day tour schedule may be varied by the Company to meet local conditions except that all of the eight (8) scheduled hours shall fall between 6:00 A.M. and 6:00 P.M. The Company shall notify the Union when a schedule other than 8:00 A.M. to 12:00 M, and 1:00 P.M. to 5:00 P.M. is established or changed in which case local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.

(d) Night Tour

A night tour shall be a period of work in which all or any part of the hours of the Employee's Scheduled Daily Tour falls between the hours of 6:00 P.M. and 6:00 A.M. The scheduled starting and stopping time, for the night tour shall be determined by the Company after consideration of such factors as job requirements and transportation facilities. Local negotiations shall take place as outlined in Paragraph 2(a)(1), when requested by the Union.

(e) Negotiations on Scheduled Tours

(1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.

(2) The schedule established by the Company shall remain in effect during such negotiations.

3 Split or Change in Tour

(a) An Employee whose tour has been changed (day tour to night tour or vice versa) or split (the Scheduled Daily Tour of eight (8) hours is not worked consecutively other than for usual meal periods) during the current Workweek, shall be paid an Expense Allowance of \$4.00.

(b) When, as a result of a split or changed tour, an Employee would work less hours than he or she would have worked had there been no split or change in tour, such Employee shall be allowed to make up such deficiency for the Scheduled Tour. Scheduled overtime hours may be made up when job conditions permit.

4 Early Start Allowance

(a) 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.

(1) 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.

Article 10

5 Change in Starting Time

When a job condition requires that one or several Employees on a day tour be scheduled to report one hour or more before the majority of Employees on that tour on one or several days in the week, such Employees shall be paid an expense allowance of \$3.00 for each day on which Employee so reports, except that on a day tour with four (4) Employees or less, such an allowance will be paid to all Employees so scheduled. Such allowance shall not be paid (a) where the earlier starting time is for the convenience or at the request of the Employee, (b) when the Employee is scheduled in advance to report at the earlier hour for all days (Monday to Friday) in the week, or (c) when the earlier starting time is due to a Call-In.

6 Sunday Start Allowance

When an Employee working other than a 7-Day Coverage Job is required to begin his or her first Scheduled Daily Tour between 8 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.

7 Job Training

Training of any Employee required by the Company shall be performed during the hours scheduled by the Company for such training and such time considered as authorized time worked.

8 Relief Periods

Relief periods (suspension of work or absence from the Employee's assigned duties) not to exceed fifteen (15) minutes in each half of the Scheduled Daily Tour and in each four-hour period of work in excess of the Scheduled Daily Tour shall be granted by job supervision at all Job Locations. Relief periods may be staggered by job supervision for Employees or groups of Employees where job conditions make such action desirable.



**ARTICLE 11 - WORK IN EXCESS OF SCHEDULED TOURS**

**1 General**

- (a) It is recognized by both parties that the needs of the business may require work in excess of Scheduled Tours and that the jobs involved must be adequately manned by qualified Employees working on an overtime basis.
- (b) When, in the judgment of the Company, work in excess of Scheduled Tours is necessary, the Employees involved shall be given at least twenty-four (24) hours' notice unless unknown or unforeseen conditions prevent the Company from giving such notice, and the Union shall be notified in advance as follows:
  - (1) When overtime work involves a Job Location, the Job Steward involved shall be notified.
  - (2) When overtime involves several Job Locations which are under the jurisdiction of a Representative, the Representative shall be notified instead of the Job Steward. If the Union organization does not provide such contacts, the individual Job Stewards or Local President shall be notified.
  - (3) When overtime is expected to be general throughout the Area, the Local President shall be notified.
- (c) The amount of overtime and the schedule for working such overtime will be established by the Company. However, the schedule or general pattern for the working of overtime, except in the case of non-recurring overtime in effect for one (1) week or less, shall, upon request of the Union, become a matter for negotiations as follows:
  - (1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.
  - (2) The schedule established by the Company shall remain in effect during such negotiations.
- (d) For 7-Day Coverage Employees, Saturday and Sunday as used in this Article shall mean the Employees' Days in Lieu of Saturday and Sunday, respectively, defined as follows:

**Day In Lieu of Sunday ---**

For a 7-DAY COVERAGE EMPLOYEE, the first (1<sup>st</sup>) 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.

**Day In Lieu of Saturday ---**

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

- (e) It is understood that every effort will be made to avoid the necessity for working Employees on the day on which an authorized holiday is observed. When an authorized holiday is observed on Saturday, night tours for that week shall commence on the previous Sunday night. When it is considered necessary to schedule regular operations on the day on which an authorized holiday is observed, the Union shall be notified at least seven (7) days in advance unless unknown or unforeseen conditions prevent the Company from giving such notice. The matter shall, upon request of the Union, be subject to negotiation as provided in Subparagraphs 1(c)(1) and 1(c)(2) of this article.
- (f) Whenever possible, overtime work shall be evenly distributed among Employees normally engaged on the work involved. It is agreed that an Employee scheduled for overtime shall work, except when the Employee has adequate reason for not doing so.

**2 Overtime Compensation - Other Than 7-Day Coverage Employees**

- (a) Pay at one and one-half (1 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked, except when the provisions of Paragraph 2(b) or 2(c) apply:
  - (1) For hours worked outside an Employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
  - (2) For hours worked in excess of forty (40) during the Workweek.
  - (3) On a Nonscheduled Day other than Sunday or a Holiday, for Employees who are not working a 7-Day Coverage Job.
- (b) Pay at twice the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked except when the provisions of Paragraph 2(c) apply:

- (1) 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.
  - (2) For authorized time worked on Sunday, except when the Employee's first Scheduled Daily Tour begins on Sunday between 8 P.M. and midnight as provided in Article 10, Paragraph 6.
  - (c) Pay at two and one-half (2 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked on the day on which an authorized holiday is observed as provided in Article 14 of this Contract.
- 3 Overtime Compensation - 7-Day Coverage Employees
- (a) Pay at one and one-half (1 1/2) times the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked, except when the provisions of Paragraph 3(b) or 3(c) apply:
    - (1) For hours worked outside an Employee's Scheduled Daily Tour provided the Scheduled Daily Tour is eight (8) hours or more.
    - (2) For hours worked in excess of forty (40) during the Workweek.
    - (3) For time worked on a Nonscheduled day of the Workweek other than an authorized Holiday, or the Employee's Day in lieu of a Sunday.
    - (4) On Calendar Sunday
  - (b) Pay at twice the sum of the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked except when the provisions of Paragraph 3(c) apply:
    - (1) On the Employee's Day in lieu of a Sunday.
    - (2) 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.
  - (c) Pay at two and one-half (2 1/2) times the Employee's Adjusted Rate plus night work bonus when applicable shall apply to authorized time worked on the day on which an authorized holiday is observed as provided in Article 14 of this contract.
- 4 It is the intention of the parties that payments in addition to the Adjusted Rate (other than night work bonus) for any time worked, provided in the foregoing paragraphs of this article, are overtime payments. Nothing in the foregoing paragraphs shall require the payment of overtime on overtime.

Article 11

- (a) When an Employee receives daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as follows:

$$\frac{\text{Sum of Allowances Paid for Week}}{\text{Number of hours in Scheduled Weekly Tour plus overtime hours worked in week}} \times \text{Total overtime hours worked in week} \times .5 + .009 = \text{Overtime Adjustment.}$$

5 Call-In

- (a) When an Employee is called during his or her leisure time and given a work assignment not requiring a change in living accommodations, but requiring the Employee to proceed at once to the emergency job, it shall be considered a Call-In. Leisure time respecting Call-Ins is the time during which the Employee is not scheduled to work including observed holidays and vacations.
- (b) Total payment for time worked on a Call-In plus pay for traveling time, as specified below, shall not be less than two (2) hours pay at the applicable overtime rate. The Employee responding to a Call-In shall not be required to perform work other than that made necessary by the emergency nor shall the Company be required to provide additional work should the Employee request it.
- (c) 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 travel time for reasonable time spent traveling both ways. When the Call-In does not require extra trips, but does involve reporting earlier than the Employee's standard starting time, travel time shall be paid for reasonable time spent traveling from his or her residence to place of work.

6 Minimum Pay Allowance

When, at the direction of the Company, an Employee reports for work on Saturday or Sunday (or Day in Lieu of Saturday or Sunday for 7-Day Coverage Employee), such Employee shall be given at least two (2) hours' work or paid a minimum of three (3) or four (4) hours at the Employee's Adjusted Rate plus night work bonus when applicable, on Saturday and Sunday (or Day in Lieu of Saturday or Sunday for 7-Day Coverage Employee) respectively.

**ARTICLE 12 - WAGES**

- 1 General Wage Increases 2005-2011
  - (a) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.
  - (b) An employee's increase in Standard Rate shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the following General Wage Increases.
  - (c) **General Wage Increase – 2005**  
Effective May 29, 2005, wage schedules shall be increased by 2.5% on the Minimum Rates and by 2.5% on the Maximum Rates in effect on May 28, 2005.
  - (d) **General Wage Increase – 2006**  
Effective May 28, 2006, wage schedules shall be increased by 2.5% on the Minimum Rates and by 2.5% on the Maximum Rates in effect on May 27, 2006.
  - (e) **General Wage Increase – 2007**  
Effective May 27, 2007, wage schedules shall be increased by 2.25% on the Minimum Rates and by 2.25% on the Maximum Rates in effect on May 26, 2007.
  - (f) **General Wage Increase – 2008**  
Effective May 25, 2008, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 24, 2008.
  - (g) **General Wage Increase – 2009**  
Effective May 24, 2009, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 23, 2009.
  - (h) **General Wage Increase – 2010**  
Effective May 23, 2010, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 22, 2010.
  - (i) **General Wage Increase – 2011**  
Effective May 22, 2011, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 21, 2011.
  - (j) Escalation Adjustment

Article 12

- (1) Effective May 25, 2008, 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", between March 2007 and March 2008. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2008 General Wage Increase ("GWI").
- (2) Effective May 24, 2009, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2008 and March 2009. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2009 GWI.
- (3) Effective May 23, 2010, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2009 and March 2010. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2010 GWI.
- (4) Effective May 22, 2011, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2010 and March 2011. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2011 GWI.
- (5) A partial percent increase computed above shall be rounded to the nearest one tenth of one percent.
- (6) In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- (7) 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) – (4), Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- (8) No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first applicable published figures for the CPI-W.
- (9) 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 2004. 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 2004, which was 182.9 (1982-1984=100).

(10) It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the term of this Memorandum of Understanding.

- (k) Effective May 28, 1989 each Employee who on May 27, 1989 was at the top progression rate within the applicable Wage Schedule for a Communication Services Technician (CST) in accordance with Paragraph 2 of Installation Contract CWA-16 shall have a Standard Rate corresponding to the S2 Standard Rate within the applicable Wage Schedule for a Senior Communication Services Technician (SCST) in accordance with Paragraph 2. Service Interval Increases shall not apply to such Employee until such time as he or she is reassigned as a Senior Communication Services Technician (SCST) in accordance with Paragraph 3. Upon the date of said reassignment, the Employee shall progress to the rate within the applicable Senior Communication Services Technician (SCST) Wage Schedule which is closest to, but higher than, his or her S2 rate in accordance with Paragraph 2.
- (l) An Employee who is absent because of sickness, accident or quarantine at the end of his or her 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 his or her return to active duty.

## 2 Wage Schedules

- (a) Wage Schedules for Job Titles in this Agreement are contained in this Paragraph 2. Such Wage Schedules are exclusive of all differentials and other special payments.
- (b) On or after the effective dates set forth above in paragraph 1 respectively, the following Wage Schedules for the Job Titles, Associate Communication Services Technician (ACST), Communication Services Technician (CST), and Senior Communication Services Technician (SCST) will be in effect, and each Employee will (subject to the provisions of Paragraph 2(c) and 2(e) progress from his or her Standard Rate in effect on that date according to the Employee's applicable Wage Schedule and approved Job Title by Service Intervals as herein provided. (Legacy Job Title Code 6710, GPS Job Code 106710).

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 1A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.53								
2	\$9.10								
3	\$9.72								
4	\$10.37								
5	\$11.07								
6	\$11.81								
7	\$12.61	1	\$14.69						
8	\$13.45	2	\$15.64						
9	\$14.36	3	\$16.65						
10	\$15.32	4	\$17.73						
11	\$18.36	5	\$18.68	1	\$17.73				
12	\$17.46	6	\$20.10	2	\$19.98				
13	\$18.63	7	\$21.40	3	\$22.51				
14	\$19.80	8	\$22.79	4	\$25.37				
15	\$21.22	9	\$24.26	5	\$28.50	1	\$26.11	1	\$27.42
PB	100		114		120		120		120

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 1A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.74								
2	\$9.33								
3	\$9.95								
4	\$10.63								
5	\$11.34								
6	\$12.10								
7	\$12.92	1	\$15.06						
8	\$13.79	2	\$16.03						
9	\$14.72	3	\$17.07						
10	\$15.71	4	\$18.18						
11	\$16.76	5	\$19.35	1	\$18.17				
12	\$17.88	6	\$20.61	2	\$20.48				
13	\$19.09	7	\$21.94	3	\$23.07				
14	\$20.38	8	\$23.36	4	\$26.00				
15	\$21.75	9	\$24.87	5	\$29.30	1	\$26.78	1	\$28.11
PB	100		114		120		120		120

**EFFECTIVE MAY 27, 2007**

**WAGE SCHEDULE 1A**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.94								
2	\$9.54								
3	\$10.18								
4	\$10.87								
5	\$11.60								
6	\$12.38								
7	\$13.21	1	\$15.40						
8	\$14.10	2	\$16.40						
9	\$15.05	3	\$17.48						
10	\$16.06	4	\$18.59						
11	\$17.14	5	\$19.79	1	\$18.58				
12	\$18.29	6	\$21.07	2	\$20.94				
13	\$19.53	7	\$22.43	3	\$23.59				
14	\$20.84	8	\$23.88	4	\$26.59				
15	\$22.24	9	\$25.43	5	\$29.96	1	\$27.36	1	\$28.74
<b>PB</b>	<b>109</b>		<b>114</b>		<b>120</b>		<b>120</b>		<b>120</b>

**EFFECTIVE MAY 25, 2008**

**WAGE SCHEDULE 1A**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.12								
2	\$8.73								
3	\$10.39								
4	\$11.09								
5	\$11.83								
6	\$12.63								
7	\$13.48	1	\$15.71						
8	\$14.38	2	\$16.73						
9	\$15.35	3	\$17.81						
10	\$16.38	4	\$18.96						
11	\$17.48	5	\$20.19	1	\$18.95				
12	\$18.68	6	\$21.49	2	\$21.35				
13	\$19.91	7	\$22.88	3	\$24.06				
14	\$21.25	8	\$24.36	4	\$27.12				
15	\$22.68	9	\$25.94	5	\$30.56	1	\$27.91	1	\$29.31
<b>PB</b>	<b>109</b>		<b>114</b>		<b>120</b>		<b>120</b>		<b>120</b>

**EFFECTIVE MAY 25, 2009**

**WAGE SCHEDULE 1A**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.30								
2	\$9.93								
3	\$10.59								
4	\$11.31								
5	\$12.07								
6	\$12.88								
7	\$13.74	1	\$16.02						
8	\$14.67	2	\$17.06						
9	\$15.65	3	\$18.16						
10	\$16.71	4	\$19.34						
11	\$17.83	5	\$20.59	1	\$19.33				
12	\$19.03	6	\$21.92	2	\$21.78				
13	\$20.31	7	\$23.34	3	\$24.55				
14	\$21.67	8	\$24.85	4	\$27.66				
15	\$23.13	9	\$26.46	5	\$31.17	1	\$26.47	1	\$29.90
<b>PB</b>	<b>109</b>		<b>114</b>		<b>120</b>		<b>120</b>		<b>120</b>

**EFFECTIVE MAY 23, 2010**

**WAGE SCHEDULE 1A**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.49								
2	\$10.13								
3	\$10.81								
4	\$11.53								
5	\$12.31								
6	\$13.14								
7	\$14.02	1	\$16.34						
8	\$14.96	2	\$17.40						
9	\$15.97	3	\$18.52						
10	\$17.04	4	\$19.72						
11	\$18.19	5	\$21.00	1	\$19.72				
12	\$19.41	6	\$22.36	2	\$22.22				
13	\$20.71	7	\$23.81	3	\$25.04				
14	\$22.10	8	\$25.35	4	\$28.21				
15	\$23.59	9	\$26.99	5	\$31.79	1	\$29.04	1	\$30.50
<b>PB</b>	<b>109</b>		<b>114</b>		<b>120</b>		<b>120</b>		<b>120</b>

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 1A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.68								
2	\$10.33								
3	\$11.02								
4	\$11.77								
5	\$12.56								
6	\$13.40								
7	\$14.30	1	\$16.87						
8	\$15.25	2	\$17.75						
9	\$16.29	3	\$18.90						
10	\$17.38	4	\$20.12						
11	\$18.55	5	\$21.42	1	\$20.11				
12	\$19.80	6	\$22.81	2	\$22.66				
13	\$21.13	7	\$24.29	3	\$25.54				
14	\$22.55	8	\$25.86	4	\$28.78				
15	\$24.06	9	\$27.53	5	\$32.43	1	\$29.62	1	\$31.11
PB	109		114		120		120		120

Article 12

Wage Schedule 1A applies to all Employees having a designated Base Location listed below or, for Employees not yet transferred to a Base Location on a Permanent Transfer, a hiring location in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, and Wyoming.

Aberdeen, SD	Dodge City, KS	Jasper, AL	Pueblo, CO
Abilene, TX	Flagstaff, AZ	Jonesboro, AR	Rapid City, SD
Albany, GA	Florence, SC	Joplin, MO	Red Oak, IA
Alexandria, LA	Forrest City, AR	Knoxville, TN	Rome, GA
Anderson, SC	Fort Myers, FL	Lafayette, LA	Ruston, LA
Anniston, AL	Fort Smith, AR	Lake Charles, LA	Salina, KS
Ashville, NC	Frankfort, KY	Laurinburg, NC	Santa Fe, NM
Athens, GA	Gadsden, AL	Lenoir, NC	Savannah, GA
Athens, TN	Gainesville, FL	Longview, TX	Selma, AL
Baton Rouge, LA	Gainesville, GA	Marshall, MN	Sheffield, AL
Bemidji, MN	Gastonia, NC	Mason City, IA	Shelby, NC
Bismark, ND	Goldsboro, NC	McComb, MS	Shreveport, LA
Boise, ID	Grand Forks, ND	Meridian, MS	Sidney, NB
Bowling Green, KY	Grand Island, NB	Minden, LA	Sikeston, MO
Brainerd, MN	Grand Junction, CO	Mobile, AL	Spartanburg, SC
Brewton, AL	Greeley, CO	Monroe, LA	Spencer, IA
Burlington, NC	Greensboro, NC	Montgomery, AL	Tallahassee, FL
Carrollton, GA	Greenville, SC	Natchitoches, LA	Tampa, FL
Casper, WY	Greenwood, MS	Norfolk, NB	Thomasville, GA
Charleston, SC	Gulfport, MS	North Platte, NB	Tupelo, MS
Chattanooga, TN	Hammond, LA	Ogden, UT	Tuscaloosa, AL
Cheyenne, WY	Harlingen, TX	Opelika, AL	Twin Falls, ID
Chipley, FL	Hattiesburg, MS	Orlando, FL	Tyler, TX
Cocoa, FL	Hazelhurst, GA	Owensboro, KY	Watertown, SD
Columbia, SC	Hot Springs, AR	Paducah, KY	Waycross, GA
Columbia, TN	Houma, LA	Paintsville, KY	Wilmington, NC
Columbus, GA	Huntsville, AL	Panama City, FL	Winchester, KY
Columbus, MS	Idaho Falls, ID	Pensacola, FL	Winston-Salem, NC
Covington, GA	Jackson MS	Pierre, SD	Wichita Falls, TX
Danville, KY	Jackson, TN	Pocatello, ID	
Decatur, AL	Jacksonville, FL	Provo, UT	

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.61								
2	\$9.20								
3	\$9.82								
4	\$10.49								
5	\$11.20								
6	\$11.96								
7	\$12.78	1	\$15.11						
8	\$13.64	2	\$16.07						
9	\$14.57	3	\$17.10						
10	\$15.56	4	\$18.19						
11	\$16.62	5	\$19.35	1	\$18.16				
12	\$17.75	6	\$20.68	2	\$20.45				
13	\$18.96	7	\$21.90	3	\$23.03				
14	\$20.24	8	\$23.30	4	\$25.94				
15	\$21.62	9	\$24.79	5	\$29.21	1	\$26.79	1	\$27.81
<b>PB</b>	<b>110</b>		<b>115</b>		<b>121</b>		<b>121</b>		<b>121</b>

EFFECTIVE MAY 28, 2008

WAGE SCHEDULE 2

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.83								
2	\$9.43								
3	\$10.07								
4	\$10.75								
5	\$11.48								
6	\$12.27								
7	\$13.10	1	\$15.49						
8	\$13.99	2	\$16.48						
9	\$14.94	3	\$17.53						
10	\$15.96	4	\$18.65						
11	\$17.04	5	\$19.84	1	\$18.81				
12	\$18.19	6	\$21.11	2	\$20.98				
13	\$19.43	7	\$22.45	3	\$23.80				
14	\$20.75	8	\$23.89	4	\$26.58				
15	\$22.16	9	\$25.41	5	\$29.94	1	\$27.46	1	\$28.51
<b>PB</b>	<b>110</b>		<b>118</b>		<b>121</b>		<b>121</b>		<b>121</b>

**EFFECTIVE MAY 27, 2007**

**WAGE SCHEDULE 2**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.00								
2	\$9.84								
3	\$10.30								
4	\$11.00								
5	\$11.74								
6	\$12.54								
7	\$13.39	1	\$15.94						
8	\$14.30	2	\$16.85						
9	\$15.28	3	\$17.93						
10	\$16.31	4	\$19.07						
11	\$17.42	5	\$20.29	1	\$19.03				
12	\$18.61	6	\$21.58	2	\$21.43				
13	\$19.87	7	\$22.96	3	\$24.14				
14	\$21.22	8	\$24.42	4	\$27.18				
15	\$22.66	9	\$25.96	5	\$30.61	1	\$26.08	1	\$29.15
PB	110		115		121		121		121

**EFFECTIVE MAY 25, 2008**

**WAGE SCHEDULE 2**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.21								
2	\$9.84								
3	\$10.50								
4	\$11.22								
5	\$11.98								
6	\$12.79								
7	\$13.66	1	\$18.16						
8	\$14.59	2	\$17.19						
9	\$15.58	3	\$18.29						
10	\$16.64	4	\$19.45						
11	\$17.77	5	\$20.69	1	\$19.41				
12	\$18.98	6	\$22.01	2	\$21.86				
13	\$20.28	7	\$23.42	3	\$24.62				
14	\$21.64	8	\$24.81	4	\$27.72				
15	\$23.11	9	\$26.50	5	\$31.22	1	\$28.64	1	\$29.73
PB	110		116		121		121		121

EFFECTIVE MAY 24, 2009

WAGE SCHEDULE 2

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.39								
2	\$10.03								
3	\$10.71								
4	\$11.44								
5	\$12.21								
6	\$13.04								
7	\$13.93	1	\$16.48						
8	\$14.86	2	\$17.53						
9	\$15.89	3	\$18.65						
10	\$16.97	4	\$19.84						
11	\$18.12	5	\$21.11	1	\$19.80				
12	\$19.35	6	\$22.45	2	\$22.30				
13	\$20.67	7	\$23.88	3	\$25.11				
14	\$22.07	8	\$25.41	4	\$28.27				
15	\$23.57	9	\$27.03	5	\$31.64	1	\$29.21	1	\$30.32
PB	110		115		121		121		121

EFFECTIVE MAY 23, 2010

WAGE SCHEDULE 2

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.58								
2	\$10.23								
3	\$10.93								
4	\$11.67								
5	\$12.46								
6	\$13.31								
7	\$14.21	1	\$16.81						
8	\$15.16	2	\$17.86						
9	\$16.21	3	\$19.02						
10	\$17.31	4	\$20.24						
11	\$18.48	5	\$21.53	1	\$20.20				
12	\$19.74	6	\$22.90	2	\$22.75				
13	\$21.08	7	\$24.36	3	\$25.61				
14	\$22.51	8	\$25.92	4	\$28.84				
15	\$24.04	9	\$27.57	5	\$32.48	1	\$29.79	1	\$30.63
PB	110		115		121		121		121

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.77								
2	\$10.43								
3	\$11.14								
4	\$11.90								
5	\$12.71								
6	\$13.57								
7	\$14.49	1	\$17.15						
8	\$15.48	2	\$18.24						
9	\$16.53	3	\$19.41						
10	\$17.65	4	\$20.64						
11	\$18.85	5	\$21.96	1	\$20.60				
12	\$20.13	6	\$23.39	2	\$23.20				
13	\$21.50	7	\$24.85	3	\$26.12				
14	\$22.96	8	\$26.43	4	\$29.42				
15	\$24.52	9	\$28.12	5	\$33.13	1	\$30.39	1	\$31.55
PB	110		115		121		121		121

Wage Schedule 2 applies to all Employees having a designated Base Location listed below\*\*\* or, for Employees not yet transferred to a Base location on a Permanent Transfer, a hiring location in California, Connecticut, Illinois, Indiana, Maryland, Michigan, Nevada, New Jersey, New York, Ohio, Oregon, Pennsylvania, Virginia, Washington, Wisconsin, and West Virginia.

\*\*\* Except that Wage Schedule 1A applies to Employees having as their designated Base Location a Base Location listed below that is in one of the Areas specified under Wage Schedule 1A, but who were hired at other than such Base Location and have not yet been transferred to the Base Location on a Permanent Transfer.

Albuquerque, NM	Fargo, ND	Pine Bluff, AR
Amarillo, TX	Fond du Lac, WI	Phoenix, AZ
Appleton, WI	Ft. Wayne, IN	Raleigh, NC
Atlanta, GA	Ft. Lauderdale, FL	Roanoke, VA
Augusta, GA	Ft. Pierce, FL	Rochester, MN
Bend, OR	Green Bay, WI	Salisbury, MD
Benton Harbor, MI	Houghton, MI	Sault Ste. Marie, MI
Birmingham, AL	Iron Mt., MI	Sioux City, IA
Bloomington, IN	Kokomo, IN	Sioux Falls, SD
Burlington, IA	Louisville, KY	South Bend, IN
Cadillac, MI	Lubbock, TX	Springfield, MO
Cedar Rapids, IA	Lynchburg, VA	St. Cloud, MN
Charlotte, NC	Macon, GA	St. Joseph, MO
Clarksburg, WV	Marquette, MI	Stevens Point, WI
Colorado Springs, CO	Memphis, TN	Traverse City, MI
Columbus, IN	Miami, FL	Tucson, AZ
Corpus Christi, TX	Midland, TX	Vincennes, IN
Davenport, IA	Modesto, CA	Visalla, CA
Daytona Beach, FL	Nashville, TN	Waco, TX
Des Moines, IA	New Albany, IN	Waterloo, IA
Duluth, MN	Omaha, NE	Watertown, WI
Eau Claire, WI	Ottumwa, IA	West Palm Beach, FL
Evansville, IN	Pendleton, OR	Wichita, KS
Escanaba, MI	Petoskey, MI	

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.69								
2	\$9.28								
3	\$9.92								
4	\$10.59								
5	\$11.32								
6	\$12.09								
7	\$12.91	1	\$15.26						
8	\$13.80	2	\$16.25						
9	\$14.74	3	\$17.30						
10	\$15.74	4	\$18.43						
11	\$16.82	5	\$19.62	1	\$18.37				
12	\$17.96	6	\$20.89	2	\$20.71				
13	\$19.19	7	\$22.25	3	\$23.38				
14	\$20.50	8	\$23.69	4	\$26.34				
15	\$21.90	9	\$25.23	5	\$29.70	1	\$27.17	1	\$28.27
PB	110		116		122		122		122

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.91								
2	\$9.52								
3	\$10.17								
4	\$10.86								
5	\$11.60								
6	\$12.39								
7	\$13.24	1	\$15.64						
8	\$14.14	2	\$16.65						
9	\$15.11	3	\$17.74						
10	\$16.14	4	\$18.89						
11	\$17.24	5	\$20.11	1	\$19.83				
12	\$18.42	6	\$21.42	2	\$21.23				
13	\$19.67	7	\$22.81	3	\$23.94				
14	\$21.02	8	\$24.28	4	\$27.00				
15	\$22.45	9	\$25.86	5	\$30.44	1	\$27.85	1	\$28.98
PB	110		116		122		122		122

EFFECTIVE MAY 27, 2007

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.11								
2	\$9.73								
3	\$10.40								
4	\$11.11								
5	\$11.86								
6	\$12.67								
7	\$13.54	1	\$15.99						
8	\$14.46	2	\$17.03						
9	\$15.45	3	\$18.13						
10	\$16.50	4	\$19.31						
11	\$17.63	5	\$20.56	1	\$19.25				
12	\$18.83	6	\$21.90	2	\$21.71				
13	\$20.12	7	\$23.32	3	\$24.48				
14	\$21.49	8	\$24.83	4	\$27.60				
15	\$22.96	9	\$26.44	5	\$31.12	1	\$28.48	1	\$29.63
PB	110		115		122		122		122

EFFECTIVE MAY 25, 2008

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.29								
2	\$9.92								
3	\$10.60								
4	\$11.33								
5	\$12.10								
6	\$12.93								
7	\$13.81	1	\$16.31						
8	\$14.75	2	\$17.37						
9	\$15.76	3	\$18.50						
10	\$16.83	4	\$19.70						
11	\$17.98	5	\$20.97	1	\$19.64				
12	\$19.21	6	\$22.33	2	\$22.14				
13	\$20.52	7	\$23.78	3	\$24.97				
14	\$21.82	8	\$25.33	4	\$28.15				
15	\$23.42	9	\$26.97	5	\$31.74	1	\$29.05	1	\$30.22
PB	110		115		122		122		122

EFFECTIVE MAY 24, 2009

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.48								
2	\$10.13								
3	\$10.82								
4	\$11.56								
5	\$12.35								
6	\$13.19								
7	\$14.09	1	\$16.84						
8	\$15.05	2	\$17.72						
9	\$16.08	3	\$18.87						
10	\$17.17	4	\$20.09						
11	\$18.35	5	\$21.40	1	\$20.03				
12	\$19.80	6	\$22.78	2	\$22.58				
13	\$20.93	7	\$24.26	3	\$25.48				
14	\$22.36	8	\$25.83	4	\$28.71				
15	\$23.88	9	\$27.51	5	\$32.37	1	\$29.63	1	\$30.82
PB	110		118		122		122		122

EFFECTIVE MAY 23, 2010

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.87								
2	\$10.33								
3	\$11.04								
4	\$11.79								
5	\$12.59								
6	\$13.45								
7	\$14.37	1	\$18.97						
8	\$15.35	2	\$18.07						
9	\$16.40	3	\$19.24						
10	\$17.52	4	\$20.49						
11	\$18.71	5	\$21.82	1	\$20.43				
12	\$19.99	6	\$23.24	2	\$23.04				
13	\$21.36	7	\$24.74	3	\$25.97				
14	\$22.81	8	\$26.35	4	\$29.29				
15	\$24.37	9	\$28.08	5	\$33.02	1	\$30.22	1	\$31.44
PB	110		118		122		122		122

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2A

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.66								
2	\$10.53								
3	\$11.25								
4	\$12.02								
5	\$12.84								
6	\$13.72								
7	\$14.66	1	\$17.31						
8	\$15.66	2	\$18.43						
9	\$16.73	3	\$19.63						
10	\$17.87	4	\$20.90						
11	\$19.09	5	\$22.26	1	\$20.84				
12	\$20.39	6	\$23.70	2	\$23.50				
13	\$21.78	7	\$25.24	3	\$26.49				
14	\$23.27	8	\$26.88	4	\$29.87				
15	\$24.86	9	\$28.62	5	\$33.68	1	\$30.82	1	\$32.07
PB	110		115		122		122		122

Article 12

Wage Schedule 2A applies to all Employees having a designated Base Location listed below:

Altoona, PA	Jackson, MI	Richmond, VA
Austin, TX	Kalamazoo, MI	Santa Cruz, CA
Bakersfield, CA	Kansas City, MO	Santa Rosa, CA
Bangor, ME	Lakeport, CA	Sacramento, CA
Beaumont, TX	Las Vegas, NV	Salem, OR
Battle Creek, MI	Little Rock, AR	Salinas, CA
Bremerton, WA	Marysville, CA	Salt Lake City, UT
Charleston, WV	Medford, OR	San Antonio, TX
Chico, CA	Minn-St. Paul, MN	San Luis Obispo, CA
Dallas, TX	Napa, CA	St. Louis, MO
Denver, CO	New Castle, PA	Stockton, CA
El Paso, TX	New Orleans, LA	Scranton, PA
Eugene, OR	Newport News, VA	Spokane, WA
Eureka, CA	Norfolk, VA	Topeka, KS
Frederick, MD	Oklahoma City, OK	Tulsa, OK
Fresno, CA	Olympia, WA	Ukiah, CA
Fort Worth, TX	Port Huron, MI	Vancouver, WA
Hagerstown, MD	Portland, OR	Wheeling, WV
Hazleton, PA	Redding, CA	Williamsport, PA
Houston, TX	Reno, NV	Yakima, WA
Indianapolis, IN		

\*Except that Wage Schedule 1A or 2, respectively as specified thereunder, applies to such Employee hired at other than such Base Location and not yet transferred to the Base Location on a Permanent Transfer.

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2B

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$8.78								
2	\$9.38								
3	\$10.02								
4	\$10.70								
5	\$11.44								
6	\$12.22								
7	\$13.05	1	\$15.28						
8	\$13.94	2	\$16.29						
9	\$14.89	3	\$17.37						
10	\$15.91	4	\$18.52						
11	\$17.00	5	\$19.74	1	\$18.42				
12	\$18.16	6	\$21.04	2	\$20.78				
13	\$19.40	7	\$22.44	3	\$23.44				
14	\$20.72	8	\$23.92	4	\$26.45				
15	\$22.14	9	\$25.50	5	\$29.84	1	\$27.39	1	\$28.47
PB	110		116		122		122		122

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 2B

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.00								
2	\$9.81								
3	\$10.27								
4	\$10.97								
5	\$11.72								
6	\$12.52								
7	\$13.38	1	\$15.66						
8	\$14.29	2	\$16.70						
9	\$15.27	3	\$17.80						
10	\$16.31	4	\$18.98						
11	\$17.42	5	\$20.23	1	\$18.88				
12	\$18.61	6	\$21.67	2	\$21.30				
13	\$19.88	7	\$23.00	3	\$24.03				
14	\$21.24	8	\$24.52	4	\$27.11				
15	\$22.69	9	\$26.14	5	\$30.59	1	\$28.07	1	\$29.18
PB	110		116		122		122		122

Article 12

EFFECTIVE MAY 27, 2007

WAGE SCHEDULE 2B

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.20								
2	\$9.83								
3	\$10.50								
4	\$11.22								
5	\$11.96								
6	\$12.80								
7	\$13.68	1	\$16.01						
8	\$14.61	2	\$17.07						
9	\$15.61	3	\$18.20						
10	\$16.67	4	\$19.40						
11	\$17.81	5	\$20.69	1	\$19.30				
12	\$19.05	6	\$22.08	2	\$21.78				
13	\$20.33	7	\$23.52	3	\$24.57				
14	\$21.72	8	\$25.07	4	\$27.72				
15	\$23.20	9	\$26.73	5	\$31.28	1	\$28.70	1	\$28.84
PB	110		116		122		122		122

EFFECTIVE MAY 25, 2008

WAGE SCHEDULE 2B

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.38								
2	\$10.02								
3	\$10.71								
4	\$11.44								
5	\$12.22								
6	\$13.05								
7	\$13.94	1	\$16.33						
8	\$14.90	2	\$17.41						
9	\$15.92	3	\$18.56						
10	\$17.00	4	\$19.78						
11	\$18.16	5	\$21.10	1	\$19.89				
12	\$19.40	6	\$22.48	2	\$22.22				
13	\$20.73	7	\$23.98	3	\$25.07				
14	\$22.15	8	\$25.57	4	\$28.28				
15	\$23.66	9	\$27.26	5	\$31.91	1	\$29.27	1	\$30.44
PB	110		116		122		122		122

**EFFECTIVE MAY 24, 2009**

**WAGE SCHEDULE 2B**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.57								
2	\$10.22								
3	\$10.92								
4	\$11.67								
5	\$12.46								
6	\$13.32								
7	\$14.22	1	\$16.66						
8	\$16.20	2	\$17.78						
9	\$18.23	3	\$18.94						
10	\$17.34	4	\$20.19						
11	\$18.53	5	\$21.52	1	\$20.08				
12	\$19.79	6	\$22.95	2	\$22.66				
13	\$21.14	7	\$24.47	3	\$25.57				
14	\$22.59	8	\$26.08	4	\$28.65				
15	\$24.13	9	\$27.81	5	\$32.55	1	\$29.85	1	\$31.05
<b>PB</b>	<b>110</b>		<b>116</b>		<b>122</b>		<b>122</b>		<b>122</b>

**EFFECTIVE MAY 23, 2010**

**WAGE SCHEDULE 2B**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.76								
2	\$10.43								
3	\$11.14								
4	\$11.90								
5	\$12.71								
6	\$13.58								
7	\$14.51	1	\$16.99						
8	\$15.50	2	\$18.11						
9	\$16.56	3	\$19.31						
10	\$17.69	4	\$20.59						
11	\$18.90	5	\$21.95	1	\$20.48				
12	\$20.19	6	\$23.41	2	\$23.11				
13	\$21.56	7	\$24.96	3	\$26.08				
14	\$23.04	8	\$26.61	4	\$29.42				
15	\$24.61	9	\$28.37	5	\$33.20	1	\$30.46	1	\$31.57
<b>PB</b>	<b>110</b>		<b>116</b>		<b>122</b>		<b>122</b>		<b>122</b>

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2B

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.96								
2	\$10.64								
3	\$11.37								
4	\$12.14								
5	\$12.97								
6	\$13.86								
7	\$14.80	1	\$17.33						
8	\$15.81	2	\$18.48						
9	\$16.89	3	\$19.70						
10	\$18.04	4	\$21.00						
11	\$19.27	5	\$22.39	1	\$20.89				
12	\$20.59	6	\$23.88	2	\$23.57				
13	\$22.00	7	\$25.46	3	\$26.80				
14	\$23.50	8	\$27.14	4	\$30.01				
15	\$25.10	9	\$28.94	5	\$33.86	1	\$31.07	1	\$32.30
<b>PB</b>	<b>110</b>		<b>118</b>		<b>122</b>		<b>122</b>		<b>122</b>

Wage Schedule 2B applies to all Employees having a designated Base Location listed below:

Baltimore, MD  
Riverside, CA

Seattle, WA  
Ventura, CA

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2C

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.01								
2	\$9.52								
3	\$10.27								
4	\$10.96								
5	\$11.70								
6	\$12.49								
7	\$13.33	1	\$15.58						
8	\$14.23	2	\$16.60						
9	\$15.20	3	\$17.70						
10	\$16.22	4	\$18.88						
11	\$17.32	5	\$20.10	1	\$18.59				
12	\$18.49	6	\$21.42	2	\$21.10				
13	\$19.74	7	\$22.83	3	\$23.81				
14	\$21.07	8	\$24.33	4	\$26.88				
15	\$22.49	9	\$25.93	5	\$30.34	1	\$27.62	1	\$28.91
PB	111		116		123		123		123

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 2C

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.24								
2	\$9.86								
3	\$10.53								
4	\$11.24								
5	\$12.00								
6	\$12.81								
7	\$13.67	1	\$15.97						
8	\$14.58	2	\$17.02						
9	\$15.58	3	\$18.14						
10	\$16.63	4	\$19.33						
11	\$17.75	5	\$20.60	1	\$19.16				
12	\$18.95	6	\$21.96	2	\$21.63				
13	\$20.23	7	\$23.40	3	\$24.41				
14	\$21.59	8	\$24.94	4	\$27.55				
15	\$23.05	9	\$26.58	5	\$31.10	1	\$28.31	1	\$29.63
PB	111		116		123		123		123

**EFFECTIVE MAY 27, 2007**

**WAGE SCHEDULE 2C**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.45								
2	\$10.09								
3	\$10.77								
4	\$11.49								
5	\$12.27								
6	\$13.10								
7	\$13.98	1	\$16.33						
8	\$14.92	2	\$17.40						
9	\$15.93	3	\$18.55						
10	\$17.01	4	\$19.77						
11	\$18.15	5	\$21.07	1	\$19.59				
12	\$19.38	6	\$22.45	2	\$22.11				
13	\$20.69	7	\$23.93	3	\$24.98				
14	\$22.08	8	\$25.50	4	\$28.17				
15	\$23.57	9	\$27.18	5	\$31.80	1	\$28.95	1	\$30.30
<b>PB</b>	<b>111</b>		<b>116</b>		<b>123</b>		<b>123</b>		<b>123</b>

**EFFECTIVE MAY 25, 2008**

**WAGE SCHEDULE 2C**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.04								
2	\$10.20								
3	\$10.90								
4	\$11.73								
5	\$12.52								
6	\$13.38								
7	\$14.26	1	\$16.66						
8	\$15.22	2	\$17.75						
9	\$16.25	3	\$18.92						
10	\$17.35	4	\$20.18						
11	\$18.52	5	\$21.49	1	\$19.98				
12	\$19.76	6	\$22.90	2	\$22.55				
13	\$21.10	7	\$24.41	3	\$25.46				
14	\$22.52	8	\$26.01	4	\$28.74				
15	\$24.04	9	\$27.72	5	\$32.44	1	\$29.53	1	\$30.91
<b>PB</b>	<b>111</b>		<b>116</b>		<b>123</b>		<b>123</b>		<b>123</b>

EFFECTIVE MAY 24, 2009

WAGE SCHEDULE 2C

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.83								
2	\$10.49								
3	\$11.20								
4	\$11.96								
5	\$12.78								
6	\$13.62								
7	\$14.54	1	\$16.99						
8	\$15.53	2	\$18.11						
9	\$16.57	3	\$19.30						
10	\$17.69	4	\$20.56						
11	\$18.88	5	\$21.92	1	\$20.38				
12	\$20.16	6	\$23.38	2	\$23.01				
13	\$21.52	7	\$24.89	3	\$25.97				
14	\$22.97	8	\$26.53	4	\$28.31				
15	\$24.52	9	\$28.27	5	\$33.09	1	\$30.12	1	\$31.53
PB	111		115		123		123		123

EFFECTIVE MAY 23, 2010

WAGE SCHEDULE 2C

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.03								
2	\$10.71								
3	\$11.43								
4	\$12.20								
5	\$13.02								
6	\$13.90								
7	\$14.84	1	\$17.33						
8	\$15.84	2	\$18.47						
9	\$16.91	3	\$19.68						
10	\$18.05	4	\$20.96						
11	\$19.26	5	\$22.36	1	\$20.79				
12	\$20.56	6	\$23.83	2	\$23.47				
13	\$21.95	7	\$25.39	3	\$26.40				
14	\$23.43	8	\$27.08	4	\$29.90				
15	\$25.01	9	\$28.84	5	\$33.75	1	\$30.72	1	\$32.18
PB	111		116		123		123		123

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2C

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.23								
2	\$10.92								
3	\$11.66								
4	\$12.44								
5	\$13.28								
6	\$14.18								
7	\$15.13	1	\$17.68						
8	\$16.15	2	\$18.84						
9	\$17.24	3	\$20.08						
10	\$18.41	4	\$21.40						
11	\$19.65	5	\$22.81	1	\$21.21				
12	\$20.97	6	\$24.31	2	\$23.94				
13	\$22.39	7	\$25.90	3	\$27.02				
14	\$23.90	8	\$27.61	4	\$30.50				
15	\$25.51	9	\$29.42	5	\$34.43	1	\$31.33	1	\$32.80
PB	111		116		123		123		123

Wage Schedule 2C applies to all Employees having a designated Base Location listed below:

Akron, OH	Dover, DE	Portland, ME
Albany, NY	Flint, MI	Poughkeepsie, NY
Allentown, PA	Grand Rapids, MI	Providence, RI
Alton, IL	Harrisburg, PA	Reading, PA
Ann Arbor, MI	Kingston, NY	Rochester, NY
Binghamton, NY	Lancaster, PA	Santa Ana, CA
Canton, OH	Lansing, MI	San Diego, CA
Centralia, IL	Lewistown, PA	San Francisco-East Bay, CA
Champaign, IL	Los Angeles, CA	Saginaw, MI
Cincinnati, OH	Madison, WI	San Jose, CA
Cleveland, OH	Manchester, NH	Springfield, MA
Collinsville, IL	Milwaukee, WI	Syracuse, NY
Columbus, OH	Oceanside, CA	Toledo, OH
Dayton, OH	Ottawa, IL	Utica, NY
Decatur, IL	Philadelphia, PA	Youngstown, OH
Detroit, MI	Pittsburgh, PA	

Article 12

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2D

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.10								
2	\$9.71								
3	\$10.36								
4	\$11.06								
5	\$11.80								
6	\$12.59								
7	\$13.43	1	\$15.86						
8	\$14.33	2	\$16.89						
9	\$15.30	3	\$17.78						
10	\$16.32	4	\$18.94						
11	\$17.42	5	\$20.18	1	\$18.87				
12	\$18.59	6	\$21.50	2	\$21.27				
13	\$19.83	7	\$22.91	3	\$23.97				
14	\$21.16	8	\$24.41	4	\$27.02				
15	\$22.58	9	\$26.01	5	\$30.45	1	\$27.71	1	\$29.07
PB	111		116		123		123		123

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 2D

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.33								
2	\$9.96								
3	\$10.62								
4	\$11.33								
5	\$12.09								
6	\$12.91								
7	\$13.77	1	\$16.05						
8	\$14.69	2	\$17.10						
9	\$15.68	3	\$18.22						
10	\$16.73	4	\$19.41						
11	\$17.85	5	\$20.69	1	\$19.34				
12	\$19.05	6	\$22.04	2	\$21.80				
13	\$20.32	7	\$23.48	3	\$24.57				
14	\$21.69	8	\$25.02	4	\$27.69				
15	\$23.14	9	\$26.66	5	\$31.21	1	\$28.40	1	\$29.80
PB	111		116		123		123		123

EFFECTIVE MAY 27, 2007

WAGE SCHEDULE 2D

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.64								
2	\$10.18								
3	\$10.86								
4	\$11.59								
5	\$12.37								
6	\$13.20								
7	\$14.08	1	\$16.41						
8	\$15.02	2	\$17.48						
9	\$16.03	3	\$18.53						
10	\$17.11	4	\$19.65						
11	\$18.25	5	\$21.15	1	\$19.78				
12	\$19.48	6	\$22.54	2	\$22.29				
13	\$20.78	7	\$24.01	3	\$25.12				
14	\$22.17	8	\$25.58	4	\$28.31				
15	\$23.66	9	\$27.28	5	\$31.91	1	\$29.04	1	\$30.47
PB	111		116		123		123		123

EFFECTIVE MAY 25, 2008

WAGE SCHEDULE 2D

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.73								
2	\$10.38								
3	\$11.08								
4	\$11.82								
5	\$12.61								
6	\$13.46								
7	\$14.36	1	\$16.74						
8	\$15.32	2	\$17.84						
9	\$16.35	3	\$19.00						
10	\$17.45	4	\$20.25						
11	\$18.61	5	\$21.58	1	\$20.18				
12	\$19.88	6	\$22.99	2	\$22.74				
13	\$21.19	7	\$24.50	3	\$25.63				
14	\$22.61	8	\$26.10	4	\$28.88				
15	\$24.13	9	\$27.81	5	\$32.55	1	\$29.62	1	\$31.08
PB	111		116		123		123		123

**EFFECTIVE MAY 24, 2009**

**WAGE SCHEDULE 2D**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.92								
2	\$10.59								
3	\$11.29								
4	\$12.05								
5	\$12.88								
6	\$13.72								
7	\$14.64	1	\$17.07						
8	\$15.62	2	\$18.19						
9	\$16.67	3	\$19.38						
10	\$17.79	4	\$20.65						
11	\$18.98	5	\$22.01	1	\$20.58				
12	\$20.26	6	\$23.45	2	\$23.19				
13	\$21.81	7	\$24.99	3	\$26.14				
14	\$23.06	8	\$26.62	4	\$29.46				
15	\$24.81	9	\$28.37	5	\$33.20	1	\$30.21	1	\$31.70
PB	111		116		123		123		123

**EFFECTIVE MAY 23, 2010**

**WAGE SCHEDULE 2D**

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.12								
2	\$10.80								
3	\$11.52								
4	\$12.29								
5	\$13.12								
6	\$14.00								
7	\$14.94	1	\$17.41						
8	\$15.94	2	\$18.55						
9	\$17.01	3	\$19.77						
10	\$18.15	4	\$21.06						
11	\$19.36	5	\$22.45	1	\$20.99				
12	\$20.66	6	\$23.92	2	\$23.56				
13	\$22.05	7	\$25.49	3	\$26.66				
14	\$23.52	8	\$27.15	4	\$30.04				
15	\$25.10	9	\$28.94	5	\$33.86	1	\$30.81	1	\$32.33
PB	111		116		123		123		123

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2D

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.32								
2	\$11.01								
3	\$11.75								
4	\$12.54								
5	\$13.38								
6	\$14.28								
7	\$15.23	1	\$17.78						
8	\$16.25	2	\$18.82						
9	\$17.34	3	\$20.17						
10	\$18.51	4	\$21.49						
11	\$19.75	5	\$22.80	1	\$21.41				
12	\$21.07	6	\$24.40	2	\$24.13				
13	\$22.48	7	\$26.00	3	\$27.19				
14	\$23.98	8	\$27.70	4	\$30.65				
15	\$25.60	9	\$29.52	5	\$34.54	1	\$31.43	1	\$32.88
<b>PB</b>	<b>111</b>		<b>115</b>		<b>123</b>		<b>123</b>		<b>123</b>

Wage Schedule 2D applies to all Employees having a designated Base Location listed below:

- |                   |                |                 |
|-------------------|----------------|-----------------|
| Asbury Park, NJ   | Framingham, MA | New London, CT  |
| Aurora, IL        | Gary, IN       | Peoria, IL      |
| Atlantic City, NJ | Hartford, CT   | Rockford, IL    |
| Bridgeport, CT    | Honolulu, HI   | Rock Island, IL |
| Buffalo, NY       | Joliet, IL     | Springfield, IL |
| Camden, NJ        | Kankakee, IL   | Trenton, NJ     |
| Chicago, IL       | Newark, NJ     | Washington, DC  |
| Crystal Lake, IL  | New Haven, CT  |                 |

Article 12

EFFECTIVE MAY 29, 2005

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.17								
2	\$9.78								
3	\$10.44								
4	\$11.14								
5	\$11.88								
6	\$12.68								
7	\$13.53	1	\$15.79						
8	\$14.43	2	\$16.87						
9	\$15.40	3	\$18.02						
10	\$16.43	4	\$19.25						
11	\$17.53	5	\$20.57	1	\$19.02				
12	\$18.71	6	\$21.97	2	\$21.53				
13	\$19.96	7	\$23.47	3	\$24.36				
14	\$21.29	8	\$25.08	4	\$27.58				
15	\$22.72	9	\$26.79	5	\$31.21	1	\$28.11	1	\$29.82
PB	111		118		124		124		124

EFFECTIVE MAY 28, 2006

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.40								
2	\$10.03								
3	\$10.70								
4	\$11.42								
5	\$12.18								
6	\$13.00								
7	\$13.87	1	\$18.18						
8	\$14.80	2	\$17.26						
9	\$15.79	3	\$18.47						
10	\$16.84	4	\$19.73						
11	\$17.97	5	\$21.08	1	\$19.50				
12	\$19.17	6	\$22.52	2	\$22.07				
13	\$20.46	7	\$24.06	3	\$24.98				
14	\$21.83	8	\$25.70	4	\$28.27				
15	\$23.28	9	\$27.46	5	\$31.99	1	\$28.81	1	\$30.57
PB	111		118		124		124		124

EFFECTIVE MAY 27, 2007

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.81								
2	\$10.25								
3	\$10.94								
4	\$11.67								
5	\$12.45								
6	\$13.29								
7	\$14.18	1	\$16.54						
8	\$15.13	2	\$17.57						
9	\$16.14	3	\$18.88						
10	\$17.22	4	\$20.17						
11	\$18.37	5	\$21.55	1	\$19.94				
12	\$19.60	6	\$23.02	2	\$22.57				
13	\$20.82	7	\$24.60	3	\$25.54				
14	\$22.32	8	\$26.28	4	\$28.90				
15	\$23.81	9	\$28.08	5	\$32.71	1	\$28.46	1	\$31.26
PB	111		118		124		124		124

EFFECTIVE MAY 25, 2008

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$9.80								
2	\$10.48								
3	\$11.16								
4	\$11.90								
5	\$12.70								
6	\$13.55								
7	\$14.46	1	\$18.87						
8	\$15.43	2	\$18.02						
9	\$16.46	3	\$19.26						
10	\$17.56	4	\$20.57						
11	\$18.74	5	\$21.98	1	\$20.34				
12	\$20.00	6	\$23.48	2	\$23.02				
13	\$21.34	7	\$25.09	3	\$26.05				
14	\$22.77	8	\$26.81	4	\$28.48				
15	\$24.29	9	\$28.64	5	\$33.36	1	\$30.05	1	\$31.89
PB	111		118		124		124		124

EFFECTIVE MAY 24, 2009

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.00								
2	\$10.67								
3	\$11.38								
4	\$12.15								
5	\$12.96								
6	\$13.83								
7	\$14.75	1	\$17.21						
8	\$15.74	2	\$18.39						
9	\$18.00	3	\$19.64						
10	\$17.82	4	\$20.90						
11	\$19.12	5	\$22.42	1	\$20.75				
12	\$20.40	6	\$23.95	2	\$23.48				
13	\$21.77	7	\$25.59	3	\$26.57				
14	\$23.22	8	\$27.34	4	\$30.07				
15	\$24.78	9	\$29.21	5	\$34.03	1	\$30.65	1	\$32.53
PB	111		118		124		124		124

EFFECTIVE MAY 23, 2010

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.20								
2	\$10.88								
3	\$11.81								
4	\$12.39								
5	\$13.22								
6	\$14.11								
7	\$15.05	1	\$17.55						
8	\$18.08	2	\$18.75						
9	\$17.13	3	\$20.03						
10	\$18.28	4	\$21.40						
11	\$19.51	5	\$22.87	1	\$21.17				
12	\$20.81	6	\$24.43	2	\$23.98				
13	\$22.21	7	\$26.10	3	\$27.11				
14	\$23.88	8	\$27.88	4	\$30.67				
15	\$25.28	9	\$29.79	5	\$34.71	1	\$31.28	1	\$33.18
PB	111		118		124		124		124

EFFECTIVE MAY 22, 2011

WAGE SCHEDULE 2E

Step	ACST	Step	CST	Step	SCST	Step	S-1	Step	S-2
1	\$10.40								
2	\$11.10								
3	\$11.84								
4	\$12.63								
5	\$13.48								
6	\$14.38								
7	\$15.35	1	\$17.90						
8	\$16.38	2	\$19.12						
9	\$17.47	3	\$20.43						
10	\$18.65	4	\$21.83						
11	\$19.90	5	\$23.32	1	\$21.58				
12	\$21.23	6	\$24.82	2	\$24.43				
13	\$22.65	7	\$26.62	3	\$27.65				
14	\$24.17	8	\$28.44	4	\$31.26				
15	\$25.79	9	\$30.39	5	\$35.40	1	\$31.89	1	\$33.84
PB	111		118		124		124		124

Wage Schedule 2E applies to all Employees having New York, NY and Long Island-East, NY as their designated Base Locations.

Article 12

- (c) In order to qualify for a Service Interval rate increase an Employee (in addition to meeting the other conditions set forth in this Contract) must have sixty (60) days Net Credited Service on the effective date of the scheduled increase.
    - (1) Ordinarily Employees shall be hired Step 1. The Company may, however, start an Employee above Step 1 if in its judgment he or she has acquired sufficient mechanical, electrical, communications or other recognized related experience to warrant a higher rate.
  - (d) A Service Interval increase in an Employee's Standard Rate as provided in Paragraph 2(b) shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.
  - (e) An Employee whose Standard Rate as a result of any wage increases provided for in this article is higher than the rate specified in Paragraph 2(b) for an applicable Service Interval shall maintain such rate until the completion of the next Service Interval at which time the Employee shall receive such increase as may be necessary to adjust his or her Standard Rate to the rate specified in Paragraph 2(b) for such next Service Interval.
  - (f) All new Employees (i.e., Employees never employed in the Installation Field forces of the Company) shall be placed into the Associate Communication Services Technician job classification.
  - (g) All new Employees employed in the Installation Field forces of the Company through LTP shall be placed into an Associate Communications Services Technician wage rate at Step 6.
- 3 Skill Classification and Recertification Reviews
- (a) Reassignment Review
    - (1) All Employees in the Job Title of ACST who have completed the eighty-four (84) month progression schedule and all Employees holding the Job Title of CST will be reviewed for reassignment to a higher approved Job Title prior to the first Monday of fiscal March in each year during the term of this agreement. This review will be conducted by the Installation Resource Planning Board, hereafter referred to as the "Board". All recommendations for reassignments must have the final approval of the Board. Decisions regarding reassignments will be based upon reasons sufficient to, and will be solely at the discretion of, the Board, which decisions shall not be arbitrable. In addition, if the Board determines that there is an immediate need for a CST or SCST, it may, solely at its discretion, waive any Installation Service Skill Plan requirements and approve the reassignment of a qualified Employee to the Job Title with the need. Any approved reassignment of an Employee to a higher Job Title as a result of the Board's review will be effective at the

beginning of the first fiscal week in March during the year of reassignment.

For ACST's in progression, the Company will conduct an annual developmental review regarding skill proficiency progress and training needs. For any ACST with fifteen (15) or more years of Installation Service or any CST with twenty (20) years or more of Installation Service who is not recommended for reassignment, a developmental plan will be established by the Board.

Employees who are not reassigned to the Job Title of CST through achievement of a system skill qualification and who are at the maximum ACST wage rate, may be reassigned to the CST Title upon successfully passing the Written Leadership Test. The Test contains elements such as, but not limited to quality, safety, service protection, customer satisfaction, job administration, and interpersonal relationships. It will be administered during the fourth quarter of each calendar year to eligible ACST's and those who pass the Test will be reassigned to CST effective at the beginning of the first fiscal week in March of the subsequent year. ACST's reassigned to CST in this manner shall receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for the CST Job Title which corresponds to the amount which is closest to, but higher than, his/her rate immediately prior to the reassignment. Further Service Interval progression increases shall not apply to such an Employee until such time as he/she becomes qualified in a system skill in accordance with the applicable Skill Plan qualification requirements.

- (2) An Employee who is reassigned to a new approved Job Title of CST or SCST, shall upon reassignment receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for that new Job Title which corresponds to the amount which is closest to, but higher than, his or her rate immediately prior to the reassignment. Subsequent Service Interval increases will become effective in accordance with Paragraph 2(d).
- (3) Any grievance involving assignment or reassignment of approved Job Titles shall, if presented within sixty (60) days after the date of the occurrence which gave rise to the grievance, be subject to the grievance provisions set forth in Article 7, but no grievance involving the Network Systems Work Operations Codes and Skill Classification Plan or its administration shall be subject to the arbitration provisions of Article 8 of this Contract.

(b) Recertification Review

Article 12

- (1) The skills of all incumbent CST's and SCST's (excluding Employees whose sole system skill qualification is in a Declining System) will be reviewed annually to ensure continued proficiency in their assigned system and level. If an Employee is identified as having a skill deficiency caused by changes in technology or other skill related deficiencies, a recertification plan (including applicable training, on-the-job assignments, etc.) will be established. Periodic reviews will be conducted during the next twelve (12) months to assist the Employee to correct the deficiencies. If the deficiencies are not corrected, the Employee's next applicable negotiated wage increase, per Paragraph 1 above, will be withheld. Once the deficiencies are corrected, the Employee's negotiated wage increase will be restored.
- (2) Disputed situations involving the recertification review will be subject to third party review under the Expedited Arbitration process set forth in Article 22. In such cases, the sole issue shall be whether the Company acted unreasonably in withholding a General Wage Increase from the Employee. If so, the remedy is restoration of the General Increase. The arbitrator shall have no authority to promote the Employee or to rule upon any issue arising under or involving administration of the Skill Classification Plan.
- (c) The approved Job Title of each Employee will be reviewed for reassignment to a higher approved Job Title prior to the first Monday of fiscal March in each year during the term of this agreement. Any reassignment of an Employee to a higher approved Job Title as a result of such review will be effective at the beginning of the first fiscal week in March during the year of reassignment. All assignments and reassignments of approved Job Titles shall be made solely at the discretion of the Company.
- (d) An Employee who is reassigned to a new approved Job Title shall upon reassignment receive a wage increase to the Service Interval progression step within the applicable Wage Schedule set out in Paragraph 2(b) for that new Job Title which corresponds to the amount which is closest to, but higher than, his or her rate immediately prior to the reassignment. Subsequent Service Interval increases will become effective in accordance with Paragraph 2(d).

- (e) Any grievance involving assignment or reassignment of approved Job Titles shall, if presented within sixty (60) days after the date of the occurrence which gave rise to the grievance, be subject to the grievance provisions set forth in Article 7, but no grievance involving the Customer Operations Work Operation Codes and Skill Classification Plan or its administration shall be subject to the arbitration provisions of Article 8 of this Contract.
- 4 Wage Treatment on Transfers between Work Locations with Different Wage Schedules**
- (a) The Standard Rate of pay of any Employee on a Temporary Transfer will not be changed by reason of such Temporary Transfer.
  - (b) The Standard Rate of an Employee when transferred on a Permanent Transfer to a location where a different Wage Schedule is applicable shall be adjusted to the Standard Rate for the Employee's Service Interval and approved Job Title on the Wage Schedule applicable to the location to which transferred.
    - (1) For Transfers to a Base Location where a higher Wage Schedule is applicable, the rate adjusted as provided in Paragraph 4(b) will be effective as of the beginning of the Workweek following the date of arrival at the location to which transferred.
    - (2) For Transfers to a Base Location where a lower Wage Schedule is applicable, the reduced rate as provided in Paragraph 4(b) will be effective as of the beginning of the fourteenth (14) Workweek following the date of arrival at the location to which transferred. However, in such case, the Employee shall be paid an allowance based upon the difference between the Employee's former Standard Rate and new Standard Rate applied to all time paid. Such an allowance shall be paid for a maximum period of twelve (12) weeks and will be decreased gradually starting with the effective date of the reduced rate as follows:
      - (i) During the first four (4) payroll weeks following such reduction, an allowance equivalent to the difference between the Employee's former Standard Rate and new Standard Rate shall be paid.
      - (ii) Commencing with the fifth (5) payroll week, if the reduction in the Employee's Standard Rate is \$.10 or less, the entire allowance shall be discontinued; if the reduction is more than \$.10 but less than \$.30 per hour the allowance shall be decreased \$.10 per hour; if the reduction is \$.30 per hour or more the allowance shall be decreased by one-third (1/3).
      - (iii) Commencing with the ninth (9) payroll week, if the allowance remaining after the application of Paragraph 4(b)(2)(ii) is \$.10

Article 12

per hour or less, it shall be discontinued; if it is more than \$.10 per hour but less than \$.20 per hour, it shall be decreased \$.10 per hour; if it is \$.20 per hour or more, it shall be decreased by one-half (1/2).

- (iv) At the beginning of the thirteenth (13) payroll week, the allowance shall be discontinued.
- (3) The allowance which an Employee might otherwise be entitled to receive under the provisions of Paragraph 4(b)(2) shall be decreased by any wage increases received by the Employee as provided in Paragraphs 1, 2 or 3 of this Article during the period for which the allowance is paid.
- (c) The Standard Rate of an Employee transferred from outside the bargaining unit to an assignment within the bargaining unit, except as covered by Article 9, Paragraph 5(a), shall become effective on the day the Employee starts to work in the unit.
  - (1) When the application of Paragraph 4(c) results in a Standard Rate lower than the Employee's rate before transfer, the treatment specified in Paragraphs 4(b)(2)(i), 4(b)(2)(ii), 4(b)(2)(iii) and 4(b)(2)(iv) shall be applied. Where the Employee's former rate was on a weekly or monthly basis, the allowance shall be the difference between the hourly equivalent of the Employee's former Standard Weekly or Monthly Rate and his or her new Standard Rate.

5 Responsibility for the Work of Others or Classroom Training Delivery

- (a) An Employee assigned by Local Management to be responsible for the work of others as a Lead Installer will be assigned the responsibility for a job site(s). Responsibilities will include, but are not limited to, planning, organizing, laying out and assigning the work, monitoring the progress of the job, interpreting job information, preparing routine forms such as connecting sheets, dope sheets and running sheets, checking and testing, housekeeping, safety, contacting suppliers, and interfacing with customers or customer representatives. Also included are reporting and visually certifying the accuracy of Employees' time records, ensuring that the quality of the product, both the components and the overall job, meets prescribed quality objectives, including required quality documentation and the training and instructing of installers.
- (b) An Employee assigned as a Lead Installer is not responsible for disciplining personnel, or for reporting on or passing judgment on the individual performance of other Installers with respect to productivity, quality, attendance, etc.. However, he/she is expected to be fully aware of the status of the work, both the components and the overall job(s), and to keep the Supervisor advised of any deviations from the job plan or schedules that are encountered or anticipated.
- (c) An Employee may be assigned by Local Management to be responsible for the delivery of a formal training class covering either technical or non-technical subject matter when such responsibility includes teaching other employees in a classroom environment either on or off the job, will be paid the allowance as specified in (d) below.
- (d) An Employee assigned by Local Management to be responsible for the work of others as a Lead Installer or Trainer as described above for two (2) hours or more during a Scheduled Daily Tour, shall be granted a pay allowance as follows:

**Daily Allowance**

**Responsible For**

One other Employee but not more than three other Employees	\$6.50
Four or more other Employees, but not to exceed eight	\$7.50
Training Assignment	\$6.50

6 Night Work Bonus

Article 12

- (a) An Employee on Night Tour shall be paid a night work bonus of ten percent (10%) of the Employee's Adjusted Rate for all time worked on such tours.

7 Special City Allowance

- (a) An Employee whose assigned Job Location is within the designated city zone of a city listed below, will be paid the Special City Allowance listed for that city for each day tour or night tour on which the Employee reports for work at such Job Location, subject to the provisions of Paragraph 7(a)(1):

City		Daily Allowance
Atlanta	Minneapolis-St. Paul	\$1.00
Miami	Milwaukee	
Birmingham	Houston	
New Orleans	Kansas City	
Denver	St. Louis	
Phoenix	Dallas	
Indianapolis	Fort Worth	
Portland	Newark-Jersey City	\$1.40
Seattle	Washington, DC	
Philadelphia	Chicago	
Pittsburgh	Detroit	
Baltimore	Los Angeles	
Cleveland	San Francisco-Oakland	
Tacoma		
New York		\$1.80

- (1) In no event shall an Employee be eligible to more than one (1) daily allowance for each Scheduled Daily Tour.
- (b) The designated city zones referred to in Paragraph 7(a) are described in Appendix 1 attached hereto and made a part hereof. It is understood that the boundaries set forth therein are those boundaries in existence as of the effective date of this Contract. It is further understood that the designated city zones will not be altered by the possible modification of any lines, streets, roads or other boundaries by governmental authority or otherwise.

- (c) The Special City Allowance will enter into computations of overtime pay required by law but will not be part of the Employee's Standard Rate for any other purpose nor enter into the computation of any payments made under the Benefit Plan or of any other allowances, fringe benefits or differentials.

8 Delivery of Pay Checks

- (a) The Company will endeavor to have payroll checks available for distribution on Thursday of each week unless unknown or unavoidable conditions prevent the Company from doing so. If there is a delay in delivery to a Job Location, every reasonable effort will be made to issue Field drafts or other means, to all Employees ordinarily by noon on Friday.
- (b) At the option of an Employee, and as a mandatory method of paycheck delivery for all Employees hired by the Company after August 1, 1995, the Company will deliver the Employee's pay check as follows:
  - (1) Electronic Funds Transfer (EFT)
  - (2) Mail to home or other fixed address as specified by the Employee
  - (3) Payroll Debit Card Program
- (c) If an Employee utilizes EFT or selects the Payroll Debit Card Program, pay stubs will be mailed to the Employee's home or other fixed address as specified by the Employee.
- (d) If there is a delay in receipt of EFT, the Employee will qualify for payment by Field Draft, or other means, ordinarily by noon on Friday.
- (e) An Employee who is on Temporary Transfer out of his/her banking territory and who incurs an expense for either cashing a personal check or using an Automatic Teller Machine (ATM) will be reimbursed as follows:
  - (1) An Employee who has difficulty in cashing a personal check while on the Transfer will be reimbursed for one reasonable check cashing fee each week upon presentation of a satisfactory receipt, or
  - (2) An Employee who uses an Automatic Teller Machine (ATM) while on the Transfer will be reimbursed for up to two withdrawal charge(s) each week upon presentation of a satisfactory receipt.
- (f) The Payroll Debit Card is an optional EFT process.
  - (1) Employee participation in the Payroll Debit Card Program shall be voluntary.
  - (2) An Employee's net pay for each week will be deposited to the Employee's Payroll Debit Card account.

Article 12

- (3) The Employee's Payroll Debit Card will be usable at any ATM.
- (4) The Company will work with the vendor(s) of the Payroll Debit Card Program to ensure that an Employee's net pay will be available to the Employee at ATM machines at the beginning of each pay day.
- (5) An Employee's Payroll Debit Card account will not be available for other deposits.
- (6) The activation fee for an Employee's Payroll Debit Card account will be paid by the Company.
- (7) Each Employee will be permitted two (2) ATM withdrawals per week with ATM fees paid by the Company.
- (8) The Payroll Debit Card Program and its administration will be subject to the grievance procedure but shall not be subject to arbitration.
- (9) The Company reserves the right to change vendors of the Payroll Debit Card Program and to terminate the Program upon 60 days notice to the Union.

**ARTICLE 13 - LOCAL ASSIGNMENTS AND TRANSFERS****1 Definitions**

- (a) "Base Location" means a city listed in Appendix 2 attached hereto and made a part hereof. Such cities are so designated because they are focal points for the performance of installation work.
- (b) "Hiring Location" means the place of hiring of an Employee who was hired at other than a Base Location and who has not yet been transferred to his or her designated Base Location on a Permanent Transfer.
- (c) "Work Location" means a Base Location (or Hiring Location, if applicable) or any other place to which an Employee was transferred on his or her latest Transfer.
- (d) "Job Location" means a specific site at which installation work is performed.
- (e) "Computation Point" means the fixed point in the Work Location designated by the Company for the purpose of computing travel time and transportation expense allowances on Local Assignments and Temporary Transfers.
- (f) "Compensated Travel Time" means travel time for which payment is made under the provisions of Paragraphs 3(b)(2), 4(a)(5)(ii), 4(b) (with reference to Paragraphs 4(a)(5)(ii) and 4(b)(1)), 4(b)(1), 5(a)(1) and 5(a)(2).
- (g) "Local Assignment" means the assignment of an Employee to a Job Location which the Company determines is within range of travel on a daily basis from the applicable Computation Point of an Employee's Work Location.
- (h) "Transfer" means the movement of an Employee from one Work Location to another Work Location on other than a Local Assignment.
- (i) "Temporary Transfer" means the transfer of an Employee from one Work Location to another Work Location without a change in the Employee's designated Base Location. An Employee's return to his or her designated Base Location (or Hiring Location, if applicable) shall not be considered a transfer.
- (j) "Permanent Transfer" means the transfer of an Employee from one Base Location to another Base Location on other than a Temporary Transfer. It also means the initial transfer of an Employee to his or her designated Base Location if the Employee was hired at other than a Base Location, except when such transfer is for the purpose of attending a training class.
- (k) "Maintenance Point of Presence" (MPOP): A location designated by the Company which is more than fifty (50) miles from an existing Base

Location and where there is a maintenance service opportunity requiring a dedicated on-site technician.

**2 General**

- (a) The Company and the Union agree that the character of installation work makes it necessary for an Employee to move to and from Job Locations and Work Locations. The Company will effect such a move by a Local Assignment, a Temporary Transfer or a Permanent Transfer.
- (b) The Company shall designate a Base Location for each Employee. An Employee shall not be eligible to any per diem allowance at the location in which he or she was hired, until the Employee has been transferred to a Base Location on a Permanent Transfer.
- (c) The Company shall not specify the mode of travel to be used by an Employee on a Local Assignment or Transfer, except as follows:
  - (1) The Company may furnish transportation when it determines that such transportation is appropriate for travel on a Local Assignment or transfer, and in such event Employees may be assigned to drive or to travel as passengers in a Company-provided vehicle.
  - (2) The Company may schedule travel via common carrier, including airplane, on a Permanent Transfer, or on a Temporary Transfer as provided in Paragraphs 4(a)(2) and 4(b).
- (d) When an Employee uses his or her motor vehicle in connection with a Local Assignment or a transfer, such use shall in no case be considered either as authorized or required by the Company. However, in the case of a Permanent Transfer, Paragraph 5(a)(2) (travel time) and Paragraph 5(b)(2) (travel expense) shall apply when an Employee uses his or her automobile under the conditions stated in said paragraphs.
- (e) The Company will endeavor to schedule travel on transfers during the day tour of the Scheduled Weekly Tour in effect at the Job Location from which the Employee is transferred, except when sleeping accommodations are provided for overnight travel via common carrier. When travel is scheduled via common carrier, departure and arrival time will be designated.
- (f) An Employee shall be given at least forty-five (45) days advance notice of a Permanent Transfer. Unless unknown or unforeseen conditions prevent the Company from giving such notice, an Employee shall be given at least seven (7) days advance notice of a Temporary Transfer to a Work Location sixty five (65) road miles or more from the Employee's Applicable Computation Point; and notification prior to the end of the Employee's tour on the work day preceding a Local Assignment.

- (g) Multiple Computation Points will be established with respect to the following Base Locations: Atlanta, Chicago, Dallas, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Newark, New York, Minneapolis-St. Paul, Philadelphia, Phoenix, St. Louis, San Antonio, San Diego, San Francisco-East Bay, and Seattle. For the purpose of computing transportation expense and daily miscellaneous allowance on Local Assignments and transportation expense and travel time allowances on Temporary Transfers, the Computation Point designated for an Employee at such Base Locations shall be that Computation Point previously designated for the Employee and in effect as of 11:59 p.m. on May 30, 1998. For those Employees who may be rehired from Layoff subsequent to the effective date of this Contract, the Computation Point designated shall be that Computation Point previously designated for the Employee and in effect as of the time he or she had last been Laid-Off; except, that in the event the Employee is rehired to a Computation Point different from that from which he or she was assigned when he or she was Laid Off, the Computation Point designated shall be the Computation Point to which he or she was rehired. For those Employees who may be newly hired, rehired, or reinstated from Leave of Absence subsequent to the effective date of this Contract, the Computation Point designated shall be the one nearest the Employee's living quarters as of the time such Computation applies.
  - (1) For those Employees who may be Permanently Transferred during the life of this Contract, the Computation Point designated shall be the one nearest the Employee's living quarters as of the time such Computation applies.
  - (2) The re-designation of Employees' Computation Points due to changes in their living quarters will be considered, in accordance with seniority, only insofar as business needs permit.
- (h) The Company will endeavor to assign an Employee to a Job Location as near his or her home location and as near the Employee's place of residence in the Work Location as conditions permit.
- (i) In selecting Employees for Temporary Transfer, the Company will give consideration to the Employee's marital status and personal responsibilities.
  - (1) Employees will be selected for Permanent Transfer as follows:
    - (i) The Company will select, by inverse order of Term of Employment, Employees assigned to the Base Location from which such transfer is to be made. For purposes of this paragraph, such selections shall be made from within the following groupings of Employees:  
Communications Service Installer

Associate Communication Services Technician

Communication Services Technician  
(by Communications System and No-Match)

Senior Communication Services Technician  
(by Communications System)

- (ii) An Employee selected in accordance with (i) who has been notified of such Permanent Transfer may, prior to its effective date, elect termination of employment in lieu of the transfer. In such event the Employee will be granted a termination allowance equal to the Layoff Allowance provided in Paragraph 1 of Article 21, for his or her Term of Employment as of the date employment is terminated. In no event, will the Employee receive more than \$30,500 or be entitled to any rights of a laid off Employee. In addition, the Employee will, if eligible, be granted a service pension under and pursuant to the Benefit Plan.
- (2) For the purposes of Paragraph 2(f)(1), one or several Base Locations will be considered as one Base Location when the distance between the applicable Computation Points of those Base Locations is less than thirty-three (33) road miles, and provided that such Base Locations are within the same Area.
- (j) An Employee will not be assigned to an outlying Job Location unless transportation or communication is available to the Employee.
- (k) Except for unforeseen conditions beyond the control of the Company, an Employee will not be assigned for more than eight (8) hours to an outlying Job Location where no other personnel are assigned either by the Company or by the Customer.
- (l) In connection with a Permanent Transfer, dependent means an Employee's wife or husband and children; also other members of his or her family who live with the Employee in the same establishment and are principally dependent upon him or her for support.
- (m) A special condition transfer, which shall not be considered as coming within the other provisions of this article, will be made when all the following conditions exist:
  - (1) Employee requests that he or she be transferred to another Work Location for personal reasons.
  - (2) Although such a transfer would not be initiated by the Company in the normal conduct of the business, the Employee's services can be used at the Work Location to which the transfer is requested.

- (3) The Company agrees to make the transfer and makes satisfactory arrangements with the Local representing the Employee in the Area from which transfer is requested, respecting treatment to be accorded such Employee and to notify the Local which has jurisdiction at the destination Work Location, if applicable.
- (n) A transfer out of the bargaining unit or to points outside the States of the United States shall not be considered as coming under the provisions of this article.
- (o) There shall be no duplication of per diem allowances, and no duplication of Local Assignment Allowances. When more than one per diem allowance, per Paragraphs 4(c)(1) and 5(c)(3), might otherwise be applicable for the same day, the Employee shall be paid only the higher of such allowances for that day. When more than one Local Assignment Transportation Expense Allowance or Daily Miscellaneous Allowance, per Paragraph 3(a), might otherwise be applicable for the same day, the Employee shall be paid only the higher of such allowances for that day.
- (p) When an Employee is transferred after the beginning and before the close of the Scheduled Weekly Tour, the provisions of this article shall not be applied in such a way as to deny an Employee an opportunity to earn eight (8) hours' pay (authorized time worked plus Compensated Travel Time) during any of his or her Scheduled Daily Tours of such Scheduled Weekly Tour.
- (q) When the authorized time worked at the Employee's Adjusted Rate plus Compensated Travel Time for the Workweek does not exceed forty (40) hours, Compensated Travel Time hours shall be paid for at the Employee's Adjusted Rate. When the authorized time worked plus Compensated Travel Time for the Workweek exceeds forty (40) hours, the hours in excess of forty (40) shall be paid at one and one-half (1 1/2) times the Employee's Adjusted Rate. For purposes of this Paragraph 2(q), the travel time allowance of eight (8) hours provided for in Paragraph 4(a)(2) and 4(f)(1)(iii) and sixteen (16) hours provided for in Paragraph 4(a)(3) shall be considered as authorized time worked.
- (r) The Company shall select the route and shall determine the road mileage measurement for that route, for the purposes of Paragraphs 3(a), 3(b), 4(a)(1), 4(a)(2), 4(a)(5), 4(b), 4(c)(1), 4(c)(3) and 4(e)(1), and road mileage tables (such as Rand McNally Standard Highway Mileage Guide) shall be used for determining mileage, where possible.
- (s) Employees will be reimbursed for toll fees, as incurred, upon presentation of receipts provided that such toll fees are reasonably related to the travel as specified in Paragraph 3(a) Local Assignments, Paragraph 4(a)(1) Temporary Transfers, and Paragraph 5(a)(2) Permanent Transfers.

**3 Local Assignment**

- (a) For each day worked on a Local Assignment, an Employee shall (except when Paragraph 3(b) applies) receive the applicable Daily Transportation Expense and Daily Miscellaneous Allowances as provided in the schedule immediately below.
- (b) Notwithstanding the provisions of Paragraph 4(c) below or any other references to Per Diem throughout this Contract, an Employee notified of a Local Assignment of 50 up to 65 road miles may, in lieu of the Local Assignment Daily Transportation Expense and Daily Miscellaneous Allowances, elect that lodging be provided by the Company. In such cases, the Employee will receive:
  - (1) Company provided lodging beginning with the day of arrival and ending with the day of departure, except:
    - when the Local Assignment extends across a weekend(s), the Company provided lodging will be terminated on Friday unless (a) the Employee is scheduled to work on the weekend or, (b) the supervisor approves a request from the Employee that he/she be allowed to stay at the location over the weekend, and
  - (2) a travel time allowance of one (1) minute per mile, which shall be scheduled during the day or night tour schedule in effect at the Job Location, and a transportation expense allowance of \$.36 per mile, except:
    - when the Local Assignment extends across a weekend(s) but is terminated on Friday, in lieu of the one (1) minute per mile and the \$.36 per mile, the Employee will receive the applicable Daily Transportation Expense and Daily Miscellaneous Allowance as provided in the schedule immediately below for the round-trip to his/her Base on Friday and back to the Job Location on Monday, and
  - (3) the applicable Lodging Option Per Diem Allowance as set forth in Paragraph 4(c)(3) below, for each day worked or lodged at the Job Location.

Additionally, notwithstanding the foregoing, an Employee on Temporary Transfer shall not be eligible for, nor receive, the Daily Miscellaneous Allowance for zero (0) up to ten (10) road miles, effective March 2, 2003 as shown on the schedule immediately below.

Effective 3/2/2003

	Distance Between Computation Point and Job Location	up to	mile(s)	Daily Transportation Expense Allowance	Daily Miscellaneous Allowance
0					
1	" "	1	0.00	0.00	2.00
2	" "	2	0.00	0.00	2.00
3	" "	3	0.00	0.00	2.00
4	" "	4	0.00	0.00	2.00
5	" "	5	0.00	0.00	3.00
6	" "	6	0.00	0.00	3.55
7	" "	7	0.00	0.00	4.10
8	" "	8	0.00	0.00	4.70
9	" "	9	0.00	0.00	5.30
10	" "	10	0.36	0.36	5.60
11	" "	11	1.08	1.08	5.60
12	" "	12	1.80	1.80	5.60
13	" "	13	2.52	2.52	5.60
14	" "	14	3.24	3.24	5.60
15	" "	15	3.96	3.96	5.60
16	" "	16	4.68	4.68	5.60
17	" "	17	5.40	5.40	6.25
18	" "	18	6.12	6.12	6.25
19	" "	19	6.84	6.84	6.25
20	" "	20	7.56	7.56	6.25
21	" "	21	8.28	8.28	6.25
22	" "	22	9.00	9.00	6.25
23	" "	23	9.72	9.72	6.25
24	" "	24	10.44	10.44	6.25
25	" "	25	11.16	11.16	6.25
26	" "	26	11.88	11.88	6.25
27	" "	27	12.60	12.60	6.25
28	" "	28	13.32	13.32	6.25
29	" "	29	14.04	14.04	6.25
30	" "	30	14.76	14.76	6.25
31	" "	31	15.48	15.48	6.25
32	" "	32	16.20	16.20	6.25
33	" "	33	16.92	16.92	6.25
34	" "	34	17.64	17.64	6.25
35	" "	35	18.36	18.36	6.25
36	" "	36	19.08	19.08	6.25
37	" "	37			

Article 13

Effective 3/2/2003

	Distance Between Computation Point and Job Location			Daily Transportation Expense Allowance	Daily Miscellaneous Allowance
37	" "	38	"	19.80	6.25
38	" "	39	"	20.52	6.25
39	" "	40	"	21.24	6.25
40	" "	41	"	21.96	6.25
41	" "	42	"	22.68	6.25
42	" "	43	"	23.40	6.25
43	" "	44	"	24.12	6.25
44	" "	45	"	24.84	6.25
45	" "	46	"	25.56	6.25
46	" "	47	"	26.28	6.25
47	" "	48	"	27.00	6.25
48	" "	49	"	27.72	6.25
49	" "	50	"	28.44	6.25
50	" "	51	"	29.16	6.25
51	" "	52	"	29.88	6.25
52	" "	53	"	30.60	6.25
53	" "	54	"	31.32	6.25
54	" "	55	"	32.04	6.25
55	" "	56	"	32.76	6.25
56	" "	57	"	33.48	6.25
57	" "	58	"	34.20	6.25
58	" "	59	"	34.92	6.25
59	" "	60	"	35.64	6.25
60	" "	61	"	36.36	6.25
61	" "	62	"	37.08	6.25
62	" "	63	"	37.80	6.25
63	" "	64	"	38.52	6.25
64	" "	65	"	39.24	6.25

Effective 10/2/2005

	Distance Between Computation Point and Job Location			Daily Transportation Expense Allowance (1)	Daily Miscellaneous Allowance
0	up to	1	mile(s)	0.00	2.00
1	" "	2	"	0.00	2.00
2	" "	3	"	0.00	2.00
3	" "	4	"	0.00	2.00
4	" "	5	"	0.00	2.00
5	" "	6	"	0.00	3.00
6	" "	7	"	0.00	3.55
7	" "	8	"	0.00	4.10
8	" "	9	"	0.00	4.70
9	" "	10	"	0.00	5.30
10	" "	11	"	0.38	5.60
11	" "	12	"	1.13	5.60
12	" "	13	"	1.88	5.60
13	" "	14	"	2.63	5.60
14	" "	15	"	3.38	5.60
15	" "	16	"	4.13	5.60
16	" "	17	"	4.88	5.60
17	" "	18	"	5.63	6.25
18	" "	19	"	6.38	6.25
19	" "	20	"	7.13	6.25
20	" "	21	"	7.88	6.25
21	" "	22	"	8.63	6.25
22	" "	23	"	9.38	6.25
23	" "	24	"	10.13	6.25
24	" "	25	"	10.88	6.25
25	" "	26	"	11.63	6.25
26	" "	27	"	12.38	6.25
27	" "	28	"	13.13	6.25
28	" "	29	"	13.88	6.25
29	" "	30	"	14.63	6.25
30	" "	31	"	15.38	6.25
31	" "	32	"	16.13	6.25
32	" "	33	"	16.88	6.25
33	" "	34	"	17.63	6.25
34	" "	35	"	18.38	6.25
35	" "	36	"	19.13	6.25
36	" "	37	"	19.88	6.25

Article 13

Effective 10/2/2005

	Distance Between Computation Point and Job Location			Daily Transportation Expense Allowance (1)	Daily Miscellaneous Allowance
37	" "	38	"	20.63	6.25
38	" "	39	"	21.38	6.25
39	" "	40	"	22.13	6.25
40	" "	41	"	22.88	6.25
41	" "	42	"	23.63	6.25
42	" "	43	"	24.38	6.25
43	" "	44	"	25.13	6.25
44	" "	45	"	25.88	6.25
45	" "	46	"	26.63	6.25
46	" "	47	"	27.38	6.25
47	" "	48	"	28.13	6.25
48	" "	49	"	28.88	6.25
49	" "	50	"	29.63	6.25
50	" "	51	"	30.38	6.25
51	" "	52	"	31.13	6.25
52	" "	53	"	31.88	6.25
53	" "	54	"	32.63	6.25
54	" "	55	"	33.38	6.25
55	" "	56	"	34.13	6.25
56	" "	57	"	34.88	6.25
57	" "	58	"	35.63	6.25
58	" "	59	"	36.38	6.25
59	" "	60	"	37.13	6.25
60	" "	61	"	37.88	6.25
61	" "	62	"	38.63	6.25
62	" "	63	"	39.38	6.25
63	" "	64	"	40.13	6.25
64	" "	65	"	40.88	6.25

(1) Table to be adjusted if the IRS standard mileage rate is less than \$.375

Effective 10/6/2008

Distance Between Computation Point and Job Location				Daily Transportation Expense Allowance (1)	Daily Miscellaneous Allowance
0	up to	1	mile(s)	0.00	2.00
1	" "	2	"	0.00	2.00
2	" "	3	"	0.00	2.00
3	" "	4	"	0.00	2.00
4	" "	5	"	0.00	2.00
5	" "	6	"	0.00	3.00
6	" "	7	"	0.00	3.55
7	" "	8	"	0.00	4.10
8	" "	9	"	0.00	4.70
9	" "	10	"	0.00	5.30
10	" "	11	"	0.39	5.60
11	" "	12	"	1.17	5.60
12	" "	13	"	1.95	5.60
13	" "	14	"	2.73	5.60
14	" "	15	"	3.51	5.60
15	" "	16	"	4.29	5.60
16	" "	17	"	5.07	5.60
17	" "	18	"	5.85	6.25
18	" "	19	"	6.63	6.25
19	" "	20	"	7.41	6.25
20	" "	21	"	8.19	6.25
21	" "	22	"	8.97	6.25
22	" "	23	"	9.75	6.25
23	" "	24	"	10.53	6.25
24	" "	25	"	11.31	6.25
25	" "	26	"	12.09	6.25
26	" "	27	"	12.87	6.25
27	" "	28	"	13.65	6.25
28	" "	29	"	14.45	6.25
29	" "	30	"	15.21	6.25
30	" "	31	"	15.99	6.25
31	" "	32	"	16.77	6.25
32	" "	33	"	17.55	6.25
33	" "	34	"	18.33	6.25
34	" "	35	"	19.11	6.25
35	" "	36	"	19.89	6.25
36	" "	37	"	20.67	6.25

Article 13

Effective 10/5/2008				Daily Transportation Expense Allowance (1)	Daily Miscellaneous Allowance
	Distance Between Computation Point and Job Location				
37	" "	38	"	21.45	6.25
38	" "	39	"	22.23	6.25
39	" "	40	"	23.01	6.25
40	" "	41	"	23.79	6.25
41	" "	42	"	24.57	6.25
42	" "	43	"	25.35	6.25
43	" "	44	"	26.13	6.25
44	" "	45	"	26.91	6.25
45	" "	46	"	27.69	6.25
46	" "	47	"	28.47	6.25
47	" "	48	"	29.45	6.25
48	" "	49	"	30.03	6.25
49	" "	50	"	30.81	6.25
50	" "	51	"	31.59	6.25
51	" "	52	"	32.37	6.25
52	" "	53	"	33.15	6.25
53	" "	54	"	33.93	6.25
54	" "	55	"	34.71	6.25
55	" "	56	"	35.49	6.25
56	" "	57	"	36.27	6.25
57	" "	58	"	37.05	6.25
58	" "	59	"	37.83	6.25
59	" "	60	"	38.61	6.25
60	" "	61	"	39.39	6.25
61	" "	62	"	40.17	6.25
62	" "	63	"	40.95	6.25
63	" "	64	"	41.73	6.25
64	" "	65	"	42.51	6.25

(1) Table to be adjusted if the IRS standard mileage rate is less than \$.39

- (b) When transportation is furnished by the Company on a Local Assignment, Employees assigned to travel in the Company- provided vehicle as driver or passenger shall be paid as follows:
  - (1) An Employee assigned to drive a Company-provided vehicle shall be paid as authorized time worked for all time so spent driving over the route specified by his or her Supervisor.
  - (2) Travel time for an Employee assigned to travel to and from a Job Location as a passenger in a Company-provided vehicle shall be established by the Company. It shall be based on the average elapsed time required for one-way travel via Company-provided vehicle between the designated starting point and the Job Location. The amount of time by which such one-way travel (computed to the nearest five (5) minutes) exceeds forty-five (45) minutes shall be paid for in respect to each one-way trip.
- (c) When an Employee is paid for travel time under the provisions of Paragraph 3(b), the Company may reduce the Scheduled Daily Tour of such Employee up to the amount of such travel time by varying the starting and stopping time of his or her Scheduled Daily Tour. In such event, the amount of such travel time used in the reduction shall be treated as authorized time worked for purposes of computing overtime compensation for authorized time worked in excess of the Scheduled Daily Tour; also in such event the provisions respecting negotiation contained in Paragraphs 2(c), 2(d), 2(e) of Article 10 shall not apply.
- (d) Under the following conditions, the Company may elect to pay an Employee a meal allowance of \$8.00 for the day:
  - (1) the Employee completes the normal tour outside of Local Assignment mileage range from his/her applicable Computation Point , and
  - (2) he/she works more than ten (10) hours on that day, and
  - (3) the Employee is not on a Temporary Transfer.

In the event that an Employee is assigned to the same work location, which is outside of Local Assignment mileage range from his/her applicable Computation Point, for two consecutive days or more, a Temporary Transfer per diem transfer expense allowance will be paid.

**4 Temporary Transfer**

- (a) **Travel Expense and Travel Time (except in an emergency, as provided for in Paragraph 4(b)).**
  - (1) When an Employee is transferred on a Temporary Transfer or returned therefrom, and the distance between the applicable Computation Points of the starting and destination Work Locations is 800 miles or less, he or she shall be paid a transportation expense allowance of \$.36 per mile. The Employee shall also be paid a travel time allowance of one and one-half (1 1/2) minutes per mile for such distance up to and including 320 road miles, and one (1) minute per mile for such distance over 320 road miles. Such travel time allowance shall be scheduled during the day tour schedule in effect at the Job Location from which the Employee is transferred, and paid for as authorized time worked. In addition, the Employee shall also be paid an allowance specified in Paragraph 4(a)(7) to the extent applicable.
  - (2) When an Employee is transferred on a Temporary Transfer or returned therefrom, and the distance between the applicable Computation Points of the starting and destination Work Locations is more than 800 road miles, the Company will specify travel via airplane to the extent that such transportation is available for the trip. The Company will have the sole responsibility for making reservations and arranging for coach class (or equivalent) airline tickets for the Employee who elects to travel by air. The Employee will be paid a travel time allowance of eight (8) hours which will be allotted to the Scheduled Daily Tour at the Job Location to which transferred on the day designated for travel. The Employee will also be paid for the following items to the extent applicable in traveling as scheduled:
    - (i) Local ground transportation expense (airport bus, limousine, taxi) as reasonably incurred between the Employee's living quarters or Job Location and the airport or common carrier terminal at each end of the trip, (or when such ground transportation is not available between the Employee's home at the Base Location (or Hiring Location, if applicable) and the airport or common carrier terminal, an allowance of \$.36 per mile each way based on the distance in road miles between his or her home and such airport or common carrier terminal).
    - (ii) Other common carrier fare as authorized and incurred in traveling to and from the location of the airport.

- (3) If an Employee scheduled to travel as provided in paragraph 4(a)(2) notifies the Company that he or she elects to travel other than as scheduled, the Employee will be paid an amount in lieu of actual airplane fare to be paid in accordance with the following schedule, based upon the road mileage distance between the applicable Computation Points of the starting and destination Work Locations:

In Lieu of Amount	
Road Mileage	
<u>Distance</u>	<u>3/02/03</u>
801 - 1049	\$264.00
1050 - 1299	\$309.00
1300 - 1549	\$320.00
1550 - 1799	\$332.00
1800 - 2049	\$344.00
2050 - 2299	\$363.00
2300 - Up	\$395.00

The Employee will also be paid a travel time allowance of sixteen (16) hours which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel. In addition, the Employee shall also be paid an allowance specified in Paragraph 4(a)(7) to the extent applicable.

- (4) When an Employee initially travels as provided in Paragraph 4(a)(2), travel on subsequent Temporary Transfers will also be scheduled via airplane, to the extent that such transportation is available, until the Employee is returned to his or her designated Base Location (or Hiring Location, if applicable). If the Employee travels as so scheduled and the distance between the applicable Computation Points is 800 road miles or less, the Employee will be paid a travel time allowance, not to exceed eight (8) hours, for time so spent during the Scheduled Daily Tour in effect at the Job Location from which transferred. When the distance between the applicable Computation Points is over 800 road miles, the travel time allowance will be eight (8) hours, which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel. Such travel time allowance will be paid for as authorized time worked. The Employee will also be paid for the items described in Paragraph 4(a)(2)(i) and 4(a)(2)(ii) as applicable. If the Employee notifies the Company that

he or she elects to travel other than as scheduled, the Employee will be paid the travel time allowance and travel expense allowance that would be applicable in accordance with Paragraph 4(a)(1) and 4(a)(7), when the applicable distance is 800 road miles or less. When the applicable distance is over 800 road miles, travel will be scheduled in accordance with Paragraph 4(a)(3) and the Employee will be paid the travel time and travel expense allowances that would be applicable in accordance with Paragraph 4(a)(3) and 4(a)(7).

- (5) When transportation en route to the destination Work Location on a Temporary Transfer is furnished by the Company:
  - (i) An Employee assigned to drive a Company-provided vehicle shall be paid as authorized time worked for all time so spent driving over the route specified by his or her Supervisor, and
  - (ii) An Employee assigned to travel as a passenger in a Company provided vehicle shall be paid for such time scheduled by the Company during the day tour schedule in effect at the Job Location from which he or she is transferred. In addition, an allowance shall be paid for the items described in Paragraph 4(a)(7) to the extent applicable.
- (6) The Company will arrange transportation for an Employee who travels via airplane in accordance with Paragraph 4(a)(2) or Paragraph 4(a)(4) when suitable transportation is not available between the airport and the temporary living quarters or Job Location at the destination Work Location. The Company will also arrange daily transportation for an Employee who so travels and who is unable to arrange his or her own transportation between the temporary living quarters and the Job Location at the destination Work Location, provided that the Employee has exhausted all reasonable means of obtaining such daily transportation.
- (7) When such travel time allowance as specified in Paragraphs 4(a)(1), 4(a)(3), 4(a)(4), 4(a)(5) and 4(b)(1) is scheduled on more than one (1) day, the Employee will also be paid a per diem transfer expense allowance for each such scheduled day, in the applicable amount specified in Paragraph 4(c)(1), or the lodging option allowance as specified in Paragraph 4(c)(3), as applicable, but without duplication of any per diem allowances, as specified in Paragraph 2(o).
- (b) When, because of an emergency an Employee is directed to proceed at once to a Job Location on a Temporary Transfer, he or she shall be paid in accordance with Paragraphs 4(a)(1), 4(a)(2), 4(a)(3), 4(a)(4), 4(a)(5) or 4(b)(1), whichever is applicable, except that, unless Paragraph 4(b)(1) applies, the travel time allowance shall be computed from the Employee's Job Location or from the Employee's living quarters at the Work Location, whichever is applicable, to the destination Job Location.

- (1) An Employee scheduled because of an emergency to travel via common carrier (other than by airplane), over a route selected by the Company to the destination Job Location shall be paid for all time so spent, except between 11 p.m. and 7 a.m. when sleeping accommodations are provided on an overnight trip. In addition, the Employee shall be paid for the following items to the extent applicable in traveling within the time scheduled for such travel:
  - (i) Common carrier fare by route described in Paragraph 4(b)(1).
  - (ii) The allowance specified in Paragraph 4(a)(7), if applicable.
- (c) Per Diem Expense Allowance
  - (1) A per diem transfer expense allowance will be paid starting with the day an Employee is scheduled to arrive at a Work Location on a Temporary Transfer (but not before the day of actual arrival) and ending with the scheduled day of departure, based on the distance between the Computation Points in such Work Location and in the Employee's designated Base Location (or Hiring Location, if applicable), in accordance with the following schedule:

Category I, II, & III Cities (identified as follows):

**Work Locations to Which Transferred**  
**Category I**

All Other cities not listed in  
CATEGORY II or III

Distance Between Applicable Computation Points	Effective 3/2/03  Per Diem Allowance
<u>Road Miles</u>	
65 Up to 150	\$36.00
150 and Over	\$43.75

**Work Locations to Which Transferred**

Category II <sup>(A)</sup>

Akron, OH

Albuquerque, NM

Article 13

Anaheim, CA	Mobile, AL
Austin, TX	Newport News, VA
Baton Rouge, LA	Norfolk, VA
Birmingham, AL	Paterson, NJ
Bridgeport, CT	Providence RI
Charlotte, NC	Richmond, VA
Columbus, GA	Riverside, CA
Corpus Christi, TX	Rochester, NY
Dayton, OH	Rockford, IL
Des Moines, IA	Sacramento, CA
Evansville, IN	Salt Lake City, UT
Flint, MI	Santa Ana, CA
Fort Lauderdale, FL	St. Petersburg, FL
Fort Myers, FL	Shreveport, LA
Fort Pierce, FL	Spokane, WA
Fort Wayne, IN	Springfield, MA
Fresno, CA	Syracuse, NY
Gary, IN	Tacoma, WA
Grand Rapids, MI	Tallahassee, FL
Greensboro, NC	Tampa, FL
Hartford, CT	Tucson, AZ
Jackson, MS	Virginia Beach, VA
Knoxville, TN	Wichita, KS
Lincoln, NB	Youngstown, OH
Lubbock, TX	
Madison, WI	

Distance Between Applicable Computation Points	Effective 3/2/03  Per Diem Allowance
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Road Miles

65 Up to 150	\$37.00
150 and Over	\$47.25

**Work Locations to Which Transferred**

Category III <sup>(A)</sup>

Atlanta, GA	Chicago, IL
Baltimore, MD	Cincinnati, OH
Buffalo, NY	Cleveland, OH

Columbus, OH  
 Dallas, TX  
 Denver, CO  
 Detroit, MI  
 El Paso, TX  
 Fort Worth, TX  
 Honolulu, HI  
 Houston, TX  
 Kansas City, MO  
 Los Angeles, CA  
 Louisville, KY  
 Memphis, TN  
 Miami, FL  
 Milwaukee, WI  
 Minneapolis-St. Paul, MN  
 Nashville, TN  
 Newark, NJ

New Orleans, LA  
 New York, NY  
 Oklahoma City, OK  
 Omaha, NB  
 Philadelphia, PA  
 Phoenix, AZ  
 Pittsburgh, PA  
 Portland, OR  
 St. Louis, MO  
 San Antonio, TX  
 San Diego, CA  
 San Jose, CA  
 San Fran - Oakland, CA  
 Seattle, WA  
 Toledo, OH  
 Tulsa, OK  
 Washington, DC

Distance Between Applicable Computation Points	Effective 3/2/03 Per Diem Allowance
<u>Road Miles</u>	
65 Up to 150	\$41.75
150 and Over	\$51.50

<sup>1A</sup>This allowance will also apply when the Work Location to which transferred is a city, town or village that abuts a city listed herein, and the Computation Point of such city, town or village is not more than five (5) road miles from the city limits of such listed city.

- (2) When an Employee is absent from work, payment of the allowance per Paragraph 4(c)(1) or payment of room rent and tax plus per diem allowance per Paragraph 4(c)(3) will be made only when such absence is excused. However, when the absence is due to accident, sickness, or quarantine, such allowance will be paid only when the Employee remains at his or her Work Location.
- (3) When an Employee is transferred on a Temporary Transfer, and the distance between the applicable Computation Points of his or her Work Location and his or her designated Base Location (or Hiring Location, if applicable) is 65 road miles or more, he or she may, not later than three (3) working days before the scheduled date of departure, elect to waive the applicable Per Diem Expense Allowance otherwise payable under Paragraph 4(c)(1) and accept a lodging option in its place. Under the lodging option the Company will select and arrange for lodging accommodations for the Employee at its expense (room rent and tax only) and will pay the Employee a lodging option per diem allowance as follows:

**Lodging Option  
Per Diem Allowance**

<u>Work Locations To Which Transferred</u>	<u>Road Miles</u>	<u>Effective 3/2/03</u>	<u>Effective 10/2/05</u>	<u>Effective 10/5/08</u>
		<u>Lodging Option Per Diem Allowance</u>	<u>Lodging Option Per Diem Allowance</u>	<u>Lodging Option Per Diem Allowance</u>
Category I	50 – 150	\$23.25	\$23.55	\$23.85
	150 and over	\$24.75	\$25.10	\$25.45
Category II	50 – 150	\$23.25	\$23.60	\$23.95
	150 and over	\$25.25	\$25.70	\$26.15
Category III	50 – 150	\$23.75	\$24.15	\$24.55
	150 and over	\$26.00	\$26.50	\$27.00

Notwithstanding the above, the lodging option per diem specified in this paragraph will be paid starting with the day the Employee is scheduled to arrive at the Work Location on Temporary Transfer (but not before the day of actual arrival) and ending with the day on which the Employee is scheduled to depart on return to his or her

designated Base Location (or Hiring Location, if applicable) or on which the Employee becomes eligible for a travel time allowance as set forth in Paragraph 4(a)(7). Eligibility for per diem allowance payments, if any, for days upon which the lodging option per diem allowance is not payable as set forth above shall be in accordance with other applicable provisions of this Article.

The Company will assume the room rent expense and pay the lodging option per diem allowance only for each day that an allowance under Paragraph 4(c)(1) would have been payable had the Employee not selected the lodging option.

(i) Not more than once during each Temporary Transfer such an Employee may, upon at least three (3) working days notice to the Company, change his or her election and accept the per diem allowance payable under Paragraph 4(c)(1) or change to the lodging option as the case may be. However, in no case may an Employee elect the per diem allowance payable under Paragraph 4(c)(1) for the day scheduled for departure to return to his or her Base Location (or Hiring Location, if applicable) unless he or she had received such an allowance for the day preceding the scheduled date of departure.

(d) Vacation During Temporary Transfer

(1) When an Employee's scheduled vacation falls within the period of Temporary Transfer, it may be rescheduled by mutual consent between the Employee and the Company. If such vacation is not rescheduled, and the Employee is subject to the provisions of Paragraph 4(e)(1), his or her transfer will be interrupted for the period of the vacation, and travel time and travel expense for the trip to his or her Base Location (or Hiring Location, if applicable) and return to his or her Work Location will be paid as provided in Paragraph 4(a)(1), 4(a)(2) or 4(a)(3), whichever is applicable, but no per diem allowance, as provided in Paragraph 4(c)(1), or no payment of room, rent, and tax or payment of per diem allowance per Paragraph 4(c)(3) will be paid during such interruption; otherwise, the transfer shall be terminated before the start of the vacation.

(2) If an Employee takes one (1) or more days of vacation on a "day-at-a-time" basis as provided in Paragraph 2(c)(1) of Article 15, Vacations, during the period of a Temporary Transfer, such transfer shall not be interrupted or terminated in accordance with Paragraph 4(d)(1) and travel time and travel expenses as provided in Paragraphs 4(a)(1), 4(a)(2) or 4(a)(3) will not be applicable. Per diem allowance as provided in Paragraph 4(c)(1) or payment of room rent and tax plus per diem allowance per Paragraph 4(c)(3)

will not be paid starting with the first day of any such vacation days and ending with the day the Employee returns to work as scheduled.

(e) Periodic Trips Home

- (1) When an Employee is scheduled to be on Temporary Transfer for a period of more than six (6) weeks and the distance between the applicable Computation Points of his or her Work Location and his or her designated Base Location (or Hiring Location, if applicable) is 250 road miles or more, the Employee shall be eligible for the treatment specified in Paragraph 4(e)(5) for periodic weekend trips home, or trips by the Employee's spouse or dependent child, but not both, to such Work Location in accordance with the following:
  - (i) As of the fifth Monday in the transfer period, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the fifth Monday but prior to the ninth Monday in the transfer period.
  - (ii) As of the ninth Monday in the transfer period, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the ninth Monday but prior to the thirteenth Monday in the transfer period, provided his or her Temporary Transfer is not scheduled to terminate prior to the eleventh Monday in the transfer period.
  - (iii) As of the thirteenth Monday in the transfer period, and as of each fourth successive Monday thereafter, the Employee shall become eligible for the specified treatment in connection with such a trip taken after the day on which he or she becomes so eligible but prior to such fourth Monday thereafter, provided the Employee's Temporary Transfer is not scheduled to terminate prior to the second Monday following the day on which he or she becomes so eligible.
- (2) The transfer period shall start with the Monday of the week the Employee actually arrives at his or her Work Location on a Temporary Transfer, or the Monday of the week in which his or her travel time allowance is scheduled or allotted as provided in Paragraphs 4(a)(1), 4(a)(2), 4(a)(3), 4(a)(5), 4(b) or 4(b)(1), whichever occurs later. Such period shall end when the Employee is returned to his or her Base Location (or Hiring Location, if applicable) or is given a new Temporary Transfer and the distance between the applicable Computation Points of his or her new Work Location and his or her Base Location (or Hiring Location, if applicable) is less than 250 road miles.
- (3) Eligibility for the specified treatment shall apply to such a trip taken on any weekend in the interval for which the Employee is so eligible,

provided he or she is not scheduled to work overtime during such weekend. In the event that weekend overtime schedules are in effect during an interval for which an Employee is eligible for the specified treatment in connection with a trip as provided in Paragraph 4(e)(1), the Company will designate a weekend in such interval on which the Employee may arrange to exercise such eligibility.

- (4) Eligibility for the specified treatment in connection with such trips is not cumulative; i.e., any trip for which Employee is eligible for the specified treatment as provided in Paragraph 4(e)(1)(i), 4(e)(1)(ii) or 4(e)(1)(iii) shall be taken in the interval specified therein. If the Employee does not exercise his or her eligibility as so provided, he or she shall have waived eligibility for such interval.
- (5) Where an Employee is eligible for a weekend trip home during an interval to which such eligibility applies or where an Employee is eligible to have his or her spouse or dependent child, but not both, take a trip to the Employee's Work Location during such interval, the Company will have the sole responsibility for making reservations and providing coach or the equivalent airline tickets (excluding air taxi or commuter air carriers) in advance of the trip for a round trip from the major airport nearest the Computation Point of the Employee's Work Location to the major airport nearest the location of the Employee's residence at the time the transfer was initiated. The Company will also provide a round trip mileage expense payment at the rate of thirty-six cents (\$.36) per mile, from the Employee's work location or place of lodging to and from the airport of departure. The Company shall not make flight arrangements in a manner which would unreasonably curtail the Employee's weekend time at home.

The Company will grant reasonable time off the job with pay, as determined by the supervisor, on the Friday afternoon preceding the weekend Periodic Trip where the distance between the applicable Computation Points of the Employee's Work Location and designated Base Location (or Hiring Location, if applicable) is 500 miles or more when such time off is necessary to avoid having the Employee's weekend time at home unreasonably curtailed.

In determining the need for such time off, and the amount thereof, the supervisor will take into consideration such matters as individual airline scheduling problems encountered by the Employee, the distance to the airport from the job location and time zone changes.

This procedure is established with the full understanding by the parties that in some situations the application of this procedure may

not resolve all of the scheduling problems encountered by individual Employees on Periodic Trips home.

- (i) Eligibility for the treatment specified in Paragraph 4(e)(5) shall be based upon the following:
    - (A) The Employee shall give the Company sufficient notice (normally fourteen (14) days) to permit the Company to make reservations and purchase airline tickets. Where unforeseen conditions, such as a death in the family or other bona fide family emergency, prevents such notice and necessitates the Employee to make his or her own reservations, he or she shall be reimbursed for funds disbursed (for the trip actually taken), upon presentation of a coach or equivalent airline ticket receipt.
    - (B) The Employee shall comply with the vouchering and administrative procedures established by the Company.
  - (ii) The specified treatment set forth in Paragraph 4(e)(5), will not be provided for any trip which would be taken during or immediately preceding or immediately following a period of unexcused absence, including work interruptions. Furthermore, each full week of any such unexcused absence will be excluded from the transfer period for purposes of determining eligibility to such treatment, as provided in Paragraph 4(e)(1).
- (6) An Employee may substitute a trip on other than a weekend for any trip to which he or she is eligible for the specified treatment in accordance with Paragraphs 4(e)(1) through 4(e)(5), provided such trip is taken in the interval specified, and in connection with excused absence for reasons such as a holiday, death or illness in the family, or vacation days not previously scheduled as provided for in Paragraph 4(d).
  - (7) An Employee may substitute for the trip to which he or she becomes eligible for the specified treatment in accordance with Paragraph 4(e)(1)(i), a trip taken on or before the fifth Monday in the transfer period, provided such trip is taken because of a death in the immediate family, as defined in Article 18, Paragraph 5(b), or an emergency at home, or to spend the Christmas, Easter or Thanksgiving holidays at home, and provided further that Company approval is granted at the time the trip is taken. In addition, in case of a death in the immediate family as previously described, an Employee may, subject to the approval previously described, substitute for the trip to which (s)he becomes eligible for the specified treatment in accordance with Paragraph 4(e)(1)(ii) or 4(e)(1)(iii), a trip during a preceding period as described in Paragraphs 4(e)(1)(i), 4(e)(1)(ii) or 4(e)(1)(iii).

- (8) When an Employee's Temporary Transfer is interrupted, as provided in Paragraph 4(d)(1), for vacation which starts during an interval in which he or she would otherwise be eligible for the specified treatment in connection with a trip home, his or her eligibility for such interval will be canceled. Furthermore, each full week of vacation will be excluded from the transfer period for purposes of determining the Employee's eligibility for the specified treatment in connection with trips home, as provided in Paragraph 4(e)(1), following such vacation.
  - (9) Per diem expense allowance and lodging expense which would otherwise be applicable in accordance with Paragraph 4(c)(1) or 4(c)(3), will not be paid for Saturday and Sunday of any weekend for which transportation is provided per Paragraph 4(e)(5). Nor shall per diem be paid for Saturday and Sunday of the weekend following the day on which the Company accepts a substitute trip as provided in Paragraph 4(e)(6) or 4(e)(7), except that applicable per diem will be paid for any such Saturday and Sunday if the Employee works as scheduled at the Temporary Transfer Work Location on Friday, Saturday, or Sunday. Such per diem allowance and lodging expense also will not be paid for any day on which the Employee is absent from work during such a trip because of vacation, holiday, floating holiday, Company Designated Excused Work Day, personal sickness, death or illness in the family, or any other excused absence.
- (f) Local Assignment and Temporary Transfer to Attend Training
- (1) When an Employee is assigned to formal classroom or vestibule training at a location designated by the Company, such assignment shall be treated as a Work Location and/or Job Location for purposes of Local Assignment and Transfer as follows:
    - (i) An Employee assigned to a Training Location within Local Assignment range from the Employee's designated Computation Point shall receive an allowance in accordance with Paragraph 3 of this Article.
    - (ii) When an Employee is transferred on a Temporary Transfer for training or returned therefrom, and the distance between the applicable Computation Points of the starting and destination Work Locations is 320 miles or less, he or she shall be paid a transportation expense allowance of \$.38 per mile and a travel time allowance of one and one-half minutes per mile. Such travel time allowance shall be scheduled during the day tour schedule in effect at the Job Location from which the Employee is transferred or during a like schedule on a weekend where

necessary. The travel time allowance shall be paid for as authorized time worked.

- (iii) When an Employee is transferred to training on a Temporary Transfer or returned therefrom, and the distance between the applicable Computation Points of the starting and destination Work Locations is more than 320 road miles, the Company will specify travel via airplane to the extent that such transportation is available for the trip. The Company will have the sole responsibility for making reservations and arranging for coach class (or equivalent) airline tickets for the Employee who elects to travel by air. The Employee will be paid a travel time allowance of eight (8) hours which shall be allotted to the Scheduled Daily Tour in effect at the Job Location from which the Employee is transferred or during a like schedule on a weekend where necessary. The travel time allowance will be paid for as authorized time worked. The Employee will also be paid for the following items to the extent applicable in traveling as scheduled:
  - (A) Local ground transportation expense (airport bus, limousine, taxi) as reasonably incurred between the Employee's living quarters or Job Location and the airport or common carrier terminal at each end of the trip, (or when such ground transportation is not available between the Employee's home at the Base Location (or Hiring Location, if applicable) and the airport or common carrier terminal, an allowance of \$.36 per mile each way based on the distance in road miles between his or her home and such airport or common carrier terminal.)
  - (B) Other common carrier fare as authorized and incurred in traveling to and from the location of the airport.
  - (C) The Company will provide necessary daily transportation between the living quarters and the training location when the Employee travels via airline as scheduled.
- (iv) If an Employee scheduled to travel by airline notifies the Company that he or she elects to travel other than as scheduled, the Employee will be paid an amount in lieu of actual airplane fare. If the distance is 321 miles up to and including 800 miles, the Employee will be paid \$.36 per mile. If the distance is greater than 800 miles, the Employee will be paid in accordance with the following schedule, based upon the road mileage distance between the applicable Computation Points of the starting and destination Work Locations:

**In Lieu of Amount****Road Mileage**

<u>Distance</u>	<u>3/02/03</u>
801 - 1049	\$264.00
1050 - 1299	\$309.00
1300 - 1549	\$320.00
1550 - 1799	\$332.00
1800 - 2049	\$344.00
2050 - 2299	\$363.00
2300 - Up	\$395.00

The Employee will also be paid a travel time allowance of eight (8) hours which will be allotted to the Scheduled Daily Tour in effect at the Job Location to which transferred on the day designated for travel or during like hours on a weekend where necessary. The travel time allowance will be paid for as authorized time worked.

- (v) The travel time allowance of eight (8) hours may be allotted to the last day of training:
- (A) if the Employee travels by airline and the schedule allows the Employee to arrive no later than 10:00 P.M. local time at the destination airport, or
  - (B) if the Transfer is less than 320 miles and the travel time allowance of one and one-half minutes per mile allows the Employee to arrive at the Computation Point of the Employee's Work Location no later than 10:00 P.M. local time.

Any hours over eight (8) worked or traveled on that day will be paid at the applicable overtime rate. Otherwise, the travel time allowance shall be scheduled on or allotted to the day tour schedule in effect the following day at the Training Location from which the Employee is transferred.

**5 Permanent Transfer****(a) Travel Time**

- (1) Time scheduled by the Company for travel via common carrier by the shortest practical route between the Work Locations to and from which the Employee is transferred shall be paid for during the day tour schedule in effect at the Job Location from which transferred and, when sleeping accommodations are not provided, between 11:00 P.M. and 7:00 A.M., except when the provisions of Paragraph 5(a)(2) apply.
- (2) If an Employee notifies the Company of his or her intention to use his or her automobile as a means of transportation to the destination Base Location, the Company shall schedule day and hour of departure and shall pay travel time incurred in such use over the route agreed upon by the Employee and Supervisor at the time of Transfer during the day tour schedule in effect at the Job Location from which the Employee is transferred.

(b) Travel Expense

- (1) When the provisions of Paragraph 5(a)(1) apply, an allowance shall be paid for the Employee and each dependent who accompanies him or her, for the following items to the extent applicable in traveling within the time scheduled for such travel:
  - (i) Common carrier fare by the shortest practical route between the Work Locations to and from which the Employee is transferred.
  - (ii) Meals en route (including tip); \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
  - (iii) Lower berth in first class sleeping car (or equivalent accommodations in lieu thereof) and a \$2.00 porter tip per night when overnight travel is scheduled.
  - (iv) Lodging en route when a stopover is required by the common carrier schedule as incurred.
- (2) When the provisions of Paragraph 5(a)(2) apply, an allowance shall be paid to the Employee for the following items to the extent applicable:
  - (i) Mileage for the route agreed upon by the Employee and Supervisor at the time of Transfer at \$.36 per mile.
  - (ii) Additional mileage at \$.13 per mile when an Employee tows an automobile trailer to be used for his or her living accommodations at the destination Base Location.
  - (iii) Towing charges en route as approved in advance when an Employee is unable to tow his or her trailer.
  - (iv) Parking or garaging en route as incurred.

- (v) Meals en route (including tip): \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
- (vi) Lodging en route when a stopover is required as incurred.

A like allowance shall be paid for each dependent accompanying the Employee with respect to items 5(b)(2)(v), 5(b)(2)(vi) and Paragraph 2(s).

(c) Locating Expenses

- (1) The Company shall authorize, arrange and pay the cost of packing, shipping, unpacking and storage (incidental to shipping) of the Employee's household goods, and shall arrange with the moving company and pay directly for the following incidental services, if necessary:
  - (i) Furnace and chimney cleaning.
  - (ii) Gas, electric, and water connections of a minor nature, including supplementary additions within the boundary of the dwelling to utilities already installed; such as, electric power, gas, or water supply to service home equipment or appliances.
  - (iii) Removal and reinstallation of home equipment (includes uncoupling at origin and reinstallation plus incidental servicing as required at destination, and applies to: gas or electric range, washing machine, dryer, freezer, refrigerator, television set, antenna, or other home equipment).
  - (iv) Transportation and care (boarding) of household pets prior to moving into new permanent residence.
  - (v) Realignment of television set and replacement of antenna. The cost of acquiring a comparable new antenna may be paid when removal of the old one is not feasible.
  - (vi) Storage of household goods limited to 90 days.
- (2) The Employee shall be reimbursed for the incurred cost of unexpired board, rent and garage rent, paid for in advance and not recovered.
- (3) An Employee who is Permanently Transferred shall be paid a per diem allowance of \$20.00 for self and each dependent ten (10) or more years of age and \$15.00 for each dependent under ten (10) years. Such allowance shall be paid for each day, starting with the scheduled day of arrival at the Base Location (but not before the day of actual arrival) and ending with the day of moving into permanent quarters or the fourteenth calendar day at that Base Location, whichever occurs first. To cover all other locating expenses, a single

allowance of \$650.00 or three percent (3%) of the Employee's Annual Standard Rate as of the effective date of transfer, whichever is the greater shall be paid to such Employee.

- (i) When it is agreed that it is necessary, because of the transfer, for an Employee to vacate his or her living quarters at the starting point prior to Employee's scheduled departure, payment of a per diem allowance in the amount specified in Paragraph 5(c)(3) shall be made for a period not to exceed three (3) days.
- (4) An Employee whose dependents do not accompany him or her, but who advises the Company that they will travel to his or her new Base Location within ninety (90) calendar days following his or her arrival on a Permanent Transfer, shall be paid a per diem allowance, in the amount specified in Paragraph 5(c)(3). Such allowance shall be paid for a total of no more than fourteen (14) calendar days, including days on which it is paid for the Employee, and days on which it is paid for the Employee and dependents when they arrive at the new location, except that such allowance shall not be paid for any day after the Employee moves into permanent quarters, or after the ninetieth (90th) calendar day following his or her arrival, whichever occurs first.
  - (i) An Employee described in Paragraph 5(c)(4) shall also be paid an allowance for each dependent who travels to the new Base Location, to the extent applicable, as provided in Paragraph 5(b)(1) or 5(b)(2), except that in the event Paragraph 5(b)(2) applies, the Employee may also be paid such allowance for one (1) round trip from his or her new Base Location for the purpose of using his or her automobile as a means of transportation for the Employee's dependents to his or her new Base Location.
- (d) Expense in Connection with Disposal and Purchase of Home
  - (1) An Employee who is notified of a Permanent Transfer shall be eligible to reimbursement for additional expenses as follows:
    - (i) The Employee shall have the option to dispose of his or her home (one or two-family house, townhouse, condominium unit or a mobile home affixed to the Employee's real property used as his principle residence) in accordance with Paragraph 5(d)(1)(i)(A) or 5(d)(1)(i)(B) and Paragraph 5(d)(1)(ii) below provided: The home is the Employee's principle residence owned and occupied by the Employee at the time of Permanent Transfer, the Employee possesses a good and marketable title, it is not used for commercial purposes, the house shall not have been rented after the Employee has been notified of Permanent Transfer, the home shall not include

adjoining property (land and improvements) that exceeds twenty-five percent (25%) of the total value of the main property plus the adjoining property and the home complies with applicable laws, rules, and regulations relating to construction and occupancy.

- (A) An Employee may make an irrevocable election to sell his or her principal residence to the Realty Company designated by the Company at the Realty Company's appraised value based on the following requirements:
  - (1) The Realty Corporation's offer must be accepted within ninety (90) days following the date of the appraisal letter and such offer shall be final.
  - (2) The house must not have been given to another Realty Company with an exclusive listing.
  - (3) The total amount of liens and encumbrances on the property must not exceed the appraised value.
  - (4) The transfer of title or use of the property must not be subject to the approval of a third party.
- (B) An Employee who receives a bona fide written offer higher than the Realty Company appraisal (net cash return greater than the appraisal value per Paragraph 5(d)(1)(i)(A)) from a third party for the purchase of his or her home may elect to sell to said Realty Company who will close the sale of the property to the third party. Such election and sale shall be in accordance with requirements established by the Company which shall be provided to the Employee prior to the sale.
- (ii) An Employee may, with advance Company approval, sell his or her home directly to a buyer other than the Realty Company (the options in Paragraph 5(d)(1)(i)(A) or 5(d)(1)(i)(B) will not be used) and be reimbursed for the applicable expenses listed in subparagraphs (A) through (G) below. Such expenses shall not be grossed-up for tax purposes.
  - (A) Licensed broker's selling commission.
  - (B) Mortgage prepayment penalty.
  - (C) Legal fees, except unusual fees to clear substantial title defects.
  - (D) Disbursements for documentary stamps.
  - (E) Applicable real estate transfer taxes.
  - (F) Applicable title fees and survey, if chargeable to seller.

(G) Inspection Fees (where required by state law)

- (iii) Employees owning mobile homes located on real property not owned by the Employee as their principal place of residence may have the option of (a) having the Company ship it to the new Work Location at the Company's expense provided the value of the mobile home exceeds the estimated cost of shipment or (b) with advance Company approval, sell it privately and be reimbursed for approved selling expenses.
- (iv) Employees who rent their principal residence from others shall have their leases settled by the Company, except that oral leases will not qualify.
- (v) Within thirty (30) days prior to the date the Employee is scheduled to report to work at his or her new Base Location, the Company will, upon request and subject to the needs of the business, authorize the Employee to make one visit of reasonable duration to the new Base Location for the purpose of searching for a residence. The Employee may be accompanied by one (1) of the following individuals, who must reside with the Employee: husband, wife, son, daughter, mother, father, mother-in-law, father-in-law, grandparent, grandchild, sister, brother or partner. In this connection, the Company will reimburse the Employee for the following items to the extent applicable for himself or herself and his or her travel companion:
  - (A) Lodging at the new Base Location during the period of the visit as incurred.
  - (B) Meals (including tip) for the period of the visit: \$5.00 for breakfast, \$6.00 for luncheon, \$10.00 for dinner.
  - (C) Mileage for the round trip at \$.36 per mile.
  - (D) Reasonable expense for the care of children and pets during the period of the visit.

- (vi) An Employee who elects to purchase a home will be eligible to reimbursement of the incurred expenses listed in subparagraph (A) through (J) below, for amount not to exceed \$750, or 2% of the purchase price, whichever is greater, in taking title (closing costs) on the purchase of a house provided such house is to be used as the Employee's principal residence, the house is either a one- or two- family dwelling and is not to be used for commercial purposes. The transaction of purchase shall be completed within six (6) months following the date of the Employee's Transfer. Such expenses shall be substantiated by invoices or a copy of the closing statements:
- (A) Legal Fees
  - (B) Title Insurance Fees
  - (C) Bank Service Fees (including fees such as mortgage origination fees and the like but excluding discount "points" in any form and charges for mortgage insurance such as M.G.I.C.)
  - (D) Mortgage Taxes
  - (E) Mortgage Approval and/or Credit Rating Fees
  - (F) Real Estate Transfer Costs
  - (G) Recording Fees
  - (H) Survey Expenses (if required)
  - (I) Appraisal Fees (charged by lender)
  - (J) Inspection Fees (plumbing, electrical system, etc. required by lender)
- (vii) An Employee who elects to purchase a house at the new Base Location shall be eligible to Advance of Equity from the Company necessary to assist the Employee in the purchase of a home at the Destination Base Location subject to the following terms and conditions:
- (A) Advances of Equity may not exceed the amount of Employee's net equity in a currently owned home specified in Paragraph 5(d)(1)(i) based upon appraised value determined by the Company or a Contract of Sale. Advance of Equity will not apply to cooperative apartments.
  - (B) All advances will be evidenced by a promissory note.
  - (C) The amount of equity advance shall be drawn only as necessary to meet the commitment on the purchase of a

new home. The initial amount shall not exceed the amount required for down payment. The necessary balance of such an advance shall be withdrawn no earlier than one week before the closing on the new home.

- (D) Initial Advance of Equity and all subsequent advances are made without interest and must be repaid: 1) immediately but no more than seven (7) calendar days following receipt of the net proceeds from the sale of the Employee's home, or 2) six (6) months from the date of the initial promissory note, or 3) on demand, in the event employment is terminated for any reason, or 4) if there is default or inappropriate use of funds, whichever occurs first. Partial payments received by an Employee from a buyer within the six (6) month period shall be remitted immediately to the Company.
- (e) An Employee who is notified of a Permanent Transfer, accepts the transfer, disposes of a home which qualifies under Paragraph 5(d)(1)(i), may elect to receive, in lieu of any monies or services to which otherwise eligible under Paragraphs 5(c), 5(d) and their subparagraphs, a lump sum payment of \$21,000, less applicable taxes, provided the Employee:
- (1) sells his or her home at the originating location within nine (9) months of the effective date of the transfer and provides the Company with appropriate documentation to substantiate the sale of the home no later than 45 days after such sale; and
  - (2) provides proof acceptable to the Company that the Employee and Employee's spouse have sold their entire interest in the home, in an arms length transaction for at least a fair market value price, to a natural person other than a member of the Employee's family (e.g., spouse, child, parent, in-laws or anyone with a family relationship recognized by law in the state where the transfer of property took place) and that the Employee and the Employee's spouse have or will have no right, title or interest in the home after the sale has been completed; and
  - (3) establishes his or her permanent residence in the locale of the destination Base Location.

Such \$21,000 will be paid once all conditions specified above have been met.

**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 Paragraph 3.

New Year's Day  
Memorial Day (last Monday in May)  
Independence Day  
Labor Day  
Thanksgiving Day  
\*Day After Thanksgiving Day  
Christmas Day  
All locations except New York and Massachusetts - + Three  
Floating - Individual Selection  
New York and Massachusetts only - + Four Floating  
Individual Selection

\*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.

+A day in the Scheduled Weekly Tour

2 Compensation

An Employee, who loses all or part of his or her scheduled tour of duty due to the suspension of operations during the Scheduled Weekly Tour in observance of an authorized holiday, shall be compensated for such tour or part thereof not to exceed eight (8) hours at the Employee's Adjusted Rate plus applicable night work bonus, provided the Employee receives pay from the Company for all or part of either the day preceding or the day following the holiday.

3 Holiday Observance

- (a) When an authorized holiday falls on Sunday, (or, for a 7-Day Coverage Employee, such Employee's Day in Lieu of Sunday) the following day shall be observed as a holiday.
- (b) When, during the period of this contract, an authorized holiday 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:
- (1) The Saturday on which the calendar holiday falls, or

Article 14

- (2) The workday, within the Employee's Scheduled Weekly Tour which immediately precedes the calendar holiday, or
  - (3) The workday, within the Employee's Scheduled Weekly Tour, which immediately follows the calendar holiday.
- (c) When the Company designates the Saturday (or, for a 7-Day Coverage Employee, on such Employee's Day in Lieu of Saturday) in which the calendar holiday falls as the observed holiday and an Employee is not scheduled to work on such day, he or she shall receive a holiday allowance not to exceed eight (8) hours at the Employee's Adjusted Rate plus night work bonus when applicable for time not worked during Employee's Scheduled Daily Tour provided:
- (1) The Employee works all of both his or her Scheduled Daily Tours preceding and following the holiday, or
  - (2) The Employee works all or part of both his or her Scheduled Daily Tours preceding and following the holiday and is excused by the Company for all partial-day absences on such preceding or following days.
- In applying the provisions of sub-paragraphs 3(c)(1) and 3(c)(2) of this Article, paid-for vacation absence shall be considered as time worked.
- (d) The holiday period shall be the twenty-four (24) consecutive hour period between midnight and midnight on the calendar day on which the holiday is observed. For those tours which cross midnight, the holiday period shall be the twenty-four (24) consecutive hour period beginning with the scheduled start of the tour that commences on the calendar day on which an authorized holiday is observed. This may be changed by mutual agreement between the local Union and local Management to such twenty-four (24) consecutive hour period that commences on the eve of the calendar day on which an authorized holiday is observed (calendar day preceding such holiday observance day).
- (e) One Floating Holiday in each calendar year may be designated by the Company for Employees in an administrative work group (as designated by the Company) or in any larger group, including the entire Company. Employees in any such group for which a Floating Holiday is designated by the Company and who are not otherwise eligible for a Floating Holiday shall be excused and paid for such designated day as set forth in Paragraph 2, provided they are on the active payroll of the Company on the designated Floating Holiday.
- (f) Employees on Temporary Transfer shall observe the Floating Holidays designated by the Company for that location in addition to any designated Floating Holidays previously or subsequently observed while

assigned to their Base Location. All such observed designated Floating Holidays shall not reduce the Employee's total eligibility per Paragraph 1.

**4 Floating Holidays**

- (a) Employees on the active payroll as of December 31 in the prior calendar year shall be eligible to the number of Floating Holidays designated in Paragraph 1, for the area in which based, and they shall make their selection to the extent provided, prior to January 31 in the current calendar year.
- (b) Employees hired, rehired or reinstated on or after January 1 in the current calendar year shall be eligible to Floating Holidays in accordance with the following:

	<b>Number of Floating Holidays Designated in Paragraph 1 for <u>Employee's Location</u></b>	
	3	4
<b>Continuous Service Since Date of Hiring, Rehiring, or <u>Reinstatement</u></b>	<b><u>Employee's Eligibility</u></b>	
Less than 3 months	0	0
3 but less than 6 months	1	1
6 but less than 9 months	2	2
9 but less than 12 months	3	4

- (c) Total yearly eligibility for any Employee shall not exceed the maximum number of Floating Holidays designated for the Employee per Paragraph 1, for the applicable period, and 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) Permanently Transferred Employees shall be eligible to Floating Holidays designated for the Area to which transferred, reduced by the number of such holidays, if any, taken during the current calendar year at the Area from which transferred.

Article 14

- (e) Employees hired, rehired, reinstated or Permanently Transferred on or after January 1 shall make their selection within thirty (30) days after becoming eligible to such day or days.
- (f) Floating Holidays shall be scheduled by the Company in accordance with Employees' selections to the extent consistent with the needs of the business, giving due consideration to Term of Employment.
- (g) The Floating Holiday, once scheduled will not normally be subject to change. However, a Floating Holiday may be rescheduled by mutual consent between the Employee and the Company, provided the Employee makes a request to the Company no later than the end of the tour on the work day preceding the approved scheduled holiday.
- (h) Floating Holidays shall not be carried over from one calendar year to the next, except in accordance with the Memorandum of Understanding - Scheduling Time Off.
- (i) An Employee shall be paid in accordance with Paragraph 2 for the day in which he or she is off in observance of a Floating Holiday.
- (j) Under no circumstances will an Employee be paid an allowance in lieu of a Floating Holiday not taken.

## ARTICLE 15 - 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 Scheduled Weekly Tour (excluding overtime) is four and one-half (4 1/2) days per week, or alternating five- 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) For an Employee whose Term of Employment is less than two (2) years, the amount of vacation to which otherwise eligible in accordance with this Article will be reduced by one-twelfth (1/12) for each full period of thirty (30) consecutive calendar days' absence or separation from the payroll occurring, or expected to occur, during the current calendar year (other than paid for absences due to sickness or accident disability). In the amount to be subtracted, fractions of one-half (1/2) day or less will be disregarded, and fractions of more than one-half (1/2) day will be considered as one (1) day. In computing any such period of absence, the absence will be considered as beginning with the first calendar day after the last day for which the Employee is paid.

- (d) Solely for the purpose of granting vacation eligibility for a Term of Employment of six (6) months, twelve (12) months, and two (2) years, as provided in Paragraphs 1(a) and 1(c), 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.
- (e) 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), 1(b) and 1(c), less the number of days of vacation previously taken or paid for.
- (f) An Employee reinstated from Leave of Absence or rehired from Layoff who has a Term of Employment of two (2) years or more and 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), and 2(g), the vacation to which an Employee is eligible in each calendar year shall be taken before midnight December 31 of that year.
- (b) Vacations will 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) Vacations shall normally start on the first (1st) day of the Employee's normal Scheduled Weekly Tour; and vacations, other than fractional

weeks to which an Employee is eligible, shall initially be scheduled and shall be taken in full weeks, except as provided in Paragraph 2(c)(1).

- (1) Employees may take two (2) weeks of vacation to which eligible, on a "day-at-a-time" basis. When an Employee so elects, two (2) full weeks will be reserved and scheduled for this purpose, but only after the initial scheduling of all Employees' vacations and in accordance with Paragraph 2(b). One (1) or more vacation days may then be granted to such Employees prior to their reserved weeks, subject to the needs of the business, advance approval by the Company, Term of Employment, and the order in which requests were received. The two (2) weeks or portion of the two (2) weeks not used on a "day-at-a-time" basis by the time the reserved weeks occur must be taken during the reserved weeks.
- (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 an extra day off with pay will be granted in lieu thereof, which ordinarily shall be taken continuously with other vacation due.
- (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 illness 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 July 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 July 1 and prior to the Employee's taking any of the vacation to which eligible in that year.

- (g) 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 such carry-over vacation is scheduled and taken on or before June 30. An employee's request to carry over vacation will not be unreasonably denied.
- (h) An Employee eligible to vacation as provided in this Article but who has not been able to take it due to needs of the business, may, at the discretion of the Company, be offered an allowance in lieu of such vacation. Such allowance in lieu thereof will be determined as follows:

<u>Vacation Eligibility</u>	<u>Maximum Allowable Allowance</u>
1 week	2 days
2 weeks	3 days
3 weeks	5 days
4 weeks	7 days
5 weeks	10 days

Such allowance in lieu thereof will be paid at the Employee's Adjusted Rate, may be offered by Base Location and, if offered, will only be offered between October 1 and December 31 of the current year. If such an offer is made and an Employee assigned to that Base Location is working on the date of the offer but becomes disabled due to illness or injury prior to the close of the offer, he/she will be given another opportunity to accept the offer provided he/she returns to active work in that Base Location by June 1 of the subsequent year. An Employee on transfer into or out of a Base Location on the date the offer is made will be eligible to accept the allowance in lieu of vacation.

**3 Computation of Vacation Pay**

- (a) For each day of vacation to which an Employee is eligible as determined above, he or she will be paid the following:
  - (1) Employee's Adjusted Rate in effect during the vacation absence multiplied by the number of hours in the Employee's Scheduled Daily Tour (not to exceed eight (8)), plus

- (2) Employees whose Scheduled Weekly Tour includes three (3) or more Night Tours in the week prior to the week vacation begins, will be eligible for night work bonus for such vacation.
- (3) Employees who would otherwise have been scheduled to work a Night Tour on an individual vacation day will be eligible for Night Work Bonus for such vacation.

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 as provided in this Article, 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 Pension Plan will be granted, prior to retirement, vacation with pay to which eligible; however, when Employee (1) is retired on service pension which becomes effective immediately upon expiration or termination of Sickness Disability Benefits to which eligible, (2) is retired on disability pension, no vacation with pay or allowance in lieu thereof shall be applicable.
  - (3) An Employee who is dismissed, other than for unsatisfactory conduct, shall be granted such allowance only at the discretion of the Company.
  - (4) No vacation or allowance in lieu thereof shall be granted to an Employee (a) who is dismissed for unsatisfactory conduct or (b) who resigns following reinstatement from Leave of Absence or rehire unless the Employee has been on the active roll for at least three (3) months prior to such resignation.
- (b) An Employee who terminates employment by resignation or termination for cause 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**

<b>Month of Termination</b>	<b>Term of Employment Completed (or would have been completed) in the Calendar Year of the Termination</b>
-----------------------------	--

	1 - 6 Years	7 - 14 Years	15 - 24 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) or 2(g), 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 16 - PAY TREATMENT FOR ABSENCES**

**1 General**

- (a) Before an Employee is granted pay for absence under any of the provisions of this article, he or she shall submit satisfactory evidence to substantiate the reason for the absence.
- (b) It is recognized that there will be no duplication of payment by the Company for the same period of absence, whether to be paid for under the provisions of any contract between the parties, or otherwise.

**2 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 will be paid for such absence, not to exceed eight (8) hours per day, within the Employee's Scheduled Weekly Tour. Such Employee will report for his or her regular duties while temporarily excused from such attendance at court.
- (b) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.

**3 Service as Judges and Clerks of Election**

- (a) An Employee appointed to serve as a judge or clerk of election within his or her Scheduled Weekly Tour will be excused for such absence, consistent with the needs of the business. When so excused, the Employee will be paid for such absence in the amount, if any, by which his or her pay for the period of absence within the Employee's Scheduled Daily Tour exceeds the compensation received for such election board service.
- (b) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.

**4 Absence due to Quarantine**

- (a) An Employee required to be absent due to quarantine imposed by duly constituted health authorities will be paid for such absence the amount, if any, the Employee would be paid if he or she were sick.

**5 Absence due to Death in the Immediate 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.
  - (d) For all other immediate family members, a reasonable absence shall not exceed three (3) consecutive Scheduled Daily Tours. Because of the mobile character of the Installation Field Forces, the Company agrees that if (a) an Employee receives payment under Paragraph 5(a) above for an absence due to a death of a mother-in-law, father-in-law, grandparent, grandchild, sister or brother, or any relative residing with the Employee, which death occurs while the Employee is on a Temporary Transfer or Permanent Transfer, and (b) other than overnight or evening travel is made necessary because of such transfer, payment may also be granted for additional absence during Scheduled Daily and Weekly Tours as may be necessary by reason of such travel, not to exceed two (2) days.
  - (e) Pay for such absence will be based on the Employee's Adjusted Rate plus night work bonus when applicable.
  - (f) In the event that it is necessary for an Employee to be absent for a death in his or her immediate family, as provided in Article 16, Paragraph 5, on a day the Employee had previously scheduled as a paid vacation day, such day shall be rescheduled, provided however, that no more than a combination of three (3) Vacation days and Excused Work Days rescheduled in accordance with Article 25, Excused Work Days shall be rescheduled for such purposes.
- 6 Personal Sickness Absence up to but not including Eight (8) Consecutive Days
- (a) Subject to all of the other provisions of this paragraph, an Employee absent because of personal sickness for any number of consecutive days of sickness absence up to but not including eight (8), will be paid for such time lost (not to exceed eight (8) hours per day) within his or her Scheduled Daily and Weekly Tour, based on the Employee's Term of Employment on the first day of such absence, as follows:

<u>Term of Employment</u>	<u>Basis for Payment</u>
Less than two (2) years	None
Two (2) years but less than five (5) years	Commencing with third consecutive day of absence
Five (5) years but less than ten (10) years	Commencing with second consecutive day of absence
Ten (10) years or more	Commencing with first day of absence

- (b) For the purpose of computing consecutive days of a sickness absence, the first day of such absence will start at the time within the Employee's Scheduled Daily and Weekly Tour when he or she is first absent due to sickness disability and shall continue for a period of twenty-four (24) consecutive hours thereafter. Subsequent consecutive days of such absence will start and end at the same times on the days following within the 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 Plan, nor for which holiday allowance is paid.
  - (d) The Company may require the Employee to furnish a physician's certificate, acceptable to the Company, showing inability to work during the entire period of sickness absence.
  - (e) Pay for such absence will be based on the Employee's Adjusted Rate in effect on the first full or partial day of absence plus night work bonus when applicable.
- 7 Absence of Veterans During First Year of Reinstatement
- (a) Veterans reinstated from Special Leave of Absence for service in the Armed Forces may be granted reasonable absence, with pay at Adjusted Rate plus night work bonus when applicable, during the Scheduled Weekly Tour within the first year of reinstatement 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, subject to limitation on such payment of ten (10) Scheduled Daily Tours or an equivalent number of hours.

**ARTICLE 17 - BENEFIT PLANS AND PROGRAMS**

- 1 The following listed Lucent Technologies Inc. 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:
  - 2001 Employee Stock Purchase Plan
  - Anticipated Disability Program
  - Business Travel Accident Insurance Plan
  - Child/Elder Care Reimbursement Account Plan
  - Dental Expense Plan for Active Employees
  - Group Life and Accident Loss Insurance
    - Dependent Accidental Loss Insurance Plan
    - Dependent Group Life Insurance Plan
    - Group Life Insurance Plan
    - Supplementary Accidental Loss Insurance Plan
    - Supplementary Life Insurance Plan
  - 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 for Occupational Employees
  - Vision Care Plan
- 2 Work and Family Program 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 18 - RIGHTS OF VETERANS**

The obligation of the Company under present or future legislation with respect to reinstatement and continuing employment of veterans shall, to the extent applicable, supersede and replace the provisions of this contract.

**ARTICLE 19 - MAINTENANCE OF WORK OPERATIONS**

- 1 No officer, representative or member of the Union shall authorize, instigate, condone or engage in a strike, work stoppage or interruption of work operations, including absences to attend Union meetings that would have the same effect as a strike or work stoppage, during the period of this contract.
- 2 The Company may suspend or terminate the deduction of dues provisions of this contract for any local involved where prompt and corrective action is not taken after notice by the Company to the business agent of such Local in the event of a violation of the foregoing provisions of Paragraph 1.

**ARTICLE 20 - ADJUSTMENTS TO THE WORKING FORCE**

- 1 The Company desires to maintain employment as near to a constant level as possible. Both parties recognize, however, that the needs of the business and its efficient operation may necessitate reassignment of personnel or the addition to, or decrease in the working force.
- 2 The Company shall give the National or Local involved advance notice of thirty (30) calendar days prior to the effective date of a Layoff.
- 3 When lack of work necessitates Layoff, Employees shall be Laid-Off in accordance with Term of Employment and by Layoff groups as set forth in the following:
  - (a) Employees with less than five (5) years' Term of Employment shall be first Laid-Off in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from the Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (b) Employees retained on the roll under the provisions of Paragraph 3(a) shall be next Laid-Off.
  - (c) Employees with a Term of Employment of five (5) years but less than eight (8) years shall be next Laid-Off, in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from the Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (d) Employees retained on the roll under the provisions of Paragraph 3(c) shall be the next Laid-Off.
  - (e) Employees with a Term of Employment of eight (8) years but less than ten (10) years shall be next Laid-Off, in inverse order of Term of Employment, except that 10% of the total number of such Employees as of the time Layoffs start may be exempt from Layoff and retained on the roll. The Layoff group shall be the Employees assigned to a Base Location.
  - (f) Employees retained on the roll under the provisions of Paragraph 3(e) shall be next Laid-Off.
  - (g) An Employee who, based on Term of Employment, would otherwise fall within a Layoff group set forth in Paragraph 3(a) but who, as of the effective date of the Layoff, is within one year of having his/her service bridged under the Pension Plan will be placed in a Layoff group based on the Term of Employment he or she will have at the time of such bridging but only for purposes of determining the order of Layoff. Such Employee

will continue to be a part of the Layoff group set forth in Paragraph 3(a) for purposes of determining "the total number of such Employees" to which the 10% exemption applies but will not be considered as having been exempt from Layoff pursuant to such paragraph.

- (h) Employees with ten (10) years' or more Term of Employment shall be next Laid-Off, in inverse order of Term of Employment. The Layoff group shall be the Employees assigned to all Base Locations.
- 4 Notwithstanding the provisions of Paragraph 3, it is agreed that an Employee in a particular Work Location need not be Laid-Off if the forward work load at that location indicates that the Employee of longer Term of Employment who would otherwise be transferred to that location to take the place of the Employee Laid-Off would have to be Laid-Off within a period of six (6) months.
- 5 In the event it should be determined that a former Employee has been Laid-Off other than in accordance with the provisions of Paragraph 3, the obligation of the Company shall be to rehire such Employee at the time of such determination and the Employee shall be made whole; however, lost wages will be paid for a period not to exceed nine months from the date of his or her layoff, less any amounts received by the Employee for unemployment compensation, layoff allowance payments, and interim earnings.
- 6 When it appears possible in meeting the needs of the customer, and practicable from the standpoint of the dispersion of the working force, to reduce work effort in a spread work movement by short timing operations below normal, the Company will advise the Local involved and suitable plans for such procedure shall be arrived at through negotiations, giving due consideration to the expected work load situation and the customers' requirements.
- 7 A former Employee who has been Laid-Off shall be returned to work in the inverse order of Layoff (except as provided in Paragraph 9) at the Base Location from which he or she was Laid-Off provided he or she makes himself or herself locally available to said Base Location, and provided that he or she is qualified for the work to be done, physically fit, and has not been Laid-Off for more than three (3) years.
  - (a) In a Multiple Computation Point Base Location, the Company may offer recall, in inverse order of Layoff at the Base Location, to a former Employee who has not been Laid Off for more than three (3) years at a Computation Point within the Multiple Computation Point Base Location other than that to which the Employee was assigned at the time of Layoff. If this occurs, and the Employee refuses to accept such recall, he or she shall continue to retain his or her recall rights until an offer is made to the Computation Point to which the Employee had been

Article 20

assigned, or until the three (3) year recall period has expired, whichever occurs first.

- 8 In the event it should be determined that a former Employee has not been rehired in accordance with Paragraph 7 or 7(a), the sole obligation of the Company shall be to hire such former Employee at the time of such determination.
- 9 An Employee whose actual date of Layoff was later than his or her scheduled date of Layoff because of absence due to accident or sickness on and after his scheduled date of Layoff shall, for purposes of Paragraph 7 or 7(a) only, be considered to have been Laid-Off as of his or her scheduled date of Layoff.
- 10 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 two (2) years or more net credited service (which is eligible for recognition under the Pension Plan upon completion of a two (2) 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).
- 11 Managers who were never installers cannot return to the Installer title. No management person or any other employee holding a non-represented title, regardless if they were former Installers, can be returned to the Installation Bargaining Unit, to a Base, Hiring or MPOP Location where recall rights exist, unless the individual being returned has a Term of Employment greater than Employees who are on the recall list and at least four (4) years Term of Employment.

**ARTICLE 21 - LAYOFF ALLOWANCES**

**1 Schedule of Allowances**

Employees Laid-Off shall be granted a Layoff allowance based on Term of Employment at date of such Layoff, in accordance with the following schedule, except as provided in Paragraph 4 below:

<u>Term of Employment At Date of Layoff</u>	<u>Layoff Allowance Number of Weeks' Pay</u>
Less than 1 year	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	9
9	11
10	13
11	15
12	17
13	19
14	21
15	24
16	28
17	32
18	36
19	40

Five (5) weeks' additional pay for each full year of TERM OF EMPLOYMENT in excess of nineteen (19) years up to a maximum of one hundred and four (104) weeks.

**2 Computation of Allowance Payments**

- (a) Layoff allowance payments shall be based on the Employee's established schedule of working hours or days (excluding overtime) in effect as of the date of Layoff, with a minimum of thirty-two (32) hours per week. For individual Employees whose Scheduled Tours are less than the thirty-two (32) hour minimum mentioned above, the allowance shall be based on their Scheduled Tours. The rate of pay used in such

Article 21

computations shall be the Employee's Adjusted Rate plus night work bonus when applicable.

- (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 higher 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.

3 Allowance Payments

- (a) The Employee shall have the option of receiving the Layoff Allowance (1) in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.
- (b) 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 Layoff Allowance Factor applicable to the Employee. (Any odd balance will be carried forward into another pay cycle). An Employee's Layoff Allowance factor is the dollar figure used as a "week of pay" in calculating the total Layoff Allowance to which that Employee is entitled.
- (c) Periodic installments shall continue until the earliest occurrence of any of the following events:
  - (1) The total amount of the installments to the Employee equals the total amount of Layoff Allowance which the Employee is to receive.
  - (2) The Employee is recalled or re-employed as a regular Employee by Lucent Technologies Inc. or any of its affiliates, subsidiaries or entities.

4 Schedule of Allowance for Re-employed Employees

An Employee who has been re-employed following a period of Layoff and who is again Laid-Off, shall be granted a Layoff 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 per Paragraph 5 below) paid to Employee as Layoff allowance at time of prior Layoff or Layoffs.

**NOTE: When an Employee's Term of Employment prior to employment is not credited, Layoff allowance shall be based on Term of Employment since date of such reemployment.**

5 Payment of Layoff Allowance Rendered Excess by Rehiring

When an Employee has received a Layoff Allowance in lump sum and is

**Article 21**

subsequently recalled or rehired as a regular Employee at Lucent Technologies Inc. or any affiliate, subsidiary or entity and the number of weeks since date of Layoff is less than the number of weeks of Layoff Allowance granted, the amount of Layoff Allowance paid the Employee for the excess number of weeks shall be repaid to the Company as a condition precedent to such recall or rehiring.

**ARTICLE 22 - DISCIPLINARY SUSPENSION  
OR TERMINATION OF EMPLOYMENT**

1 In all cases in which the Company suspends an Employee for disciplinary reasons, or an Employee is dismissed, the Union shall be notified of the action being taken by the Company as soon as practicable after the Employee is notified. When an Employee is dismissed, such notice shall precede the effective date of dismissal except that when the Company considers it necessary to remove an Employee from the Job Location it may do so without advance notice. In such a case, the Union shall forthwith be notified; however, when the Union Representative is not immediately available, issuance of the leaving notice shall be postponed until the Union Representative has been notified, or a period of five (5) days has elapsed, whichever first occurs.

At any meeting between a representative of the Company and Employee in which discipline (including warnings which are to be recorded in the personnel file, suspensions, downgradings or discharge for cause) is to be announced, a Union Representative may be present if the Employee so requests.

2 The Union may question the justification of the action taken within fourteen (14) days after the effective date of such action. Any such questions shall be considered in accordance with the grievance procedure prescribed in Article 7, except that any such question with respect to an Employee having a Term of Employment of twelve (12) months or less, which is not settled with the immediate Supervisor of the Employee involved may be taken up with the Operations Area Manager, but this shall be considered the final level of discussion of any such grievance, and only at this level shall separate statements of the grievance as provided in Paragraph 1(d) of Article 7 of this contract be prepared and exchanged.

3 If settlement is not reached in the grievance procedure, as provided in Paragraph 2 above, such dispute may be referred to arbitration in accordance with Article 8 of this contract, provided the Employee involved has a Term of Employment of more than twelve (12) months. However, in the case of any dispute referred to arbitration as provided herein, the authority of the Arbitrator shall be further limited to a determination of whether or not the Company had just cause in suspending or dismissing such Employee or Employees.

Notwithstanding the provisions of this Paragraph 3, a grievance concerning the disciplinary suspension of an Employee having a Term of Employment of twelve (12) months or less may be submitted to arbitration in accordance with the provisions of Article 22 provided the Employee involved is included in a grievance involving or submitted in behalf of two (2) or more Employees in the unit, at least one of whom has a Term of Employment of more than twelve (12) months.

4. Should the Arbitrator decide that the action of the Company was without just cause, the Employee shall be offered reinstatement if he or she has not been previously reinstated, and if reinstated, shall, subject to the provisions of Paragraphs 5 and 6 below, be paid at his or her Adjusted Rate for time lost within his or her Scheduled Weekly Tour less any amount paid to or received by the Employee as wages in other employment and as unemployment benefits under any provisions of law during the period of suspension or subsequent to the date of dismissal.
5. Any balance due the Employee under Paragraph 4 shall be further reduced by any money other than wages received from the Company at the time of being suspended or dismissed. If this balance is reduced to zero without offsetting all such monies, the remaining money due the Company shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten per cent (10%) of such Employee's wages.
  - (a) Employees who are reinstated by an Arbitrator pursuant to this Article shall have deducted from any back pay award, an amount which represents union dues or union dues equivalency for the back pay period, provided:
    - (1) The employee shall have signed an authorization for payroll deduction of union dues or union dues equivalency;
    - (2) The signed authorization was current at the time of the action which led to the grievance or arbitration at issue; and
    - (3) The balance due the employee, in accordance with Paragraph 4 above, is sufficient to permit the deduction of union dues or union dues equivalency.
6. If there is no balance due the Employee under Paragraph 4, all monies other than wages, paid by the Company at the time of suspension or dismissal shall be considered as an advance in pay and shall be repayable through payroll deductions at the rate of ten per cent (10%) of such Employee's wages.
7. Expedited Arbitration
  - (a) In lieu of the procedures specified in ARTICLE 8, ARBITRATION, of this Agreement, any grievance involving the suspension of an individual Employee, except those which also involve an issue of arbitrability, contract interpretation, or work stoppage (strike) activity and those which are also the subject of an administrative charge or court action shall be submitted to arbitration under the expedited arbitration procedure hereinafter provided within fifteen (15) calendar days after the filing of a request for arbitration. In all other grievances involving disciplinary action which are specifically subject to arbitration under ARTICLE 8 of this Agreement, both parties may within fifteen (15) calendar days after the

Article 22

filing of the request for arbitration, elect to use the expedited arbitration procedure hereinafter provided. The election shall be in writing and, when signed by authorized representatives of the parties, shall be irrevocable. If no such election is made within the foregoing time period, the arbitration procedure in ARTICLE 8, ARBITRATION, shall be followed.

- (b) As soon as possible after this Agreement becomes final and binding, a panel of three (3) umpires shall be selected by the parties. Each umpire shall serve until the termination of this Agreement unless his or her services are terminated earlier by written notice from either party to the other. The umpire shall be notified of his or her termination by a joint letter from the parties. The umpire shall conclude his or her services by settling any grievance previously heard. A successor umpire shall be selected by the parties. Umpires shall be assigned cases in rotating order designated by the parties. If an umpire is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next umpire. If no one can hear the case within ten (10) working days, the case will be assigned to the umpire who can hear the case at the earliest date.
- (c) The procedure for expedited arbitration shall be as follows:
  - (1) The parties shall notify the umpire in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The umpire shall notify the parties in writing of the hearing date.
  - (2) The parties may submit to the umpire prior to the hearing a written stipulation of all facts not in dispute.
  - (3) The hearing shall be informal without formal rules of evidence and without a transcript. However, the umpire shall be satisfied himself or herself that the evidence submitted is of a type on which he or she can rely, that the hearing is in all respects a fair one, and that all facts necessary to a fair settlement and reasonably obtainable are brought before the umpire.
  - (4) Within five (5) working days after the hearing, each party may submit a brief written summary of the issues raised at the hearing and arguments supporting its position. The umpire shall give his or her settlement within five (5) working days after receiving the briefs. He or she shall provide the parties a brief written statement of the reasons supporting his or her settlement.
  - (5) The umpire's settlement 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 as a precedent in other arbitration matters between the parties unless the

settlement or a modification thereof is adopted by the written concurrence of the representatives of each party at the final step of the grievance procedure, as provided in ARTICLE 7, GRIEVANCE PROCEDURE.

- (6) The time limits in 7(c)(1) and 7(c)(4) of this Paragraph may be extended by agreement of the parties or at the umpire's request, in either case only in emergency situations. Such extensions shall not circumvent the purpose of this expedited procedure.
- (7) In any grievance arbitrated under the provisions of this Paragraph 7, the Company shall under no circumstances be liable for back pay for more than twelve (12) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the disciplinary action. Delays requested by the Union in which the Company concurs shall not be included in such additional time.
- (8) The umpire shall have no authority to add to, subtract from, or modify any provisions of this Agreement.
- (9) The decision of the umpire will settle the grievance, and the Company and the Union agree to abide by such decision. The compensation and expenses of the umpire and the general expenses of the arbitration shall be borne by the Company and the Union in equal parts. Each party shall bear the expense of its representatives and witnesses.
- (10) The time limit for requesting arbitration under this provision shall be the same as provided in Paragraph 1, of ARTICLE 8, ARBITRATION.

**ARTICLE 23 - DEDUCTION OF UNION DUES**

- 1 The Company agrees to deduct Union dues and initiation fees from the wages of any Employee authorizing the Company to do so and to remit such deductions to the Union in accordance with the detailed procedure set forth in Appendix 3 attached hereto and made a part hereof.
- 2 The provisions of this article shall not be effective if inconsistent with the law of the applicable State.
- 3 In the event of a Permanent or Special Condition Transfer of an Employee, the Company will make every reasonable effort to ensure that the correct (receiving) Union Local number will be transmitted to the National Union along with the monthly dues report.

**ARTICLE 24 - AGENCY SHOP\***

- 1 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.

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.

- 2 The condition of employment specified above shall not apply during periods of formal separation\*\* from the bargaining unit by any such Employee but shall reapply to such Employee on the thirtieth (30th) day following his or her return to the bargaining unit.

\* Where permitted by law.

\*\* The term "formal separation" includes transfers out of the bargaining unit, removal from the payroll of the Company, and Leaves of Absence of more than one (1) month duration.

**ARTICLE 25 - EXCUSED WORK DAYS**

- 1 Each full-time Employee who has a TERM OF EMPLOYMENT of six months on January 1 of the current year shall be eligible for four (4) Excused Work Days with pay. In addition, an employee will be eligible to one (1) non paid Excused Work Day each calendar year without regard to Term of Employment.
- 2 Employees who are not required to work on their paid Excused Work Day shall be paid for the day as if for a normal or standard day worked, including Night Work Bonus when applicable, provided they are on the active payroll of the Company on that Excused Work Day.
- 3 One (1) paid Excused Work Day in each calendar year may be designated by the Company for Employees in an administrative work group (as designated by the Company) or in any larger group, including the entire Company. Employees in any such group for which an Excused Work Day is designated by the Company and who are not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day as set forth in Paragraph 1, provided they are on the active payroll of the Company on the designated Excused Work Day.
- 4 Employees who are on vacation or absent with pay on their paid Excused Work Day for reasons other than having observed it as an Excused Work Day shall have their paid Excused Work Day rescheduled if a vacation day would have been rescheduled under the same circumstances.
- 5 If Employees agree to work on their paid Excused Work Day and the Company determines that the day cannot be rescheduled, they shall be paid as applicable in accordance with the following paragraphs:
  - (a) Employees who agree to work before the work schedule becomes fixed shall receive one (1) day's pay as set forth in Paragraph 2 in lieu of their Excused Work Day and shall in addition be paid in accordance with the provisions of this Agreement covering work on a scheduled day of work.
  - (b) Time worked by an Employee on his or her Excused Work Day shall be considered time worked on a regularly scheduled day of work for all purposes, except as is otherwise expressly provided in this Article.
- 6 The Company and the Union 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 term of this agreement, up to four (4) Excused Work Days (EWD)(s) may be used as follows:
  - (a) An Employee may designate and schedule, as applicable, four (4) EWD (s) 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 twenty five percent (25%) of the work group has already been granted time off. In the event more than twenty five percent (25%) 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.

**ARTICLE 26 - COMMUNICATION SERVICES INSTALLER**

The provisions of this Article 26 shall be applicable to Employees in the title of Communication Services Installer only. All provisions of CWA-24, Appendices 2 and 3, the Local Memoranda and the National Memorandum shall apply to this Article 26 as if fully restated herein, except as expressly modified, replaced or deleted by the provisions of this Article 26.

**1 SCHEDULED TOURS, TOUR CHANGES AND RELIEF PERIODS**

The following provisions, in lieu of Article 10, apply to the employees covered under this functional article.

The Workweek of the Company consists of 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.

**Scheduled Tours**

**(a) Scheduled Daily Tours**

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.

**(b) Scheduled Weekly Tours**

(1) The Scheduled Weekly Tour for other than a 7-Day Coverage Employee shall consist of five (5) tours of duty (Scheduled Daily Tours), from Monday through Friday, including the Friday night tour which extends into Saturday when the Employee was not scheduled to work the previous Sunday night tour extending into Monday.

(2) The Scheduled Weekly Tour for a 7-Day Coverage Employee shall be arranged by the Company on any days within the Workweek, frequently including Saturdays and/or Sundays.

**(c) Day Tour**

The standard day tour schedule shall start at 8:00 A.M. and stop at 12:00 P.M. and start at 1:00 P.M. and stop at 5:00 P.M. but this day tour schedule may be varied by the Company to meet local conditions except that all of the eight scheduled hours shall fall between 6:00 A.M. and 6:00 P.M. The Company shall notify the Union when a schedule other than 8:00 A.M. to 12:00 P.M. and 1:00 P.M. to 5:00 P.M. is established or changed in which case local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.

(d) **Night Tour**

A night tour shall be a period of work in which all or any part of the hours of the Employee's Scheduled Daily Tour falls between the hours of 6:00 P.M. and 6:00 A.M. The scheduled starting and stopping time, for the night tour shall be determined by the Company after consideration of such factors as job requirements and transportation facilities. Local negotiations shall take place as outlined in Paragraph 2(e)(1), when requested by the Union.

(e) **Night Work Bonus**

An Employee on Night Tour shall be paid a night work bonus of ten percent (10%) of the Employee's Adjusted Rate for all time worked on such tours.

(f) **Negotiations of Scheduled Tours**

- (1) The matter shall first be discussed by the Job Steward and the Supervisor or the Representative and the Operations Area Manager. Where a mutually satisfactory schedule is not readily established by such discussion, the matter shall be referred to the Local President and the Operations Director for negotiation.
- (2) The schedule established by the Company shall remain in effect during such negotiations

**Sunday Start Allowance**

When an Employee working other than a 7-Day Coverage Job is required to begin his or her first Scheduled Daily Tour between 8 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.

**Job Training**

Training of any Employee required by the Company shall be performed during the hours scheduled by the Company for such training and such time considered as authorized time worked.

**Relief Periods**

Relief periods (suspension of work or absence from the Employee's assigned duties) not to exceed fifteen (15) minutes in each half of the Scheduled Daily Tour and in each four-hour period of work in excess of the Scheduled Daily Tour shall be granted by job supervision at all Job Locations. Relief periods may be staggered by job supervision for Employees or groups of Employees where job conditions make such action desirable.

**2 WAGES AND STAFFING**

**General Wage Increase**

The General Wage Increases (GWI) and escalation adjustment, as denoted in the Article 12, apply with the following modification. Communication Services Installer wage schedules shall be increased by 1% on the Minimum Rates and the applicable GWI on the Maximum Rates as shown in Attachment 1.

**Staffing**

- (a) When there are ACST, CST and SCST job vacancies in a Base Location, they will be staffed as follows:
  - (1) First, ACST, CST and SCST Installers under CWA-24 with recall rights per Article 20 in the Base Location with the job vacancy;
  - (2) Next, with Communication Services Installers in the Base Location with the job vacancy. Such Employees will be assigned to the ACST title by seniority. During the next skill review period, such Employee's entire Work Operation Code experience will be considered in accordance with Article 12, Paragraph 3 of CWA-24.
  - (3) Next, new hires, (e.g., Employees never employed in the Installation Field forces of the Company), shall be placed into the Associate Communication Services Technician job classification.

- (b) When there are job vacancies in a Base Location for Communication Services Installers, they will be staffed as follows:
  - (1) First considered will be ACST, CST and SCST Installers under CWA-24 with recall rights per Article 20 in the Base Location where Communication Services Installers are to be hired. If they accept a job offer, their recall rights to their former job classification will not be affected nor will they be required to repay any termination allowance they received at the time of termination;
  - (2) Next considered will be former Laid Off Installers whose recall rights have expired and/or new hires, at the Company's discretion.
  - (3) For Employees entering the Communication Services Installer classification, the Company will determine the appropriate hiring Step on the Wage Schedule.
- (c) Communication Services Installers will only perform Work Operation Code 321 work as defined in the Installer's Work Operations Codes and Skill Classification Plan (SD-11-1421.2).
- (d) The Skill Classification and Recertification Reviews, Wage Treatment on Transfers between Work Locations with Different Wage Schedules, Responsibility for the Work of Others or Classroom Training Delivery, and the Special City Allowance provisions of Article 12 - Wages do not apply.

**3 HOLIDAYS**

Holidays are observed in accordance with Article 14 with the following modification. Communication Services Installers are entitled to only one (1) Floating Holiday which may be designated by the Company.

**4 VACATIONS**

Communication Services Installers will be eligible to forty (40) hours of vacation per year, after the completion of a Term of Employment of six (6) months. The forty (40) hours may be taken, when eligible, on a "day-at-a-time" basis or in increments of two hours.

**5 EXCUSED WORK DAYS**

**Article 26**

Communication Services Installers will be entitled to one (1) paid Excused Work Day annually, which may be designated by the Company, provided they have a Term of Employment of one (1) year.

**6 PAY TREATMENT FOR ABSENCES**

Not applicable to Communication Services Installers.

**7 BENEFIT PLANS AND PROGRAMS**

The following listed Lucent Technologies Inc. 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 covered under this functional article.

- (a) 2001 Employee Stock Purchase Plan
- (b) Medical Expense Plan for Occupational Employees
- (c) Long Term Savings and Security Plan
- (d) The following Group Life and Accidental Loss Insurance
  - (1) Group Life Insurance Plan
  - (2) Supplementary Life Insurance Plan
  - (3) Supplementary Accidental Loss Insurance Plan
- (e) Communication Services Installers shall also have access to the Dental Expense Plan for Active Employees and the Vision Care Plan if the Employee elects to pay the premiums associated with these Plans.
- (f) Communication Services Installers will not be eligible for any other benefits except as set forth above. For greater certainty, notwithstanding the fact that the term "Term of Employment" is referred to in the Pension Plan, Communication Services Installers shall not participate in and shall not accrue benefits under the Pension Plan with respect to their employment under this Article.

**8 FORCE ADJUSTMENT**

When lack of work necessitates Layoff, Communication Services Installers shall be laid off in inverse order of Term of Employment, by Base Location. Prior to any ACST, CST or SCST Installer being Laid Off in a base location, all Communication Services Installers shall first be Laid Off.

**9 LAYOFF ALLOWANCES**

Not applicable to Communication Services Installers

**10 LOCAL MEMORANDUMS OF UNDERSTANDING**

The CWA-24 Local Memorandum(s) apply to Communication Services Installers in accordance with their terms and conditions, except where modified by this Article 26.

**11 NATIONAL MEMORANDUM OF UNDERSTANDING**

The CWA-24 National Memorandum applies to Communication Services Installers in accordance with their terms and conditions, except where modified by this Article 26. The following letter agreements and/or provisions of the National Memorandum of Understanding shall not apply to Communication Services Installers.

- (a) All provisions with respect to the Lucent Technologies Pension Plan
- (b) Lucent Career Transition Option Program (LCTOP) and related provisions
- (c) Lucent Transfer Plan (LTP) and related provisions
- (d) Lucent Performance Plan
- (e) Tuition Assistance
- (f) Work and Family Programs
- (g) Academic Award Program
- (h) Funds for Alliance/ETOP Distribution Program (FAED)
- (i) Employee Resource Center

**Communication Service Installer (CSI)**

	Step	Effective 11/1/2004	Effective 6/29/2005	Effective 6/28/2006	Effective 6/27/2007
Minimum	1	\$10.00	\$10.10	\$10.20	\$10.30
	2	\$10.31	\$10.43	\$10.55	\$10.66
	3	\$10.64	\$10.77	\$10.90	\$11.03
	4	\$10.97	\$11.12	\$11.28	\$11.42
	5	\$11.32	\$11.49	\$11.66	\$11.82
	6	\$11.67	\$11.86	\$12.05	\$12.24
	7	\$12.04	\$12.25	\$12.46	\$12.66
	8	\$12.42	\$12.65	\$12.89	\$13.11
	9	\$12.81	\$13.07	\$13.32	\$13.57
	10	\$13.21	\$13.49	\$13.78	\$14.04
	11	\$13.63	\$13.93	\$14.25	\$14.53
	12	\$14.05	\$14.39	\$14.73	\$15.04
Maximum	13	\$14.50	\$14.86	\$15.23	\$15.57

	Step	Effective 6/26/2008	Effective 6/24/2009	Effective 6/23/2010	Effective 6/22/2011
Minimum	1	\$10.40	\$10.50	\$10.61	\$10.72
	2	\$10.77	\$10.89	\$11.01	\$11.13
	3	\$11.16	\$11.29	\$11.42	\$11.56
	4	\$11.56	\$11.70	\$11.85	\$12.00
	5	\$11.96	\$12.13	\$12.30	\$12.46
	6	\$12.41	\$12.58	\$12.76	\$12.94
	7	\$12.85	\$13.04	\$13.24	\$13.44
	8	\$13.31	\$13.52	\$13.74	\$13.96
	9	\$13.79	\$14.02	\$14.25	\$14.49
	10	\$14.29	\$14.54	\$14.79	\$15.05
	11	\$14.80	\$15.07	\$15.34	\$15.63
	12	\$15.33	\$15.63	\$15.92	\$16.23
Maximum	13	\$15.88	\$16.20	\$16.52	\$16.85

**ARTICLE 27 - DURATION**

This Agreement shall become effective at 12:01 a.m. on November 1, 2004, but only if it is ratified by the Union membership and the Company is so notified on or before December 17, 2004. When so effective, this Agreement shall continue in effect in accordance with its own terms until 11:59 p.m. on May 26, 2012, notwithstanding that certain provisions may terminate prior to the expiration of this Agreement.

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

AGREED:

**FOR THE UNION**

By: /s/ M. J. Sherman  
CWA Representative  
Communications Workers of America

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

**FOR THE COMPANY**

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schecter  
Workforce Relations  
Vice President

**APPENDIX 1 - SPECIAL CITY ALLOWANCE ZONES  
ATLANTA ZONE**

**Eastern Boundary**

**Beginning at a point where Cumberland Rd. intercepts Fulton County line; south following County line to Interstate Route 20.**

**Southern Boundary**

**Beginning at the intersection of Fulton County line and I-20, west on I-20 to Cherokee Ave., south on Cherokee Ave. to Georgia Ave., west on Georgia Ave. into Glenn St. into Gordon St. to L & N Railroad.**

**Western Boundary**

**Beginning at the intersection of Gordon St. and the L & N Railroad, north on L & N Railroad to Bankhead Ave., east on Bankhead into Northside Dr., north on Northside Dr. to Southern Railroad.**

**Northern Boundary**

**Beginning at the intersection of Northside Dr. and the Southern Railroad, northeast on Southern Railroad to Peachtree Rd., south on Peachtree to Beverly Rd., east on Beverly Rd. to Montgomery Ferry Rd. to Monroe Dr., southeast on Monroe Dr. to Cumberland Rd., east on Cumberland Rd. to the Fulton County line, the point of beginning.**

**BALTIMORE ZONE**

**The Baltimore Zone is bounded by the city limits of the City of Baltimore.**

**BIRMINGHAM ZONE**

**Eastern Boundary**

Beginning at the intersection of 12th Ave. No. and Vanderbilt Rd. south along Vanderbilt Rd. to 10th Ave. No., then northeast on 10th Ave. to 38th St. No., then southeast on 38th St. and the extension of 38th St. to 41st St., then southeast on 41st St. to 3rd Ave. So.

**Southern Boundary**

Beginning at the intersection of 41st St. and 3rd Ave. So., southwest on 3rd Ave. So. to 14th St.

**Western Boundary**

Beginning at the intersection of 3rd Ave. So. and 14th St., northwest on 14th St. to 1st Ave., then southwest on 1st Ave. to 11th St., then northwest on 11th St. to 8th Ave. No.

**Northern Boundary**

Beginning at the intersection of 11th St. and 8th Ave. No., northeast on 8th Ave. to 19 St., then northwest on 19 St. to 11th Ave. No., then northeast on 11th Ave. No. to 26th St., then northwest on 26th St. to 12th Ave. No., then northeast on 12th Ave. No. to Vanderbilt Rd.

**CHICAGO ZONE**

**Eastern Boundary**

Beginning at the point where the northern boundary of Evanston meets Lake Michigan, south along the western shore of Lake Michigan to a point where the Illinois State line meets Lake Michigan, south along the Illinois State line to the Cook County line.

## Appendix 1

### Southern Boundary

Beginning at the point where the Illinois State line meets the southern boundary of Cook County, west along the Cook County line to the point where the Steger-Crete village limits intersects the Cook County line, south and west along the Steger-Crete village limits to Exchange St., west on Exchange St. to Western Ave., north on Western Ave. to the Cook County line, west on the Cook County line to Harlem Ave.

### Western Boundary

Beginning at the point where Harlem Ave. meets the Cook County line, north on Harlem Ave. to Saulk Trail Rd., east on Saulk Trail Rd. to Ridgeland Ave., north on Ridgeland Ave. to Vollmer Rd., east on Vollmer Rd. to Cicero Ave., north on Cicero Ave. to 163rd St., west on 163rd St. to Central Ave., north on Central Ave. to 159th St., west on 159th to Harlem Ave., north on Harlem Ave. to 135th St., east on 135th St. to Ridgeland Ave., north on Ridgeland Ave. to 127th St., west on 127th St. to 68th Ave., north on 68th Ave. to Calumet St., southeast on Calumet St. to Ridgeland Ave., north on Ridgeland Ave. to 107th St., west on 107th St. to 96th Ave., south on 96th Ave. to the Calumet Sag Channel, northwest along the Calumet Sag Channel to the Cook County line, north along the Cook County line to St. German Church Rd., east on St. German Church Rd. to Willow Springs Rd., north on Willow Springs Rd. and Gilbert Ave. to Ogden Ave., west on Ogden Ave. to Wolf Rd., north on Wolf Rd. to Salt Creek, westerly along Salt Creek to the Tri State Tollway, north on the Tri State Tollway to Grand Ave., west on Grand Ave. to County Line Rd., north along County Line Rd. to the southern boundary of O'Hare Airport, west and north along the boundary of O'Hare Airport to the point of beginning where O'Hare Airport meets Elmhurst Rd.

### Northern Boundary

Beginning at the northwest corner of O'Hare Airport where the airport boundary meets Elmhurst Rd., easterly and south along the boundary of O'Hare Airport to John F. Kennedy Blvd., east on J. F. Kennedy Blvd. to East River Rd., north on East River Rd. to Higgins Rd., east on Higgins to Canfield Ave., north on Canfield Ave. and N. Ozanam Ave. to Touhy Ave., east on Touhy Ave. to N. Ozark Ave., north on N. Ozark and East Aves. to Howard St., east on Howard St. to Milwaukee Ave., northwest on Milwaukee Ave. to Thornberry Dr., east on Thornberry Dr. to Greenwood Ave., north on Greenwood Ave. to Harrison St., east on Harrison St. to Washington St., south on Washington St. to Golf Rd., east on Golf Rd., Simpson St. to Harms Rd., northwest on Harms Rd. to a point where the northern boundary of Skokie meets Harms Rd., east along the northern boundary to a point where the northern Skokie boundary meets the western

boundary of Evanston, north on the western and east along the northern boundaries of Evanston to the western shore of Lake Michigan.

### CLEVELAND ZONE

#### Eastern Boundary

Beginning at the point where the northeast boundary of Burke Lakefront Airport meets Lake Erie, southeast along the airport to the Penn Central Railroad track, then northeast on the PCRR to E. 40th St., then south on E. 40th to the PCRR tracks then southwest along the PCRR to E. 33rd St., then southeasterly along E. 33rd St. to Chester Ave., west on Chester Ave. to E. 30th St. then south on E. 30th St. to Cedar Ave., east on Cedar Ave. to E. 34th St., then southwesterly on 34th St. and 33rd St. to Woodland Ave., southeast on Woodland Ave. to E. 37th St., then south to Orange Ave. then west on Orange Ave. to E. 34th St., then south on E. 34th St. to Broadway.

#### Southern Boundary

Beginning at E. 34th St. and Broadway northwest along Broadway to W. 3rd St., then southeasterly on W. 3rd St. to Clark Ave., west on Clark Ave. to Holmden Ave. then southwesterly on Holmden Ave. to W. 17th St., north on W. 17th to Buher Ave., west on Buher Ave. to Scranton Rd., northeast on Scranton Rd. to Kinkel Ave., west on Kinkel Ave. to W. 23rd St., then north on W. 23rd St. to Clark Ave., west on Clark Ave. to W. 30th St.

#### Western Boundary

Beginning at Clark Ave. and W. 30th St., north on W. 30th St. to Barber Ave., west on Barber Ave. to Tract Ave., northeast along Tract Ave. to W. 30th St., north on W. 30th St. to York Ave., east on York Ave. to W. 28th St., northwest on W. 28th St. to Carroll Ave., southwest on Carroll Ave. to Fulton Rd., northeast on Fulton Rd. to W. 31st, northwesterly along W. 31st to Franklin Blvd., southwest on Franklin Blvd. to W. 32nd St., northwest on W. 32nd St. to Detroit Ave., northeast on Detroit Ave. to W. 29th St., then northwest on W. 29th St. to Washington Ave. and then in a northwesterly direction to the Ship Canal, northeasterly along the Ship Canal to the U.S. Coast Guard Station and Lake Erie.

#### Northern Boundary

Appendix 1

Beginning at the Coast Guard Station and Lake Erie northeasterly along the south shore of Lake Erie to the beginning point where Lake Erie and Burke Lakefront Airport meet.

**DALLAS ZONE**

**Eastern Boundary**

Beginning at the point where Mockingbird Lane meets White Rock Lake, south along the eastern shore of White Rock Lake and White Rock Creek to the Trinity River.

**Southern Boundary**

Beginning at the junction of Trinity River and White Rock Creek, northwest along the Trinity River to Corinth St., then southwest on Corinth St. to Clarendon Dr., then west on Clarendon Dr. to Hampton Rd.

**Western Boundary**

Beginning at the intersection of Clarendon Dr. and Hampton Rd., north on Hampton Rd. and Inwood Rd. to Mockingbird Lane.

**Northern Boundary**

Beginning at the intersection of Inwood Rd. and Mockingbird Lane, east along Mockingbird Lane to White Rock Lake.

**DENVER ZONE**

The Denver Zone is bounded by the city limits of Denver.

**DETROIT ZONE**

The Detroit Zone is bounded by the city limits of Detroit.

**FORT WORTH ZONE**

**Eastern Boundary**

Beginning at the intersection of West Belknap and the North-South Freeway, south along the North-South Freeway to West Broadway.

**Southern Boundary**

Beginning at the intersection of the North-South Freeway and West Broadway, west along West Broadway to Henderson.

**Western Boundary**

Beginning at the intersection of West Broadway and Henderson, north along Henderson to West Belknap.

**Northern Boundary**

Beginning at the intersection of Henderson and West Belknap, north-east along West Belknap to the North-South Freeway.

**HOUSTON ZONE**

**Eastern and Southern Boundary**

Beginning at the intersection of U.S. Route 610 and Wallisville Rd., south and west on U.S. Route 610 to Alameda Rd.

**Western Boundary**

Beginning at the intersection of U.S. Route 610 and Alameda Rd., north on Alameda Rd. to Hermann, then north-west on Hermann to Montrose, then north on Montrose, Sachs and Studmont to Usener.

**Northern Boundary**

Beginning at the intersection of Studmont and Usener, east on Usener, White Oak, Quitman, Liberty Rd. and Wallisville Rd. to U.S. Route 610.

**INDIANAPOLIS ZONE**

**Eastern Boundary**

**Appendix 1**

**Beginning at the intersection of North St. and East St. south along East St. to South St.**

**Southern Boundary**

**Beginning at the intersection of East St. and South St. west along South St. to West St.**

**Western Boundary**

**Beginning at the intersection of South St. and West St. north along West St. to North St.**

**Northern Boundary**

**Beginning at the intersection of North St. and West St. east along North St. to East St.**

**KANSAS CITY ZONE**

**Eastern Boundary**

**Beginning at the point where Monroe Ave. meets the Missouri River, south on Monroe Ave. to 51st St.**

**Southern Boundary**

**Beginning at the intersection of Monroe and 51st St., west on 51st St. to the Kansas-Missouri state line, then north along the Kansas- Missouri state line to County Line Rd., then west on County Line Rd. to 33rd St., then south and west on the Johnson County line to Route 635 (under construction).  
Western Boundary**

**Beginning at the intersection of Johnson County line and Route 635 (under construction), north on Route 635 to 23rd St., then due northeast to the point where 18th St. meets the Missouri River.**

**Northern Boundary**

Beginning at the point where 18th St. meets the Missouri River in Kansas City, Kansas, east along the southern shore of the Missouri River to Monroe Ave. in Kansas City, Missouri.

#### LOS ANGELES ZONE

##### Eastern Boundary

Beginning at the intersection of the Pasadena Freeway and York Blvd., south and east along the Los Angeles city limits to Huntington Dr., then southwest on Huntington Dr. to Winchester Ave., then south on Winchester Ave. to the Long Beach Freeway, then south on the Long Beach Freeway to Imperial Hwy.

##### Southern Boundary

Beginning at the intersection of the Long Beach Freeway and Imperial Hwy., west on Imperial Hwy. to Harbor Freeway, then north on Harbor Freeway to Manchester Ave., then west on Manchester Ave. to Western Ave.

##### Western Boundary

Beginning at the intersection of Manchester Ave. and Western Ave. north on Western Ave. to the Santa Monica Freeway, then west on the Santa Monica Freeway to Fairfax Ave., then north on Fairfax Ave. to Hollywood Blvd.

##### Northern Boundary

Beginning at the intersection of Fairfax Ave. and Hollywood Blvd., east on Hollywood Blvd. to Highland Ave., then north on Highland Ave. to the Hollywood Freeway then south on Hollywood Freeway to Sunset Blvd., then east and southeast on Sunset Blvd. to Elysian Park Ave., then east on Elysian Park Ave. to Dodger Stadium, then clockwise around the northern half of Dodger Stadium to the Pasadena Freeway, then northeast on the Pasadena Freeway to York Blvd.

#### MIAMI ZONE

##### Eastern Boundary

Beginning at the point on the Miami city limits where 87th St. meets Biscayne Bay, south along the western shore of Biscayne Bay to the Tamiami Trail.

Appendix 1

**Southern Boundary**

Beginning where the Tamiami Trail meets Biscayne Bay, west along the Tamiami Trail to 22nd Ave.

**Western Boundary**

Beginning where the Tamiami Trail intersects with 22nd Ave., north on 22nd Ave. to 36th St., then east on 36th St. to Route 95, then north on Route 95 to the Miami city limits.

**Northern Boundary**

Beginning at the intersection of Route 95 and the Miami city limits, east along the Miami city limits to Biscayne Bay.

**MILWAUKEE ZONE**

**Eastern Boundary**

Beginning at the point where Park meets Lake Michigan, south along the shore of Lake Michigan to the outlet of the Menomonee River.

**Southern Boundary**

Beginning from the outlet of the Menomonee River in Lake Michigan, west along the north shore of the Menomonee River to a point due south of 38th St.

**Western Boundary**

Beginning from a point in the Menomonee River due south of 38th St., due north to 38th St., then north on 38th St. to Center.

**Northern Boundary**

Beginning at the intersection of 38th and Center, east on Center and Park to Lake Michigan.

**MINNEAPOLIS-ST. PAUL ZONE**

The Minneapolis-St. Paul Zone is bounded by the city limits of Minneapolis and St. Paul.

#### **NEWARK-JERSEY CITY ZONE**

##### **Eastern Boundary**

Beginning at the point where the northern boundary of the City of Hoboken meets the Hudson River, south along the Hudson River and Upper New York Bay to Kill Van Kull, then west along Kill Van Kull to the point where Newark Bay meets the southwest tip of Bayonne.

##### **Southern Boundary**

Beginning at the point where the southwest tip of Bayonne meets Newark Bay, north along the eastern shore of Newark Bay and the Hackensack River to Truck Route 1 and 9, then west on Truck Route 1 and 9 to the western shore of the Passaic River, then south along the western shore of the Passaic River and the point where the southern boundary of Essex County meets Newark Bay, then west along the southern boundary of Essex County to the eastern boundary of Hillside, then north along the eastern boundary of Hillside to the Lehigh Valley Railroad track, then southwest and west along the Lehigh Valley Railroad track to the north end of Central Ave., then south along Central Ave. to 3rd St., then northwest on 3rd St., Silver St. and William St. to Liberty Ave., then north on Liberty Ave., Hillside Ave. and Chestnut Ave. to the Essex County line, then west along the Essex County line to the western boundary of Irvington.

##### **Western Boundary**

Beginning at the point where the southern boundary of Essex County meets the western boundary of Irvington, north along the western boundary of Irvington to Clinton Ave., then northwest along Irvington Ave. to the eastern boundary of South Orange, then north along the eastern boundary of South Orange to the southern boundary of East Orange, then east along the southern boundary of East Orange and north along the eastern boundary of East Orange to the intersection of the eastern boundary of East Orange and the southern boundary of Bloomfield, then north along the eastern boundary of Bloomfield to the southern boundary of Nutley.

##### **Northern Boundary**

Appendix 1

Beginning at the point where the eastern boundary of Bloomfield meets the southern boundary of Nutley on Bloomfield Ave., then east along the northern boundary of Belleville to the Passaic River, then east and south along the boundary of North Arlington to the southern boundary of Bergen County, then southeast and north along the southern boundary of Bergen County to the Erie Lackawanna Railroad track, then southeast along the Erie Lackawanna Railroad track to County Rd., then northeast along County Rd. to Secaucus Rd., then southeast along Secaucus Rd. to Paterson Plank Rd., then southeast along Paterson Plank Rd. to the western boundary of Hoboken, then north along the eastern boundary of Hoboken to the Hudson River.

**NEW ORLEANS ZONE**

Eastern Boundary

Beginning at the intersection of St. Ann and the Mississippi River, south along the western bank of the Mississippi River to Pontchartrain Expressway.

Southern Boundary

Beginning at the intersection of the Pontchartrain Expressway and the western bank of the Mississippi River, west along the Pontchartrain Expressway to Annunciation St., then south on Annunciation St. to Melpomene Ave., then northwest on Melpomene Ave. to Claiborne Ave.

Western Boundary

Beginning at the intersection of Melpomene Ave. and Claiborne Ave., northeast on Claiborne Ave. to Iberville.

Northern Boundary

Beginning at the intersection of Claiborne Ave. and Iberville, southeast on Iberville to Rampart St., then northeast on Rampart St. to St. Ann, then southeast on St. Ann to the Mississippi River.

**NEW YORK ZONE**

The area within the boundaries of the Boroughs of Brooklyn, Bronx, Manhattan and Queens.

**PHILADELPHIA ZONE**

The Philadelphia Zone is bounded by the city limits of Philadelphia plus the following area:

Beginning at the intersection of Cheltenham Ave. and Penrose Ave., northeast on Penrose Ave. to Ashbourne Rd., then northwest on Ashbourne Rd. to Washington Lane, then northeast on Washington Lane to Church Rd., then southeast on Church Rd. to Old York Rd., then northeast on Forrest Ave. to Township Line Rd., then southeast on Township Line Rd. to Jenkintown Rd., then southeast on Jenkintown Rd. and Ashmead Rd. to the Philadelphia City Line, then south and northwest on the Philadelphia City Line to Penrose Ave.

**PHOENIX ZONE**

The Phoenix Zone is bounded on the east and south by the city limits of Phoenix and on the north and west as follows:

**Western Boundary**

Beginning at the intersection of Thunderbird Rd. and the western city limits of the City of Phoenix, southerly along the western city limits of Phoenix to Camelback Rd., then south on Forty-Third Ave. to the Phoenix city limits.

**Northern Boundary**

Beginning at the western city limits of the City of Phoenix, easterly along Thunderbird Rd. to Seventh St., then east on Cactus Rd. to the eastern city limits of the City of Phoenix.

**PITTSBURGH ZONE**

The Pittsburgh Zone is comprised of the area within the city limits of Pittsburgh, Wilksburg, Braddock and Homestead.

**PORTLAND ZONE**

**Eastern Boundary**

**Appendix 1**

**Beginning at the point where the Burnside Bridge meets the western bank of the Willamette River, south along the western bank of the Willamette River to the Hawthorne Bridge.**

**Southern Boundary**

**Beginning at the Hawthorne Bridge, west on South West Jefferson St. to Route 405.**

**Western Boundary**

**Beginning at the intersection of South West Jefferson St. and Route 405, northeast on Route 405 to West Burnside St.**

**Northern Boundary**

**Beginning at the intersection of Route 405 and West Burnside St., east on West Burnside St. to the western bank of the Willamette River.**

**SEATTLE ZONE**

**Eastern Boundary**

**Beginning at the point where Route 520 meets the western shore of Lake Washington, south along the western shore of Lake Washington to the eastern extension of King St.**

**Southern Boundary**

**Beginning at the point where the eastern extension of King St. meets the western shore of Lake Washington, west on King St. to Elliott Bay.**

**Western Boundary**

**Beginning at the point where King St. meets Elliott Bay, north along the eastern shore of Elliott Bay to Broad St.**

**Northern Boundary**

**Beginning at the point where Broad St. meets Elliott Bay, northeast on Broad St. to Valley St., then east on Valley St. to Fairview Ave. No., then northeast and**

north on Fairview Ave. to East Newton St., then east on East Newton St. to Eastlake, then north on Eastlake to East Lynn St., then east on East Lynn St. to the Seattle Freeway, then north on the Seattle Freeway to Route 520, then east on Route 520 to the western shore of Lake Washington.

#### **ST. LOUIS ZONE**

The St. Louis Zone is the area within the city limits of St. Louis and East St. Louis.

#### **SAN FRANCISCO-OAKLAND ZONE**

##### *San Francisco*

The San Francisco Zone is bounded as follows:

Beginning at the point where Lyon St. meets San Francisco Bay at Presidio, south on Lyon St. to Pacific Ave., then west on Pacific Ave. to Arguello Blvd., then south on Arguello Blvd. to Fulton St., then east on Fulton St. to Stanyan St., then south on Stanyan St. to Fell St., then east on Fell St. to Route 101, then south on Route 101 to Market St., then southwest on Market St. to Guerrero St., then south on Guerrero St. to San Jose Ave., then southwest on San Jose Ave. and Mission St. to Route 280, then east on Route 280 to Route 101, then south on Route 101 to the San Francisco city limits, then east along the San Francisco city limits to San Francisco Bay, then north and west along the shore of San Francisco Bay to the point of beginning.

##### *Oakland*

The Oakland Zone is bounded as follows:

Beginning at the intersection of Route 17 and Oak St., northwest on Route 17 to Grove St., then northeast on Grove St. to 27th St., then southeast on 27th St., Bay Pl. and Grand Ave. to El Embarcadero, then south on El Embarcadero to Lakeshore Ave., then southwest on Lakeshore Ave. to 1st Ave., then west on 1st Ave. to 12th St., then northwest on 12th St. to Oak St., then southwest on Oak St. to Route 17 and the point of beginning.

#### **TACOMA ZONE**

Appendix 1

Beginning at the intersection of Tacoma Avenue and Division Avenue, north-east along Division Avenue and an extension of Division Avenue to Commencement Bay, then south-east along the banks of Commencement Bay and the City Waterway to 12th Street, then west along 12th Street to Tacoma Avenue, then north on Tacoma Avenue to Division Avenue and the point of beginning.

**WASHINGTON, DC ZONE**

The Washington, DC Zone is the area within the boundaries of the District of Columbia.

## APPENDIX 2 - BASE LOCATIONS

## 1 Base Location

**NORTHEASTERN AREA**

	<u>New York</u>	
Albany, NY		New York, NY
Binghamton, NY		Poughkeepsie, NY
Buffalo, NY		Rochester, NY
Kingston, NY		Syracuse, NY
Long Island-East, NY		Utica, NY

	<u>Connecticut</u>	
Bridgeport, CT		New Haven, CT
Hartford, CT		New London, CT

	<u>Massachusetts</u>	
Framingham, MA		Springfield, MA

	<u>Maine</u>	
Bangor, ME		Portland, ME

	<u>New Hampshire</u>	
Manchester, NH		

	<u>Rhode Island</u>	
Providence, RI		

**EASTERN AREA**

	<u>New Jersey</u>	
Asbury Park, NJ		Newark, NJ
Atlantic City, NJ		Trenton, NJ
Camden, NJ		

	<u>Pennsylvania</u>	
Allentown, PA		New Castle, PA
Altoona, PA		Philadelphia, PA
Harrisburg, PA		Pittsburgh, PA
Hazleton, PA		Reading, PA
Lancaster, PA		Scranton, PA
Lewistown, PA		Williamsport, PA

Appendix 2

Baltimore, MD  
Frederick, MD

Maryland

Hagerstown, MD  
Salisbury, MD

Lynchburg, VA  
Newport News, VA  
Norfolk, VA

Virginia

Richmond, VA  
Roanoke, VA

Charleston, WV  
Clarksburg, WV

West Virginia

Wheeling, WV

Washington, DC

District of Columbia

Dover, DE

Delaware

**SOUTHERN AREA**

Chipley, FL  
Cocoa, FL  
Daytona Beach, FL  
Fort Lauderdale, FL  
Fort Myers, FL  
Fort Pierce, FL  
Gainesville, FL  
Jacksonville, FL

Florida

Miami, FL  
Orlando, FL  
Panama City, FL  
Pensacola, FL  
Tallahassee, FL  
Tampa, FL  
West Palm Beach, FL

Albany, GA  
Athens, GA  
Atlanta, GA  
Augusta, GA  
Carrollton, GA  
Columbus, GA  
Covington, GA

Georgia

Gainesville, GA  
Hazlehurst, GA  
Macon, GA  
Rome, GA  
Savannah, GA  
Thomasville, GA  
Waycross, GA

North Carolina

Asheville, NC  
 Burlington, NC  
 Charlotte, NC  
 Gastonia, NC  
 Goldsboro, NC  
 Greensboro, NC

Laurinburg, NC  
 Lenoir, NC  
 Raleigh, NC  
 Shelby, NC  
 Wilmington, NC  
 Winston-Salem, NC

South Carolina

Anderson, SC  
 Charleston, SC  
 Columbia, SC

Florence, SC  
 Greenville, SC  
 Spartanburg, SC

Alabama

Anniston, AL  
 Birmingham, AL  
 Brewton, AL  
 Decatur, AL  
 Gadsden, AL  
 Huntsville, AL  
 Jasper, AL

Mobile, AL  
 Montgomery, AL  
 Opelika, AL  
 Selma, AL  
 Sheffield, AL  
 Tuscaloosa, AL

Tennessee

Athens, TN  
 Chattanooga, TN  
 Columbia, TN

Jackson, TN  
 Knoxville, TN  
 Memphis, TN  
 Nashville, TN

Kentucky

Bowling Green, KY  
 Danville, KY  
 Frankfort, KY  
 Louisville, KY

Owensboro, KY  
 Paducah, KY  
 Paintsville, KY  
 Winchester, KY

Louisiana

Alexandria, LA  
 Baton Rouge, LA  
 Hammond, LA  
 Houma, LA  
 Lafayette, LA  
 Lake Charles, LA

Minden, LA  
 Monroe, LA  
 Natchitoches, LA  
 New Orleans, LA  
 Ruston, LA  
 Shreveport, LA

Appendix 2

Columbus, MS Greenwood, MS Gulfport, MS Hattiesburg, MS	<u>Mississippi</u>	Jackson, MS McComb, MS Meridian, MS Tupelo, MS
<u>CENTRAL AREA</u>		
Ann Arbor, MI Battle Creek, MI Benton Harbor, MI Cadillac, MI Detroit, MI Escanaba, MI Flint, MI Grand Rapids, MI Houghton, MI Iron Mountain, MI	<u>Michigan</u>	Jackson, MI Kalamazoo, MI Lansing, MI Marquette, MI Petoskey, MI Port Huron, MI Saginaw, MI Sault Ste. Marie, MI Traverse City, MI
Akron, OH Canton, OH Cincinnati, OH Cleveland, OH	<u>Ohio</u>	Columbus, OH Dayton, OH Toledo, OH Youngstown, OH
Aiton, IL Aurora, IL Centralia, IL Champaign, IL Chicago, IL Collinsville, IL Crystal Lake, IL	<u>Illinois</u>	Decatur, IL Joliet, IL Kankakee, IL Ottawa, IL Peoria, IL Rockford, IL Rock Island, IL Springfield, IL
Bloomington, IN Columbus, IN Evansville, IN Fort Wayne, IN Gary, IN	<u>Indiana</u>	Indianapolis, IN Kokomo, IN New Albany, IN South Bend, IN Vincennes, IN

Wisconsin

Appleton, WI  
 Eau Claire, WI  
 Fond du Lac, WI  
 Green Bay, WI

Madison, WI  
 Milwaukee, WI  
 Stevens Point, WI  
 Watertown, WI

**SOUTHWESTERN AREA**

Texas

Abilene, TX  
 Amarillo, TX  
 Austin, TX  
 Beaumont, TX  
 Corpus Christi, TX  
 Dallas, TX  
 El Paso, TX  
 Fort Worth, TX  
 Harlingen, TX

Houston, TX  
 Longview, TX  
 Lubbock, TX  
 Midland, TX  
 San Antonio, TX  
 Tyler, TX  
 Masco, TX  
 Wichita Falls, TX

Oklahoma

Oklahoma City, OK

Tulsa, OK

Kansas

Dodge City, KS  
 Salina, KS

Topeka, KS  
 Wichita, KS

Missouri

Joplin, MO  
 Kansas City, MO  
 Sikeston, MO

Springfield, MO  
 St. Joseph, MO  
 St. Louis, MO

Arkansas

Forrest City, AR  
 Fort Smith, AR  
 Hot Springs, AR

Jonesboro, AR  
 Little Rock, AR  
 Pine Bluff, AR

**WESTERN AREA**

Arizona

Flagstaff, AZ  
 Phoenix, AZ

Tucson, AZ

New Mexico

Albuquerque, NM

Santa Fe, NM

Appendix 2

Colorado Springs, CO Denver, CO Grand Junction, CO	<u>Colorado</u>	Greeley, CO Pueblo, CO
Casper, WY	<u>Wyoming</u>	Cheyenne, WY
Ogden, UT Provo, UT	<u>Utah</u>	Salt Lake City, UT
Boise, ID Idaho Falls, ID	<u>Idaho</u>	Pocatello, ID Twin Falls, ID
Bemidji, MN Brainerd, MN Duluth, MN Marshall, MN	<u>Minnesota</u>	Minn.-St. Paul, MN Rochester, MN St. Cloud, MN
Bismarck, ND Fargo, ND	<u>North Dakota</u>	Grand Forks, ND
Grand Island, NB Norfolk, NB North Platte, NB	<u>Nebraska</u>	Omaha, NB Sidney, NB
Burlington, IA Cedar Rapids, IA Davenport, IA Des Moines, IA Mason City, IA	<u>Iowa</u>	Ottumwa, IA Red Oak, IA Sioux City, IA Spencer, IA Waterloo, IA
Aberdeen, SD Pierre, SD Rapid City, SD	<u>South Dakota</u>	Sioux Falls, SD Watertown, SD

	<u>Washington</u>	
Bremerton, WA Olympia, WA Seattle, WA		Spokane, WA Vancouver, WA Yakima, WA
	<u>Oregon</u>	
Bend, OR Eugene, OR Medford, OR		Pendleton, OR Portland, OR Salem, OR
<u>PACIFIC AREA</u>	<u>California</u>	
Bakersfield, CA Chico, CA Eureka, CA Fresno, CA Lakeport, CA Los Angeles, CA Marysville, CA Modesto, CA Napa, CA Oceanside, CA Redding, CA Riverside, CA		Sacramento, CA Salinas, CA San Diego, CA San Francisco- East Bay, CA San Jose, CA San Luis Obispo, CA Santa Ana, CA Santa Cruz, CA Santa Rosa, CA Stockton, CA Ukiah, CA Ventura, CA Visalia, CA
	<u>Nevada</u>	
Las Vegas, NV		Reno, NV
	<u>Hawaii</u>	
Honolulu, HI		

**2 Temporary Base Location**

Employees who were assigned a Temporary Base Location in accordance with Paragraph 2, Appendix 1 to Contract CEW-2 and who have not been moved on a Permanent Transfer to one of the above listed Base Locations as of the effective date of Contract CWA-18, shall maintain their Temporary Base Location assignments until so moved.

**APPENDIX 3 - DUES DEDUCTION PROCEDURES**

**SCOPE OF APPENDIX**

This Appendix sets forth the procedure to be followed in connection with the deduction of Union dues and initiation fees. The definitions contained in the Contract shall apply to the terms used in this Appendix.

**PAYROLL DUES DEDUCTION FORM**

1 Upon receipt of a "Payroll Deduction Authorization" from an Employee, in the form attached hereto as (Exhibit A of Appendix 3), Lucent Technologies Inc. will initiate deductions 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.

(a) Deduction shall be made from the Employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments 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.

(b) 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 Inc. Payroll Office, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:

- those required by law, and,
- those authorized for Group Life Insurance and Medical Expense Plan premiums.

(c) If the scheduled deduction for amounts equal to Union dues cannot be made in the period(s) specified above, such deductions(s) will be made

during the consecutive payroll periods ending no later than the last payroll period in the following month.

- (d) "Payroll Deduction Authorizations" shall be suspended when an Employee:
- is transferred to a job that is not represented by the Communications Workers of America,
  - goes on Leave of Absence for more than (1) month; or,
  - is removed from the payroll of Lucent Technologies Inc.
- (e) "Payroll Deduction Authorizations" suspended in accordance with Paragraph 1(d) shall be reactivated on the first (1st) payroll period following the return of an Employee to a job that is represented by the Union.
- (f) Except as provided in Paragraph 1(d), "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by Lucent Technologies Inc. unless canceled by such Employee. Such cancellation must be individually sent to the Lucent Technologies Inc. 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.
- (g) 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."
- (h) By written certification, the Union shall keep Lucent Technologies Inc. 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.
- (i) 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.
- (j) 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 positive tape recording showing the names of Employees from whose pay:
- Regular deductions have been made.

Appendix 3

- No deduction has been made because of cancellation of authorization.
  - No deduction has been made because of revocation of authorization.
  - No deduction has been made because of insufficient earnings in this pay period.
  - Deduction has been made for a prior month.
- (k) 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.
- (l) It is understood that Lucent Technologies Inc. assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither Lucent Technologies Inc. nor any of its officers, agents or employees shall in any way be held liable or responsible for any loss.

**EXHIBIT A  
PAYROLL DEDUCTION AUTHORIZATION**

			Name			
Social	Security	Number	Last	First	Middle Initial	

I hereby authorize Lucent Technologies Inc. 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 Inc. fails or is unable to make a deduction, I authorize Lucent Technologies Inc. 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 Inc. by the Communications Workers of America 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 Inc. unless canceled by me. Such cancellation must be individually sent to my Lucent Technologies Inc. Payroll Office and 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 Inc. 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 Inc. Organization

APPENDIX 4 - VACANT

**APPENDIX 5 - COCKEYSVILLE REGIONAL CENTER**

**SEE SEPARATE BOOKLET TITLED  
COCKEYSVILLE REGIONAL CENTER CONTRACT  
LUCENT/CWA - INSTALLATION - 24, APPENDIX 5  
NOVEMBER 1, 2004  
BETWEEN LUCENT TECHNOLOGIES INC.  
AND THE  
COMMUNICATIONS WORKERS OF AMERICA**

**APPENDIX 6 - NETWORK OPERATIONS AND RELIABILITY CENTER**

**SEE SEPARATE BOOKLET TITLED  
NETWORK OPERATIONS AND RELIABILITY CENTER  
LUCENT/CWA - INSTALLATION - 24, APPENDIX 6  
NOVEMBER 1, 2004  
BETWEEN LUCENT TECHNOLOGIES INC.  
AND THE  
COMMUNICATIONS WORKERS OF AMERICA**

**APPENDIX 7 - CORRESPONDENCE AND REPORT ASSISTANTS**

**SEE SEPARATE BOOKLET TITLED  
CORRESPONDENCE AND REPORT ASSISTANTS  
LUCENT/CWA - INSTALLATION - 24, APPENDIX 7  
NOVEMBER 1, 2004  
BETWEEN LUCENT TECHNOLOGIES INC.  
AND THE  
COMMUNICATIONS WORKERS OF AMERICA**

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**AGREEMENT NOT TO PT UNION REPS AND OFFICERS  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1992 wherein it was agreed that elected Union Representatives, excluding all Job Stewards, shall not be selected for Permanent Transfer under Article 13, Paragraph 2.91(a) while serving the Union in such capacity; provided that, however, should the use of Permanent Transfers involve the total depopulation of Union Representatives' assigned Base Locations the Company will arrange for Permanent Transfers of such Union Representatives to other Base Locations within the jurisdiction of the Locals. The total number of Union Representatives exempted in any Local shall be as follows:

<u>Union Local</u>	<u>Number of Union Representatives (Per Article 5, Paragraph 1.11)</u>	<u>Union Local</u>	<u>Number of Union Representatives (Per Article 5, Paragraph 1.11)</u>
1090	13	4690	5
1190	13	4790	6
1191	8	6290	12
1290	8	6390	7
2390	13	6391	5
3190	7	7090	7
3290	6	7290	8
3490	5	7790	9
3790	6	7990	8
3890	7	7991	9
3990	4	9490	10
4090	11	9590	8
4290	6	13590	7
4390	11	13591	5

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

Local Memorandum

**ALTERNATE WORK SCHEDULE TRIALS  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 28, 1995 whereby it was agreed that Alternate work Schedule trials could be established provided:

- (a) there is a written agreement between the Company and the Union at the Local and National levels;
- (b) the trial is approved by the Constructive Relationship Council.

A copy of the Guidelines and Principles for such a trial may be obtained from Installation Corporate Labor Relations or the Installation CWA Staff Representative, Communications and Technologies.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

APPROVED:

By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

**AREA DEFINED FOR ARTICLE 13  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31 1992, whereby it was agreed that notwithstanding the definition of the term "Area" as contained in Article 1, Paragraph 1.2 said term shall, solely for the purposes of Article 13, Paragraph 2.92, mean the Areas as described below:

Alabama-Kentucky-Tennessee Area

Anniston, AL	Knoxville, TN
Athens, TN	Louisville, KY
Birmingham, AL	Memphis, TN
Bowling Green, KY	Mobile, AL
Brewton, AL	Montgomery, AL
Chattanooga, TN	Nashville, TN
Columbia, TN	Opelika, AL
Danville, KY	Owensboro, KY
Decatur, AL	Paducah, KY
Frankfort, KY	Paintsville, KY
Gadsden, AL	Selma, AL
Huntsville, AL	Sheffield, AL
Jackson, TN	Tuscaloosa, AL
Jasper, AL	Winchester, KY

Arizona-New Mexico-El Paso County, Texas Area

Albuquerque, NM	Phoenix, AZ
El Paso, TX	Santa Fe, NM
Flagstaff, AZ	Tucson, AZ

Carolinas Area

Anderson, SC	Greensboro, NC
Asheville, NC	Greenville, SC
Burlington, NC	Laurinburg, NC
Charleston, SC	Lenior, NC
Charlotte, NC	Raleigh, NC
Columbia, SC	Shelby, NC
Florence, SC	Spartanburg, SC
Gastonia, NC	Wilmington, NC
Goldtsboro, NC	Winston-Salem, NC

Local Memorandum

Cincinnati-Cleveland Area

Akron, OH	Columbus, OH
Canton, OH	Dayton, OH
Cincinnati, OH	Toledo, OH
Cleveland, OH	Youngstown, OH

Colorado-Wyoming Area

Casper, WY	Grand Junction, CO
Cheyenne, WY	Greeley, CO
Colorado Springs, CO	Pueblo, CO
Denver, CO	

Connecticut Area

Bridgeport, CT	New London, CT
Framingham, MA	Providence, RI
Hartford, CT	Springfield, MA
New Haven, CT	

Florida Area

Chipley, FL	Miami, FL
Cocoa, FL	Orlando, FL
Daytona Beach, FL	Panama City, FL
Fort Lauderdale, FL	Pensacola, FL
Fort Myers, FL	Tallahassee, FL
Fort Pierce, FL	Tampa, FL
Gainesville, FL	West Palm Beach, FL
Jacksonville, FL	

Georgia Area

Albany, GA	Gainesville, GA
Athens, GA	Hazlehurst, GA
Atlanta, GA	Macon, GA
Augusta, GA	Rome, GA
Carrollton, GA	Savannah, GA
Columbus, GA	Thomasville, GA
Covington, GA	Waycross, GA

Hawaii Area

Honolulu, HI

Illinois Area

Alton, IL	Joliet, IL
Aurora, IL	Kankakee, IL
Centralia, IL	Ottawa, IL
Champaign, IL	Peoria, IL
Chicago, IL	Rockford, IL
Collinsville, IL	Rock Island, IL
Crystal Lake, IL	Springfield, IL
Decatur, IL	

Indiana Area

Bloomington, IN	Indianapolis, IN
Columbus, IN	Kokomo, IN
Evansville, IN	New Albany, IN
Fort Wayne, IN	South Bend, IN
Gary, IN	Vincennes, IN

Kansas-Oklahoma Area

Dodge City, KS	St. Joseph, Mo
Kansas City, MO	Topeka, KS
Oklahoma City, OK	Tulsa, OK
Salina, KS	Wichita, KS

Louisiana-Mississippi Area

Alexandria, LA	Lake Charles, LA
Baton Rouge, LA	McComb, MS
Columbus, MS	Meridian, MS
Greenwood, MS	Minden, LA
Gulfport, MS	Monroe, LA
Hammond, LA	Natchitoches, LA
Hattiesburg, MS	New Orleans, LA
Houma, LA	Ruston, LA
Jackson, MS	Shreveport, LA
Lafayette, LA	Tupelo, MS

Local Memorandum

Michigan Area

Ann Arbor, MI	Jackson, MI
Battle Creek, MI	Kalamazoo, MI
Benton Harbor, MI	Lansing, MI
Cadillac, MI	Marquette, MI
Detroit, MI	Petoskey, MI
Escanaba, MI	Port Huron, MI
Flint, MI	Saginaw, MI
Grand Rapids, MI	Sault Ste. Marie, MI
Houghton, MI	Traverse City, MI
Iron Mountain, MI	

Minnesota - North Dakota Area

Bemidji, MN	Marshall, MN
Bismarck, ND	Minneapolis-
Brainerd, MN	St. Paul, MN
Duluth, MN	Rochester, MN
Fargo, ND	St. Cloud, MN
Grand Forks, ND	

Missouri-Arkansas Area

Forrest City, AR	Little Rock, AR
Fort Smith, AR	Pine Bluff, AR
Hot Springs, AR	Sikeston, MO
Jonesboro, AR	Springfield, MO
Joplin, MO	St. Louis, MO

Nebraska-Iowa-South Dakota Area

Aberdeen, SD	Ottumwa, IA
Burlington, IA	Pierre, SD
Cedar Rapids, IA	Rapid City, SD
Davenport, IA	Red Oak, IA
Des Moines, IA	Sidney, NB
Grand Island, NB	Sioux City, IA
Mason City, IA	Sioux Falls, SD
Norfolk, NB	Spencer, IA
North Platte, NB	Waterloo, IA
Omaha, NB	Watertown, SD

New Jersey Area

Asbury Park, NJ  
Atlantic City, NJ  
Camden, NJ

Newark, NJ  
Trenton, NJ

New York Area

Albany, NY  
Bangor, ME  
Binghamton, NY  
Buffalo, NY  
Kingston, NY  
Long Island-East, NY  
Manchester, NH

New York, NY  
Portland, ME  
Poughkeepsie, NY  
Rochester, NY  
Syracuse, NY  
Utica, NY

Northern California-Nevada Area

Bakersfield, CA  
Chico, CA  
Eureka, CA  
Fresno, CA  
Lakeport, CA  
Las Vegas, NV  
Marysville, CA  
Modesto, CA  
Napa, CA  
Redding, CA  
Reno, NV

Sacramento, CA  
Salinas, CA  
San Francisco-  
East Bay, CA  
San Jose, CA  
San Luis Obispo, CA  
Santa Cruz, CA  
Santa Rosa, CA  
Stockton, CA  
Ukiah, CA  
Visalia, CA

Northern Texas Area

Abilene, TX  
Amarillo, TX  
Dallas, TX  
Fort Worth, TX  
Longview, TX

Lubbock, TX  
Midland, TX  
Tyler, TX  
Wichita Falls, TX

Philadelphia Area

Allentown, PA  
Dover, DE

Philadelphia, PA  
Reading, PA

Local Memorandum

Pittsburgh Area

Altoona, PA	New Castle, PA
Harrisburg, PA	Pittsburgh, PA
Hazleton, PA	Scranton, PA
Lancaster, PA	Williamsport, PA
Lewistown, PA	

Southern California Area

Los Angeles, CA	San Diego, CA
Oceanside, CA	Santa Ana, CA
Riverside, CA	Ventura, CA

Southern Texas Area

Austin, TX	Houston, TX
Beaumont, TX	San Antonio, TX
Corpus Christi, TX	Waco, TX
Harlingen, TX	

Utah-Idaho-Montana Area

Boise, ID	Provo, UT
Idaho Falls, ID	Salt Lake City, UT
Ogden, UT	Twin Falls, ID
Pocatello, ID	

Washington DC Area

Baltimore, MD	Norfolk, VA
Charleston, WV	Richmond, VA
Clarksburg, WV	Roanoke, VA
Frederick, MD	Salisbury, MD
Hagerstown, MD	Washington, DC
Lynchburg, VA	Wheeling, WV
Newport News, VA	

Oregon-Washington-Idaho Area

Bend, OR	Portland, OR
Bremerton, WA	Salem, OR
Eugene, OR	Seattle, WA
Medford, OR	Spokane, WA
Olympia, WA	Vancouver, WA
Pendleton, OR	Yakima, WA

Wisconsin Area

Appleton, WI	Madison, WI
Eau Claire, WI	Milwaukee, WI
Fond du Lac, WI	Stevens Pt., WI
Green Bay, WI	Watertown, WI

AGREED:

FOR THE UNION

By: /s/ R. G. Richart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**CHANGE IN COMPUTATION POINT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our discussions during bargaining in which we agreed that notwithstanding the provisions of Article 13, Local Assignments and Transfers, Paragraph 2(g), Employees on the Company's active roll on both March 1, 2003 and the effective date of Contract CWA-23 shall, at their request once during the life of the Contract, have their Computation Point re-designated as a result of a bona fide change in living quarters.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart  
Bargaining Chairman

**FOR THE COMPANY**

By: /s/ S. J. Muscat  
Director  
Workforce Relations

**APPROVED:**

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

**CHECKING OUT OF MOTEL ON WEEKENDS  
MEMORANDUM OF UNDERSTANDING**

This will reaffirm our understanding across the table regarding Article 13, Paragraph 4.33 Lodging Option.

In recognition of the highly competitive environment we face, it is in the best interest of both parties that Employees avoid unnecessary lodging expense incurrences by checking out when their rooms will not be utilized.

In this regard, both parties pledge their cooperation and to bring to the attention of all employees their mutual interest in conducting themselves in a manner consistent with the spirit and intent in this regard.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart  
Bargaining Chairman

**FOR THE COMPANY**

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

**APPROVED:**

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**COMPANY VEHICLE USAGE PROGRAM  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of March 2, 2003 concerning the application of the Company Vehicle Usage Program to situations in the Installation organization where the Company determines that Company provided vehicles are necessary for the efficient operation of service work assignments.

- 1 The provisions of this agreement shall apply to an Employee who is assigned to drive a Company vehicle and who voluntarily stores such a vehicle at his/her residence. The travel time provision of Article 13, Paragraph 3(b)(1) and Paragraph 4(a)(5)(i) will not apply to such an Employee.
- 2 An Employee covered by this agreement shall begin and end his/her Scheduled daily Tour at an assigned Job Location. If either the first or the last Job Location of the day is beyond Local Assignment range from the Employee's home, such an Employee shall receive the maximum Daily Miscellaneous Allowance for that day.
- 3 Should the Company determine that a job assignment, between 50 and 90 miles from the Employee's Computation Point, requires the Employee to remain overnight at the Job Location, the Company shall provide such an Employee the lodging option per Article 13, Paragraph 4(c)(3). When an Employee is assigned to a Job Assignment over 90 miles from the Employee's Computation Point and he/she must return to the same Job Location the next day, the Lodging Option per Article 13, Paragraph 4(c)(3) will be provided if requested by the Employee or deemed appropriate by the Company. This lodging option shall be in lieu of any applicable Daily Miscellaneous allowance.
- 4 If an Employee completes the normal tour beyond Local Assignment range from his/her home, works more than ten (10) hours on that day, and does not remain overnight at the Job Location, the Company will pay the Employee a meal allowance of \$8.00 for the day.
- 5 Tolls and parking fees in connection with such assignments will be reimbursed as reasonably incurred.
- 6 If a union local believes the terms of this agreement have been violated, it may notify the National CWA Staff Representative and the Company Workforce Relations Installation Manager, in writing, of the alleged violation(s). The Company has fifteen (15) days in which to correct any violation(s) and if they are not corrected in that time period, the National Union will provide the Company Workforce Relations Manager thirty (30) days' written notice of its desire to terminate the Agreement for the specific union local. If the violation(s) are not corrected by the requested termination date, this Agreement for the affected union local will terminate. The

Local Memorandum

Agreement may be reinstated for that union local if the violation(s) are subsequently corrected.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Administrative Assistant to the  
Vice President

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schechter  
Vice President  
Workforce Relations

**DUES DEDUCTIONS FROM NATIONAL LUMP SUM SETTLEMENTS  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of November 1, 2004 with respect to the deduction of union dues or union dues equivalency from lump sum settlements.

A lump sum settlement which is agreed to by both the Company and the Union at the National Level, in settlement of a grievance or arbitration, shall have union dues or union dues equivalency deducted from any such settlement, provided:

1. The involved employee has signed an authorization for payroll deduction of union dues or union dues equivalency; and
2. The signed authorization was current at the time of the action which led to the grievance or arbitration.

The amount to be deducted for union dues or union dues equivalency shall be 1.3% of the lump sum settlement amount.

This agreement will expire at 11:59 p. m. on May 26, 2012.

AGREED:

FOR THE UNION

By: /s/ M.J. Sherman  
CWA Staff Representative

FOR THE COMPANY

By: /s/ S.J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

**DUES DEDUCTIONS WHILE ON INTERNATIONAL ASSIGNMENT  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will set forth the agreement reached regarding the deduction of Union dues for Installers who leave the Installation bargaining unit for international assignments. For those Installers who voluntarily consent to continue to make payment of Union dues after they have left the Installation bargaining unit to accept an International assignment, the Company will agree to make payroll deductions for Union dues, (1.3% of the Standard Rate of pay from each check) and to remit those deductions to the Union, under the following conditions:

- 1 The Installer's decision to continue dues deductions after departure from the bargaining unit shall be voluntary and uncoerced by the Union or any of its representatives.
- 2 The Installer shall have executed an appropriate dues deduction payroll authorization form, which may be revoked according to its terms. A copy of the payroll authorization form is attached hereto as Exhibit 1.
- 3 The Company and the Installer(s) will adhere to the dues deductions procedures which are attached to this Memorandum of Understanding, which is made a part hereof.
- 4 This agreement shall not be a precedent for either party, and shall not be cited to, used or referenced by any party for any other purpose, including but not limited to use in Union organizing efforts.
- 5 Upon evidence acceptable to the Company that any Installer's decision to continue Union dues payroll deductions was coerced or improperly obtained in any fashion, the Company may unilaterally and without liability, terminate the dues deductions for the particular Installer(s).
- 6 Neither this Memorandum of Understanding nor any of the dues deduction procedures described herein shall be subject to the grievance or arbitration procedures of the collective bargaining agreement.

Local Memorandum

7 The Parties agree that the dues deduction process described in this Memorandum of Understanding will expire at 11:59 p.m. on May 26, 2012. Provided, however, that if this process proves to be unsatisfactory in any respect or results in unforeseen administrative problems, either party to this agreement may, upon 30 days written notice to the other, terminate this Memorandum of Understanding.

AGREED:

FOR THE UNION

By: /s/ M. J. Sherman  
CWA Staff Representative

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

By: /s/ W. L. Schecter  
Workforce Relations  
Vice President

**DUES DEDUCTION PROCEDURES FOR INSTALLERS ON  
INTERNATIONAL ASSIGNMENTS**

This memorandum sets forth the procedure to be followed in connection with the deduction of Union dues for Installers on International assignments. The definitions contained in the Installation contract shall apply to the terms used in this memorandum.

**PAYROLL DUES DEDUCTION FORM**

- 1 The Payroll Deduction Authorization form for Installers on International assignments, an example of which is attached hereto as Exhibit 1, shall be used by each Installer who desires to authorize payroll deduction for Union dues while outside of the bargaining unit on International assignment.
- 2 Payroll Deduction Authorization may be canceled by an Installer provided such cancellation is individually sent to the Lucent Technologies Inc. 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.
- 3 The Company shall continue to recognize a properly executed authorization submitted by an Installer until (a) the authorization is revoked by the Installer as provided in Paragraph 2; (b) the Installer is transferred from the Installation Field forces of Lucent Technologies Inc. GSP, the business unit to which this memorandum relates; (c) the employment of the Installer is terminated for any reason, including but not limited to Leaves of Absence with or without pay; or (d) the deduction of dues provisions of the collective bargaining agreement are terminated or suspended pursuant to Article 19, Paragraph 2.
- 4 If the Payroll Deduction Authorization (Exhibit 1) is not properly filled out or the name shown cannot be reconciled with Company records, it will be returned to the Local Union.
- 5 The Communications Workers of America (CWA) recognizes that each Union Local accepts the responsibility for keeping the CWA National Office apprised of the deduction cards that they receive in accordance with this memorandum in order for the National Office to be able to apportion the Local's share of the dues to the appropriate Local.

**EXHIBIT 1 - PAYROLL DEDUCTION AUTHORIZATION  
FOR INSTALLERS ON INTERNATIONAL ASSIGNMENTS**

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_      Name \_\_\_\_\_  
Social Security Number      Last      First      Middle Initial

I hereby authorize Lucent Technologies Inc. (Lucent) to deduct from my salary or wages, sickness or disability payments, or other benefit payments or vacation payments, an amount equal to 1.3% of the Standard Rate of pay from each check. If for any reason Lucent Technologies Inc. fails or is unable to make a deduction, I authorize Lucent to make such deduction in a subsequent payroll period.

I recognize that I am under no legal obligation to pay Union dues, as my international assignment is outside of the bargaining unit and I acknowledge that I am not covered by, and have no rights under the Collective Bargaining Agreement while I am outside of the bargaining unit. I also acknowledge that this payroll deduction authorization is entirely voluntary on my part, and neither Lucent nor the Communications Workers of America have attempted to influence my decision in any way.

This authorization shall remain in effect when I am employed by Lucent on an international assignment unless canceled by me. Such cancellation must be individually sent to my Lucent Technologies Inc. Payroll Office and 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.

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

\_\_\_\_\_  
Date      \_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Employee Work Location      \_\_\_\_\_  
Union Local

\_\_\_\_\_  
Lucent Technologies Organization

**ELECTRONIC SURVEILLANCE AND ALARM CONTROL (ESAC) CENTER  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 28, 1995 regarding the Phoenix, Arizona Electronic Surveillance and Alarm Control (ESAC) Center and future ESAC centers.

Installation Bargaining Unit Employees will be responsible for but not limited to:

- day-to-day response to system maintenance needs and requirements (i.e., involving consistent and predictable processes) usually working independently,
- monitoring system(s) for routine troubles, alarms and other trouble indicators,
- performing routine system(s) diagnostic procedures to clear trouble and retire alarms through hardware replacement and routine maintenance system(s) commands under prescribed escalation procedures,
- dispatching and working with on-site maintenance personnel under prescribed routine and escalation procedures, and
- performing administrative functions such as trouble report logs and miscellaneous record keeping, as assigned,
- Assist on escalated support troubleshooting, as required,
- Analyzation of software problems under prescribed protocols.

ESAC managers will have the overall responsibility for:

- the resolution of system(s) problems and decisions regarding escalation of alarms and troubles that ordinarily involve higher levels of risk to customer service,
- training/instruction of personnel,

Local Memorandum

- developing methods and procedures for center operation,
- proactive analyzation of software problems and recurring system faults,
- decisions regarding further escalation of troubles and the interface with higher levels of technical support such as RTAC, Bell Labs, etc., and,
- customer interface and sales.

It is agreed that it is not the intent of the Company to replace Bargaining Unit employees in the ESAC centers with Managers as it is neither desirable nor efficient for Managers to regularly perform routine day-to-day maintenance work operations. However, after the escalation process has been enacted, the managers may perform Bargaining Unit trouble shooting functions in cases where customer service is in jeopardy, ordinarily with a Bargaining Unit Employee available for assistance.

All applicable Installation Contract provisions shall apply to Bargaining Unit Employees assigned to the ESAC center unless otherwise indicated herein:

- A separate skill grouping will be established at the CST and SCST levels for employees assigned to Bargaining Unit work operations at the ESAC Centers. This will involve the creation of new work operation codes and requirements for qualifications as part of the Skill Classification Plan and provisions of Article 13, Paragraph 2(i)(1).
- ESAC will be added as a stand alone system group on present page 155 of CWA-20. ESAC will be added above 5-ESS for both the CST and SCST titles on present Page 156 of CWA-20. ESAC will be added above 5-ESS for both the CST and SCST titles on present Page 157.
- The Mode of Operation Memorandum of Understanding provisions (Page 145 of CWA-20) will apply to ESAC Bargaining Unit employees.
- The Company may require Bargaining Unit Employees to carry paging devices during scheduled working tours.
- The seven (7) day coverage provision specified in Contract CWA-20 may apply.

- The Company will undertake a review of the skills and qualifications of the eight (8) ESAC Bargaining Unit employees or their replacements and make appropriate conversion to the new skill codes/grouping. In no event will this special conversion result in a change in job title. A like review will be completed for future ESAC centers prior to staffing.
- The Daily Transportation Expense Allowance of Article 13, Paragraph 3(a) shall not apply. However, the Daily Miscellaneous Allowance of up to 5 road miles shall be applicable to employees in the Bargaining Unit.
- It is the intent that Bargaining Unit Employees assigned to the ESAC Centers will normally not perform other Installation duties outside the ESAC Center. When they are assigned outside the Center, Article 13 and all other Articles will apply.

The parties acknowledge that this Memo of Understanding represents the complete agreement between the parties regarding the staffing of ESAC centers.

This also concludes the negotiations regarding the terms and conditions of employment of those Phoenix ESAC employees who were accreted to the Bargaining Unit by the decision of the National Labor Relations Board Regional Director of Region 28, said proceeding bearing the docket number 28-UC-154.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

APPROVED:

By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager Installation

Local Memorandum

**HIRING BONUS**

May 31, 1998

R. G. Richhart  
Bargaining Chairman  
Communications Workers of America  
501 Third Street, NW  
Washington, DC 20001-2797

Dear Mr. Richhart:

This will confirm our understanding of May 31, 1998 regarding a hiring bonus to attract applicants for certain Installation job openings.

For Installer job openings the Company may, at its sole discretion, offer a bonus of up to \$5000, payable within six (6) months of hire, to attract qualified employees. If such a bonus is paid to an off-street hire, it will also be paid to qualified LTP applicants who are selected for job openings on the same job requisition.

Such a bonus, when paid, will be subject to 1.3% Union Dues and the withholding of applicable taxes. An employee receiving such a bonus will be required to sign a promissory note agreeing to reimburse the Company for the full amount if he/she does not remain on the payroll for a period not to exceed two (2) years.

Sincerely,

/s/ J. W. Roth  
Workforce Relations  
District Manager

202

**HOME OWNER'S MORTGAGE ALLOWANCE PLAN  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998 concerning the treatment accorded Employees selected by the Company for Permanent Transfers.

**Home Owner's Mortgage Allowance Plan**

- 1 The Company, in recognition of the current high mortgage interest rates, has established the Home Owner's Mortgage Allowance Plan as a temporary supplement which will be made available to Employees permanently transferred by the Company on the following basis:
  - (a) Eligibility - All of the following conditions must be met for an Employee to be eligible for the Home Owner's Mortgage Allowance:
    - (1) Employee's Permanent Transfer shall be initiated by the Company under the provisions of Article 13, Paragraphs 2(f) and 5.
    - (2) Employee shall own a home at the original location and must sell such property. The Employee must also purchase a home at the new location. Both such homes must meet the requirements specified in Article 13, Paragraph 5(d).
    - (3) Employee shall be eligible to this Allowance only once.
    - (4) The interest rate on the Employee's mortgage for the new home must be greater than the rate on the mortgage for the former home.
  - (b) Computation and Payment of Allowance - Employees who meet the eligibility requirements prescribed in Paragraph 1(a) above will be paid an allowance derived by multiplying the mortgage balance on the Employee's former home or the mortgage on the new home, whichever is lower, by the difference between the old and new interest rates for a three (3) year period subject to the following:
    - (1) In computing the allowance, the mortgage interest rate differential is based on the basic rate for both the old and new mortgage.
    - (2) The Employee shall provide the Company with the necessary documentation from the mortgage lending Institutions verifying the old and new mortgage balances.
    - (3) Payment will be made to the Employee in a lump sum. The payment is taxable income and subject to withholding by the Company. No tax loan will be made to Employees on this payment.

Local Memorandum

**Treatment of Certain Taxable Relocation Expenses**

2 Certain payments made to or on behalf of Employees to cover Permanent Transfer expenses incurred in connection with such transfers are considered additional compensation by the Internal Revenue Service and are subject to Federal Income Tax and Social Security Taxes. The Company is required to withhold taxes on some expenses in their entirety. In addition, certain states and localities which impose Income Taxes and provide for withholding from an Employee's pay also require withholding for taxes on this type of payment. The Company will take the necessary steps to pay directly to the appropriate authorities the withholding tax liability covering certain Permanent Transfer expense reimbursements and payments. The applicable tax payments made on behalf of such Employees shall be determined by the Company.

This Agreement shall be effective as of May 31, 1998 and shall continue in effect until terminated by thirty (30) days written notice from either party to the other.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**MAINTENANCE POINT OF PRESENCE  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will confirm our May 28, 1995 agreement regarding the establishment of Maintenance Points of Presence (MPOP's) to facilitate the provision of maintenance services outside of the existing Base Locations listed in CWA-21.

**I Definition**

Article 13 of CWA-21 is amended to add the following definition:

*"Maintenance Point of Presence" (MPOP): A location designated by the Company which is more than 50 miles from an existing Base Location and where there is a maintenance service opportunity requiring a dedicated on-site technician.*

**II Staffing**

The filling of any maintenance service assignment at an MPOP designated by the Company will be according to the following process:

- 1 The establishment of an MPOP, as well as the determination and evaluation of the job skills, knowledge, training, and experience required for the maintenance service work functions to be performed at the MPOP, will be made solely by the Company. The Union will be given notification of the establishment of an MPOP prior to its effective date.
- 2 An MPOP assignment will be circulated and/or posted at the work locations within the geographic territory of the Company's Customer Team having the MPOP opening. The job information will include the job skills, knowledge, training, and experience requirements for the opening, including the minimum skills which would be considered in the event that no employee can meet all of the requirements for the position(s). The Local Union will be given copies of the MPOP job assignment and requirements.
- 3 Employees who wish to be considered for the MPOP job assignment(s) may volunteer for a Permanent Transfer to the applicable MPOP location.
- 4 The Company will evaluate the job skills, knowledge, training, and experience of volunteer candidates for the MPOP job assignment(s). The selection from volunteer candidates who are qualified for the MPOP assignment(s) shall proceed according to the following priority:

Local Memorandum

- (a) Employees who reside within 50 miles of the MPOP computation point;
  - (b) Employees assigned to the Base Location nearest to the MPOP;
  - (c) Employees assigned to Base Locations within the same State, Area (as defined in a Memorandum of Understanding dated May 31, 1992 and printed on pages 149-153 of CWA-20), or Region, in that order, as the MPOP;
  - (d) Employees assigned to any Base Location nationwide provided the employee(s) can be released from their present assignment.
  - (e) Subject to the foregoing criteria, when the qualifications of two or more volunteer candidates are substantially equal and meet the minimum requirements for the position(s), the selection will be according to the seniority of the volunteer candidates.
- 5 In the event that there are no qualified volunteer candidates who meet both the minimum job qualifications for the MPOP position(s) and the geographic priority established by Paragraph 4 (a) through (c), above, the Company may elect to waive certain of the qualification requirements for the position(s) before seeking to staff the position(s) pursuant to Paragraph 4 (d), above. If, after this election, two (2) or more volunteer candidates possess substantially the same qualifications for the position(s), as determined solely by the Company, the selection(s) will be made according to the seniority of the volunteer candidates.
- 6 In the event that the Company determines that there are no volunteer candidates who are qualified for the MPOP position(s), the permanent transfer of employees having the necessary job skills, knowledge, training, or experience may be implemented pursuant to the Memorandum of Understanding between the parties regarding the Permanent Transfers to destinations requiring specific skill categories (Memorandum of Understanding-Permanent Transfers For Skills of CWA-21). It is understood that the requirement, contained in the Memorandum of Understanding referenced immediately above, to layoff employees (in the same Area or in the affected Base Location, as the case may be) as a prerequisite to invoking Permanent Transfers for Skill reasons shall not apply to Skill Permanent Transfers to an MPOP.
- 7 In the event that an MPOP position cannot be filled through the procedures set forth in Paragraphs 3 through 6, inclusive, the position(s) will be advertised in ATS. If the ATS process produces no candidate with the minimum qualifications for the position, as solely determined by the

Company, outside candidates may be hired from the geographic area in which the MPOP is located.

- 8 If a qualified employee is identified and selected for an MPOP position pursuant to Paragraphs 3 through 6, inclusive, the selected employee(s) will be permanently transferred to the MPOP and will receive Permanent Transfer expense treatment in accordance with contract provisions in effect at the time of the transfer.
- 9 The work site will become the MPOP Computation Point. Daily Miscellaneous Allowance will be provided per Article 13, Paragraph 3(a), zero (0) to five (5) miles.
- 10 The selected employee will maintain the wage schedule from his/her originating Base Location per Article 12, Paragraph 4(b)(2) through 4(b)(2)(iv) At the expiration of the time periods set forth in Paragraphs 4(b)(2)/4(b)(2)(iv), employees assigned to an MPOP location will assume the wage schedule of the closest Base Location within 100 miles of the MPOP. If there is no Base Location within 100 miles of the MPOP, it will be assigned Wage Schedule 2.
- 11 Should the maintenance service requirement at an MPOP be eliminated or reduced, thereby creating a surplus situation at the MPOP, an employee with more than 10 years service will be offered an opportunity to permanently transfer to another MPOP or Base Location and receive Permanent Transfer expense treatment in accordance with the contract provisions which are in effect at the time of the transfer. Should such an employee decline the Permanent Transfer, he/she will receive treatment per Article 13, Paragraph 2(i)(1)(ii). A surplus MPOP employee with less than ten (10) years service may be laid off or permanently transferred to another MPOP or Base Location at the option of the Company in accordance with current contract provisions. Seniority will be the determining factor for Permanent Transfers out of the MPOP. Junior employees will be permanently transferred before senior employees in the same skill category and may be from any one of the following skills:

5ESS	Data Networking	Power	Transmission
5ESS - M	Systems	Power - M	Transmission - M
Wireless	Data Networking	1AESS	Non-AT&T SW
Wireless - M	Systems - M	1AESS - M	Non-AT&T SW - M
OSS	4ESS		
OSS - M	4ESS - M		

- 12 Force Reduction in a MPOP by layoff will be by the process in Article 20.

**Local Memorandum**

13 Notwithstanding Paragraphs 11 and 12, the Company agrees that it shall not Permanently Transfer employees from an MPOP to alleviate surplus conditions at a time when there are employees on the Company's active roll within the MPOP who have a Term of Employment of less than four (4) years.

**AGREED:**

**FOR THE UNION**

**By: /s/ R. G. Richhart  
Bargaining Chairman**

**APPROVED:**

**By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America**

**AGREED:**

**FOR THE COMPANY**

**By: /s/ J. W. Roth  
Labor Relations Manager  
Installation**

**MODE OF OPERATIONS AGREEMENT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1992 concerning the treatment of Employees assigned by the Company to installation work outside of Switching Systems, Toll Carrier and Radio Systems, and associated Power equipment performed in Central Offices. Such assignments would include work such as service and maintenance contracts, Installation Test Center Operations, operation support systems, central office maintenance, and customer premise equipment associated with maintenance and service.

- 1 The Company and Union agree that the character of the work on such assignments will make it necessary for Employees to move to and from job sites to meet customer service needs and it will generally not be possible to give notice on Local Assignment and Temporary Transfer in accordance with Article 13, Paragraph 2.6. However the Company will give as much notice as possible. It is further recognized that the demand of the customer may also require overtime and needs and conditions may arise which will prevent giving Employees notice as specified in Article 11, Paragraph 1.2.
- 2 Employees shall be required to wear appropriate attire in keeping with the work environment of the operations being performed. Employees on service and maintenance assignments involving direct contact with the customer may be required to wear a button-up dress shirt with a necktie, dress slacks, and dress shoes. Sport or suit type jackets may be required based on local customary business and climatic conditions. Female Employees on such assignments shall wear comparable suitable dress attire.
- 3 Company-provided vehicles shall ordinarily be used in the performance of such operations in accordance with provisions of Article 13, Paragraph 2.3. Notwithstanding the limitations on air travel in Article 13 Paragraph 4.12, travel by airplane may be used on temporary transfers of less than 800 road miles where, in the judgment of the Company, time, distance and customer demands so dictate.
- 4 The Company may require such Employees to carry paging devices during scheduled working time.
- 5 Employees shall exercise reasonable and responsible care with respect to Company provided vehicle, tools, and equipment.
- 6 To the extent consistent with business needs, the Company shall assign Employees who, in its judgment, are qualified for the work to be done in accordance with their preference for such assignments, however the Company retains the right to make selections based on its business needs.

Local Memorandum

7 It is agreed that the Seven Day Coverage provisions specified in Contract CWA-20 shall be limited to Employees and job assignments covered by this agreement.

In all other respects, the provisions of Contract CWA-20 will apply to Employees on such assignments.

AGREED:

FOR THE UNION

FOR THE COMPANY

By: /s/ R. G. Richhart  
Bargaining Chairman

By: /s/ J.W. Roth  
Labor Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**PERMANENT TRANSFERS FOR SKILL  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of November 1, 2004 that with respect to Article 13, LOCAL ASSIGNMENTS AND TRANSFERS, Paragraph 2(i)(1)(i) selections for Permanent Transfers to destination locations requiring specific skill categories shall be made first from qualified volunteers, as determined by the Company. If it is necessary to select Employees on an involuntary basis, such selections shall be made from Communications Service Installer, Associate Communications Service technician and the following communications systems skill categories for Communication Services Technicians and Senior Communication Services Technicians:

**Communication  
Services Technician**

Electronic Surveillance Center  
Maintenance Operations-  
(Transmission, Power, 4ESS,  
5ESS, Non-Lucent Switch, OSS  
Electronic Adjunct, Wireless)  
Maintenance Operations-Data  
Networking Systems  
5ESS  
Wireless Systems  
GTD-5  
Data Networking Systems  
4ESS  
Power  
Transmission Systems  
OSS Electronic Adjunct  
Outside Plant BDS/PDS

**Senior Communication  
Services Technician**

Electronic Surveillance Center  
Maintenance Operations-  
(Transmission, Power, 4ESS,  
5ESS, Non-Lucent Switch, OSS  
Electronic Adjunct, Wireless)  
Maintenance Operations-Data  
Networking Systems  
5ESS  
Wireless Systems  
GTD-5  
Data Networking Systems  
1AESS  
4ESS  
Power  
Transmission Systems  
Outside Plant - BDS/PDS

Notwithstanding the above, as to Communication Services Technicians, the Company agrees that it shall not Permanently Transfer such Employees out of an Area (as defined for the provision of Article 13, Paragraph 2(i)(2) in our Memorandum of Understanding dated May 31, 1992) at a time when there are Employees on the Company's active roll within that same Area who have a Term of Employment of less than two (2) years.

**Local Memorandum**

Notwithstanding the above, as to Senior Communication Services Technicians, the Company agrees that it shall not Permanently Transfer such Employees out of a Region at a time when there are Employees on the Company's active roll within the affected Base who have a Term of Employment of less than three (3) years.

**AGREED:**

**FOR THE UNION**

**FOR THE COMPANY**

By: /s/ M. J. Sherman  
CWA Representative  
Communications Workers of America

By: /s/ S. J. Muscat  
Director  
Workforce Relations

**APPROVED:**

By: /s/ R. V. Maty  
Vice President  
Communications Workers of America

**PTH MILEAGE IN LIEU OF AIRPLANE TICKET  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will confirm our agreement regarding mileage payments in lieu of actual airplane fare for Periodic Trips Home.

- 1 This agreement shall apply to Employees on Temporary Transfers of at least 250 road miles up to and including 400 road miles.
- 2 Employees eligible for a Periodic Trip Home in accordance with Article 13, Paragraph 4(e) will have the option of selecting the transportation expense allowance of \$.36 per mile in lieu of actual airplane fare at an amount obtained by the Company if the total round trip transportation expense allowance is less than or equal to the actual airplane fare.
- 3 The Company shall have the sole responsibility for determining the road mileage measurement for the distance between the applicable Computation Points of the starting and destination work locations.
- 4 The Company will have the sole responsibility for obtaining the actual airplane fare from the starting location to the destination location and return in accordance with Article 13, Paragraph 4(e)(5).
- 5 Upon satisfaction of Paragraphs 1 and 2 above and after the Employee provides notice to the Company that he/she wishes to exercise the transportation expense allowance option, the Company will inform the Employee whether he/she qualifies for such option. At that time the Employee must immediately select an option, which is irrevocable. The Company will then make appropriate arrangements for the Employee's trip home.
- 6 The provisions of Article 13, Paragraph 4(e) shall apply in accordance with their terms except that payment under this option shall be limited to the allowance specified in Paragraph 2 above.

**Local Memorandum**

7 If the Union alleges there has been a violation of the provisions of this agreement, the Local President, or his/her designee, may present a grievance to the Operations Director. Grievances not settled by the Operations Director may be transferred to the National. It is agreed that the provisions of this agreement or its administration will not be arbitrable.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart  
Administrative Assistant to the  
Vice President

**APPROVED:**

By: /s/ R. V. Maty  
Vice President  
Communications Workers of America

**AGREED:**

**FOR THE COMPANY**

By: /s/ S. J. Muscat  
Director  
Workforce Relations

**APPROVED:**

By: /s/ W. L. Schechter  
Vice President  
Workforce Relations

## **RECOGNITION PROGRAMS**

Under this Agreement, newly created Recognition Programs will be available to occupational employees covered by the Installation, Correspondence and Report Assistant, and Operations Support Center Agreements. These Programs may provide cash, gift certificates, gifts, or other means of compensation to employees in recognition of individual or group performance. Recognizing that wages and monetary compensation provided under these programs may be considered mandatory subjects of bargaining, such programs shall be discussed by representatives of the Company and the CWA in accordance with the terms contained herein. This Agreement shall not impact practices, programs, or procedures currently in effect except as provided under "Program Termination" below.

### **APPROVAL**

Prior to their implementation the Constructive Relationship Council (CRC) shall approve Recognition Programs that will result in equivalent compensation of more than \$100 for any employee at the time he/she is recognized.

### **PROGRAM ELEMENTS**

Programs submitted to the CRC should include the following elements: Program Objective, Accomplishment Criteria, Time Frames, Employee Eligibility, Program Structure, Submission Process, Approval Process, Award Publication, Award Presentation.

### **PARTICIPATION**

Where such Recognition Programs are offered, all occupational employees in the group will be eligible to participate.

### **TAX LIABILITY**

Programs must be reviewed with the Business Unit financial representative to ensure all Company and employee income tax laws and regulations are addressed.

**PROGRAM TERMINATION**

The signing parties to this Agreement may terminate any individual Recognition Program established pursuant to this Agreement, any such pre-existing Program, or this Recognition Program Agreement by giving a 45 day written notice of termination. During that 45 day period either party may initiate negotiations and, if no agreement is reached during the 45 day period, the Program or this Agreement, whichever is being negotiated, will no longer be effective and binding upon either the Company or the Union.

**NON-DISCRIMINATION**

In the negotiation and administration of Recognition Programs, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, national origin, sex, age, handicap, sexual preference, union membership, or status as a special disabled veteran or veteran of the Vietnam era.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
CWA Representative

FOR THE COMPANY

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

APPROVED:

By: /s/ Ronald J. Allen  
Assistant to the Vice President,  
Communications Workers of America

By: /s/ J. J. Breslin  
Labor Relations-Vice President

**RESOLUTION OF MEDICAL DISAGREEMENTS**

September 18, 1993

Mr. R. G. Richhart  
CWA Staff Representative  
Communications Workers of America  
Communications and Technologies  
501 Third Street, NW  
Washington, DC 20001-2797

Dear Mr. Richhart,

This will confirm the Company's intent regarding medical disagreements over an employee's ability to return to work.

The following administrative procedure will be followed where a difference in professional medical opinion exists between an employee's doctor and the Company Medical Organization, involving an employee's fitness to return to work, which cannot be reconciled by the two parties involved.

While the Company Medical Organization's recommendation is final, the Company nevertheless will endeavor to reconcile such differences through contact with the employee's attending physician. If, in the Company's judgment, the opinion of a doctor specializing in the field of the employee's ailment may be of value in resolving the difference, a third doctor may be selected by the Company to examine the employee.

Sincerely,

/s/ J. W. Roth  
District Manager  
Labor Relations

Local Memorandum

**ROTATION ON TEMPORARY TRANSFERS**

December 1, 1968

Mr. P. J. MORGAN, National Director  
Communications Workers of America  
Installation Bargaining Unit  
85 Worth Street  
New York, New York 10013

Dear Mr. Morgan:

This is to reconfirm the Company's intent in regards to rotating certain Installers on Temporary Transfers.

Although the Company is not prepared to assume any fixed contractual obligations on this matter, we do want to assure you of our intention to do the following.

We will try to rotate Installers who have been on Temporary Transfers long distances from their assigned Base Locations for extended periods of time to the extent that job and work-load requirements and other business conditions permit.

Very truly yours,

/s/ J. F. GRIGGS  
Manager, Labor Relations (Service)

**SAFETY ADVISORY COMMITTEE  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1992, whereby it was agreed that safety is a concern to the Company and the Union. The Company and the Union mutually recognize the need for a work environment in which safe operations can be achieved in accomplishing all phases of work, and the need to promote better understanding and acceptance of the principles of safety on the part of all Employees to provide for their own safety and that of their fellow Employees, customers and the general public.

To achieve the above principles, the Company and Union agree to establish an advisory committee on safety principles at the Company headquarters level. The committee shall consist of not more than three (3) representatives each from the Company and the Union (to be appointed by the Company and the National Union respectively). This committee shall meet from time to time as required but at least three (3) times per year.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richart  
Bargaining Chairman

**FOR THE COMPANY**

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

**APPROVED:**

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**SCHEDULING TIME OFF  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998, between the Company and the Union with respect to scheduling of time off.

It was agreed that any employee who cannot take his or her vacation, paid Excused Work Days (excluding Company Designated Excused Work Day other than those not observed solely due to a transfer) or Floating Holidays in a calendar year, because of reasons beyond the employee's control, may schedule such paid days in the next calendar year, provided such days are taken by July 1 of that year.

For scheduling purposes, but not for pay purposes, all time off under the provisions of this understanding shall be treated in the same manner as vacation time.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart  
Bargaining Chairman

**FOR THE COMPANY**

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

**APPROVED:**

By: /s/ J. E. Irvine  
Vice President,  
Communications Workers of America

**SKILL REVIEW AND REASSIGNMENT PROCESS**

May 28, 1995

Mr. R. G. Richhart  
Bargaining Chairman  
Communications Workers of America  
Communications and Technologies  
501 Third Street, Northwest  
Second Floor  
Washington, DC 20001

Dear Mr. Richhart:

This letter will reflect our understanding regarding the implementation of an annual review and reassignment process. All assignments and reassignments of personnel to approved job titles shall be made solely at the discretion of the Company, in accordance with Article 12, Paragraph 3(a)(1) and 3(a)(3). All past practices which may have existed regarding the assignment and reassignment of personnel to approved job titles are hereby terminated and no longer operative. In their place the Company will create an Installation Resource Planning Board which will administer this process. The Board's membership will include the Customer Services Vice Presidents or their designees.

The Board will also have the authority to waive the service interval requirements when the Company's skill requirements warrant special considerations. Recommendations for reassignment to higher level job titles shall be forwarded to the Board by local management. All reassignments to higher job titles will be effective in accordance with Article 12, Paragraph 3(a)(1). Additionally, the form SD-11-1421-2 (Work Operation Codes and Skill Classification Plan Requirements) will be changed to reflect the implementation of this system.

Sincerely,

/s/ J. W. Roth  
Labor Relations Manager  
Installation

**SPECIAL RETENTION INCENTIVE PROGRAM  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998 in which the Company and the Union agreed to a Special Retention Incentive Program (SRIP) for the term of the Contract for Installers in the Global Service Provider business unit. The terms and conditions of the SRIP are as follows:

- 1 The SRIP will be offered at the Company's discretion during the term of the 1998 Contract, and is intended to retain Employees whom the Company determines possess critical skills necessary for the Company to remain competitive.
- 2 Eligible Employees are those whose combined age and years of service equal or exceed seventy-five, are on the active payroll as of the date of this Contract and who have given formal notification of a decision to retire at a date certain which is not more than one year from the date of the Employee's formal notification to the Company.
- 3 An Employee who accepts a SRIP offer will be paid a bonus of one thousand dollars (\$1,000.00) per month, less applicable withholdings (including 1.3% for Union Dues), in exchange for the Employee's written agreement to extend the retirement date for a period of time established by the Company. The bonus is payable in one lump sum after the expiration of each period for which the Employee has agreed to extend retirement. If, however, the Employee and the Company mutually agree to an additional extension, the bonus will be paid after the expiration of the additional extension agreed to by the Employee. The minimum initial extension period will be two (2) months. In no case will the total periods of extension exceed eighteen (18) months from the Employee's initial date of retirement and no more than two extensions will be granted within the eighteen (18) month period.
- 4 When a SRIP offer is made under this Agreement, the most senior Employee in the same Base Location shall be eligible for a lump sum payment of \$2,000.00, less applicable withholdings (including 1.3% for Union Dues), in accordance with the following criteria:
  - (a) The most senior Employee's retirement date must be scheduled within a period of extension of the Employee who receives a SRIP payment;
  - (b) The most senior Employee must retire as scheduled.

- 5 An Employee receiving a SRIP offer and a most senior Employee each will execute an agreement prior to leaving the roll, which will include a release of all claims against the Company, and which will outline the terms of the SRIP for the Employee receiving a SRIP offer for each period the Employee agrees to the applicable extension of his/her effective date of retirement.
- 6 The bonus payment set forth in paragraph 3 will be made at the end of each extension period agreed to by the Employee. If the Employee retires, otherwise terminates employment or is discharged for cause prior to the expiration of the period established in the agreement executed by him/her, he/she forfeits any and all rights to payment of the bonus. Further, if an Employee does not retire on the date agreed upon in the written agreement and no extension of the term has been offered by the Company, the bonus shall not be paid.
- 7 An Employee will receive a prorated bonus reduced by each full week of absence during an extension period due to sickness, disability pursuant to the terms of the Company's Sickness and Accident and Disability Plan or vacation as approved in advance by the Company. At the Company's discretion the Employee may be offered an extension of time to recoup the amounts by which the bonus has been reduced due to the absences set forth above. In the event an Employee dies during an extension period, the Company will pay a prorated portion of the SRIP payment earned at the time of death to his beneficiary or to the Employee's estate if no beneficiary is designated.
- 8 Neither the provisions nor the administration of this Agreement shall be subject to arbitration under the terms of the Contract between the Union and the Company.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America

Local Memorandum

**SPECIAL SKILL REVIEW  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 31, 1998 concerning the implementation of a Special Skill Review to supplement the skill review set forth in Article 12, paragraph 3 of the Contract.

At the discretion of the Installation Resource Planning Board a Special Skill Review may be conducted. This Special Skill Review may be initiated once during each year of the Contract.

The Special Skill Review will be governed by the established review procedure and approval requirement provided for in Article 12, paragraph 3.

It is expressly agreed by the parties that this agreement applies only for the life of this Contract.

AGREED:

FOR THE UNION

By: /s/ R. G. Richart  
Bargaining Chairman

FOR THE COMPANY

By: /s/ J. W. Roth  
Workforce Relations Manager  
Installation

APPROVED:

By: /s/ J. E. Irvine  
Vice President  
Communications Workers of America

**TRANSFER OF EMPLOYEES TO AT&T COMPANY ORGANIZATIONS  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of May 28, 1989, concerning the offering of transfers to Employees for tours of duty with AT&T Company organizations such as ATTI or other Companies.

Acceptance of these job offers by Employees who are selected as having the desired qualifications will be on a voluntary basis, and such Employees will be transferred out of the Installation bargaining unit. Advance notice to the Local affected, as required by Article 9, Paragraph 5.1 of Contract CWA-19 dated May 28, 1989, will be given with respect to each Employee so transferred; however, *inasmuch as all the Locals will be affected, and since the treatment to be accorded by the Installation Organization is made a matter of understanding with the National, as set forth herein, there will be no further negotiations with the Locals.*

The transfer to the above mentioned organizations will become effective at the individual Employee's designated Base Location or Temporary Base Location, or at his or her Hiring Location in the case of an Employee who has never been transferred into his or her designated Base. An Employee who may be on Temporary Transfer prior to his or her transfer will be returned by the Installation Organization to his or her designated Base Location, Temporary Base Location or Hiring Location, as applicable. All treatment to be accorded following the transfer will be arranged between the Employee and the organization the Employee is being transferred to.

Providing such Employee has satisfactorily completed his or her tour of duty, he or she will be accepted for transfer back into the Installation Organization at the Base Location, Temporary Base Location or Hiring Location, as applicable, from which he or she was originally transferred.

Upon transfer back into the Installation Organization, the Employee's rate of pay will be established based on his or her rate of pay in effect on the date of his or her original transfer, adjusted to include any progression increases he or she would have received had he or she remained in the bargaining unit, and the effect of any general changes made in Employees' Wage Schedules. In addition, consideration will be given for adjustments which might have been made in the form of Skill Classification changes had the Employee remained in the Installation Organization. It is understood that Paragraph 4.31 of Article 12 of Contract CWA-19 shall not apply; no rate reduction ("cushioning") allowances will be applicable, to any such Employee transferred back into the Installation Organization.

If at the time such Employee has satisfactorily completed his or her tour of duty the work situation in the Installation Area from which said Employee transferred is such that the Employee would have been laid off had he or she not been transferred out of the bargaining unit, the Employee, upon his or her transfer

**Local Memorandum**

back, will be laid off. For purpose of the determination of recall rights under the Contract, the effective date of said layoff shall be the date he or she would have been laid off had he or she remained on the Installation Area active roll. In addition the calculation of the Employee's term of employment for layoff allowance eligibility shall be computed as the difference between the Employee's Benefit Service Date and the effective date the Employee would have actually been laid off had he or she remained on the Installation Area active roll.

Notwithstanding the above and any contractual provision to the contrary, prior to the Employee's return to the Installation Organization, the Company at its election may offer the Employee a relocation to another Installation Area provided that the Employee's term of employment, as computed for layoff allowance purposes above, is greater than laid off Employee's, if any, with recall rights in such Area. In addition the Company may also at its election, offer an Employee who would not have been laid off in the Area from which transferred, a relocation to another Installation Area provided that the Employee's term of employment, computed as of date of the offer, is greater than laid off Employee's, if any, with recall rights in such Area. In either event should the Employee elect not to accept a Company relocation offer said Employee will be transferred back to his or her Base Location, Temporary Base Location, or Hiring Location, as applicable, in accordance with terms of this agreement as set forth in the preceding paragraphs.

It is further understood that this agreement voids and replaces the Letter of Agreement dated June 28, 1986.

Please indicate your agreement to the foregoing by signing and returning the original and one copy of this letter.

**AGREED:**

**FOR THE UNION**

By: /s/ P. C. Padgett  
Administrative Assistant

**FOR THE COMPANY**

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

**APPROVED:**

By: /s/ Morton Bahr  
President,  
Communications Workers of America

**TRANSPORTING OF TOOLS AND MATERIALS  
MEMORANDUM OF UNDERSTANDING**

This will confirm the intent of the Union and the Company that in recognition of the competitive environment, it is in the best interest of both parties that Employees may transport (1) one closed tool case (similar to R-3471) containing Company provided tools and/or material, and material of a reasonable size, weight and quantity which can be easily handled by the Employee.

In connection with this endeavor, both parties pledge their cooperation and to bring to the attention of all Employees their mutual interest in conducting themselves in a manner characterized by mutual responsibility and respect.

**AGREED:**

**FOR THE UNION**

By: /s/ P. C. Padgett  
Administrative Assistant

**FOR THE COMPANY**

By: /s/ J. W. Roth  
Labor Relations Manager  
Installation

**APPROVED:**

By: /s/ Morton Bahr  
President,  
Communications Workers of America

**WAGE TREATMENT AGREEMENT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of March 1, 2003 regarding additional flexibility to hire employees above the entry level start rate and in the title of ACST. It was agreed:

- (a) Notwithstanding the provisions of Article 12, Paragraphs 2(e) and 2(f), the Company may, at its discretion, place new hires, LTP, and LRS employees in the ACST title based on labor market conditions or in recognition of its education and work experience needs in accordance with the following wage progression step ranges:

<u>Condition</u>	<u>ACST Progression Step Credit Range</u>
Labor Market Conditions	Step 2 - Step 7
Recognized Educational Achievement (Degree or non-degree education or training involving electrical, electronics, telecommunications, radio/TV repair or computer disciplines) and/or (4 year degree in electrical engineering or any business degree)	Step 7 - Step 11
Recognized Work Experience and/or Skill Achievement	Step 7 - Step 15

- (b) An employee hired in the ACST title and granted wage progression step credit for education or work experience shown above shall not be eligible for reassignment to a higher title for a period of 12 months from date of employment in the Installation Bargaining Unit.
- (c) An on-roll employee will be eligible for education or work experience wage progression step credit consideration by the Company when such credit is granted to new hires in his/her assigned Base or Hiring Location in a subsequent hiring program provided the employee:
- possesses an equal or greater educational or work experience and/or skill achievement level (gained other than in their current work assignment) in the applicable degree/certificate or skill discipline specified as determined by the Company and
  - has not previously received credit for such background and
  - has a current rate of pay below the applicable wage progression

- step range being granted and
  - has produced evidence acceptable to the Company in support of such credit consideration.
- (d) Wage progression step credit granted in this situation shall be effective with the date of such determination.
- (e) For the purposes of Paragraph 1(c), one or several Base Locations will be considered as one Base Location when the distance between the applicable Computation Points of those Base Locations is less than thirty-three (33) road miles, and provided that such Base Locations are within the same Area.

AGREED:

AGREED:

FOR THE UNION

FOR THE COMPANY

By: /s/ R. G. Richhart  
Administrative Assistant  
to the Vice President

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

By: /s/ W. L. Schechter  
Vice President  
Workforce Relations

**3 YEAR RECALL RIGHTS  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will reflect our agreement regarding the implementation of Article 20 paragraph 7. Effective January 01, 2003, employees who are declared surplus will have recall rights of three (3) years from their date of lay off. Employees Laid-Off prior to January 01, 2003 will continue to maintain their recall rights for two (2) years from their date of layoff.

**AGREED:**

**FOR THE UNION**

By: /s/ R. G. Richhart  
Administrative Assistant  
to the Vice President

**APPROVED:**

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

**AGREED:**

**FOR THE COMPANY**

By: /s/ S. J. Muscat  
Director  
Workforce Relations

**APPROVED:**

By: /s/ W. L. Schecter  
Vice President  
Workforce Relations

**OUT OF HOURS PAGING DEVICE ASSIGNMENT, ON-CALL**

**MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of March 1, 2003 regarding an on-call pager allowance provision for Employees who are assigned to the On-Site Technical Service (OTS) Organization and who perform maintenance operations.

- Company may, based on its business needs, assign certain Employee(s) as described herein, to carry a communication device (e.g. pager, cell phone, etc.) as a method to contact an Employee(s) for "on-call" assignment situations.
- Employees with the necessary skills will be solicited on a voluntary basis. However, if there is an insufficient number of volunteers, the company will select Employee(s) for the on-call assignment. Employees cannot be assigned on-call assignment if on vacation, floating holiday or Employee designated EWD days unless the Employee volunteers to do so.
- An Employee selected for an on-call assignment will be paid an allowance for each scheduled daily off tour (i.e. end of a shift to beginning of next shift) during the scheduled weekly tour or Saturday, Sunday or Holidays as follows:

Associate Communications Services Technician	\$19.00
Communications Services Technician	\$22.00
Senior Communication Services Technician	\$26.00
- The call-in provisions set forth in Article 11 of Contract CWA – 22 shall apply in accordance with its terms if the Employee(s) is called-in.
- A rotational on-call assignment procedure will be established by the Company in connection with the administration of assignments under this agreement.
- The failure of an Employee to respond to a page while so assigned will result in the forfeiture of the allowance for the applicable period involved.
- When, because of illness or other absence, another Employee is required to substitute for the Employee assigned on-call responsibility, the substituting Employee will receive the allowance payment for each such occasion. Employees must make a reasonable attempt to notify the Company if a replacement is needed.

Local Memorandum

- Communication devices will not be required out-of-tour unless the Employee is selected for an on-call assignment.

This Memorandum of Understanding is effective March 1, 2003 and shall remain in effect through October 31, 2004.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Administrative Assistant  
to the Vice President

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schecter  
Vice President  
Workforce Relations

**SPECIAL CONDITION TRANSFER REQUESTS AFTER A PERMANENT  
TRANSFER**

March 1, 2003

Mr. R.G. Richhart  
Administrative Assistant to the Vice President  
Communications Workers of America  
Communications and Technologies  
501 Third Street, Northwest  
Second Floor  
Washington, DC 20001

Dear Mr. Richhart:

This letter will confirm the Company's intent to consider an Installer's request for a Special Condition Transfer to his or her original Base Location, when they previously accepted a Permanent Transfer to their current Base Location.

An employee who accepted a Permanent Transfer and established a permanent residence in the locale of the destination Base Location, may request a return to his or her original Base Location under the conditions of Article 13, paragraph 2 (m), Special Condition Transfer, if the Company is hiring to fill permanent Installer positions in the employee's original Base Location. The Operations Director (C level) of the original Base Location will review the Special Condition Transfer request and render a decision within 10 days of the job advertisement.

Sincerely,

/s/ S. J. Muscat  
Director  
Workforce Relations

**PAYCHECK DELIVERY**

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding will confirm our March 1, 2003 agreement regarding the lump sum payment to eliminate job site or Lucent location paycheck delivery option as follows:

All installers with a service date prior to August 1, 1995, not receiving pay per Article 12, Paragraph 8(b) may volunteer to receive a one-time lump sum payment of \$100 (grossed up) to choose a pay option per Article 12, Paragraph 8(b). The Employee must make his/her pay option selection in time to be implemented no later than May 4, 2003. The option to receive pay at a job site or Lucent location is eliminated for all Employees who volunteer to receive the one-time lump sum. Payment of the one-time lump sum will be made to all eligible Employees on roll as of the payment date. Payment will be made as soon as practicable after May 4, 2003.

All installers with a service date prior to August 1, 1995, who are receiving their pay per Article 12, Paragraph 8(b) as of 1/1/2003, may volunteer to receive a one-time lump sum payment of \$100 (grossed up). Such Employees may only receive their pay per Article 12, Paragraph 8(b) and the option to receive pay at a job site or Lucent location is eliminated. Payment of the one-time lump sum will be made to all eligible employees currently on roll as of the payment date. Payment will be made as soon as practicable after May 4, 2003.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Administrative Assistant to the  
Vice President

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schecler  
Vice President  
Workforce Relations

**OTS MAINTENANCE CONTRACTS REQUIRING SECURITY CLEARANCE  
WHICH ARE IMPACTED BY A FORCE ADJUSTMENT**

**MEMORANDUM OF UNDERSTANDING**

1. OTS Maintenance problem markets are defined as Base locations where the company's ability to support On-site Technical Services (OTS) maintenance customers which can be negatively affected by a Force Adjustment impacting OTS Installers with security clearance(s) that have less than ten (10) years of service.
2. Installation Installers (Core Installers) in the affected Base locations with more than 10 years service will be eligible for consideration to join the OTS organization. In order to be considered, interested Core Installers must respond to a solicitation of interest, which will be conducted by the Company and Union upon the declaration of a surplus, and be willing to submit the appropriate forms for required U.S. Government Clearance.

The number of candidates submitted for required U.S. Government Clearance may be limited by the customer. If multiple Core Installers volunteer, they will be submitted based on seniority if they are either:

- Skill Plan qualified in Data Networking or Maintenance Operations  
Or
- Lucent Certified Internetworking Expert-Associate (LCIE) or Cisco Certified Network Associate (CCNA)

In cases where the OTS Installer has the required U.S. Government clearance and is not Skill Plan qualified in Data Networking or Maintenance Operations, or is not a Lucent Certified Internetworking Expert-Associate (LCIE) or Cisco Certified Network Associate (CCNA), then Core Installers with more than 10 years service and like skills will be considered based on seniority.

3. If a Force Adjustment in the Installation organization impacts an OTS Installer who has the required U.S. Government Clearance and:
  - a. If there is an OTS Installer with the required U.S. Government Clearance outside the affected Base location, not being utilized as determined by the Company, and willing to volunteer for an assignment in the base location, the company will proceed with the assignment. If there are no volunteers, the company will

Local Memorandum

utilize the contractual language to select an OTS Installer for the assignment. Upon effective date of the assignment, the OTS Installer identified for surplus will be laid off.

- b. If there is a Core Installer in the base location who is Skill Plan qualified in Data Networking or Maintenance Operations, or who is a Lucent Certified Internetworking Expert-Associate (LCIE) or Cisco Certified Network Associate (CCNA), or has like skills compared to the surplus OTS Installer, the Core Installer will be assigned to the OTS organization when his or her required U.S. Government Clearance is obtained. Upon effective date of the assignment, the OTS Installer identified for surplus will be laid off.
  - c. If there are no Core Installers in the Base location who have the Skill Qualifications, Certifications identified in paragraph 3(b), or do not have like skills compared to the surplus OTS Installer, the OTS Installer will be retained in the Base location on an exception basis, while a Core Installer is identified, trained and the required U.S. Government Clearance is obtained. Upon effective date of the assignment, the OTS Installer identified for surplus will be laid off. In no case will the OTS Installer be retained for more than 15 months, unless agreed to by the Company and the Union.
  - d. If multiple Core Installers have been trained and have obtained the required U.S. Government Clearance, the senior Core Installer will be selected if they are either:
    - Skill Plan qualified in Data Networking or Maintenance Operations  
Or
    - Lucent Certified Internetworking Expert-Associate (LCIE) or Cisco Certified Network Associate (CCNA)
  - e. If multiple Core Installers have been trained and have not yet obtained the required U.S. Government Clearance, the first Core Installer to obtain the required U.S. Government Clearance will be selected, if they are either:
    - Skill Plan qualified in Data Networking or Maintenance Operations  
Or
    - Lucent Certified Internetworking Expert-Associate (LCIE) or Cisco Certified Network Associate (CCNA)
4. At such time that a retained OTS Installer is subsequently laid off in accordance with paragraph 3(b) or 3(c), the Company will assess the

business conditions and determine if there is a need to recall an Installer.

AGREED:

FOR THE UNION

By: /s/ R. G. Richhart  
Administrative Assistant  
to the Vice President

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schecter  
Vice President  
Workforce Relations

**INSTALLATION JOB SECURITY  
MEMORANDUM OF UNDERSTANDING**

In recognition of the competitive environment that the Company's Installation business faces and the Union's need to provide improved job security for its members, the Company and the Union agree to implement a new Article 26 - Communication Services Installer and this Installation Job Security MOU in Installation Contract CWA-24

1. Protection Against Layoff:

ACST, CST and SCST Installers who are on the active roll as of the date of signing of Installation contract CWA-24 and ACST, CST and SCST Installers recalled or hired as a result of the one-time adjustment described in paragraph 4, shall not be involuntarily laid off for the duration of Installation contract CWA-24.

2. Protection against Permanent Transfer:

a) Permanent Transfers for Surplus: The Permanent Transfer Necessitated by Surplus Conditions memorandum of understanding shall be removed from Installation Contract CWA-24.

b) Permanent Transfer for Skill: The Company may only utilize Permanent Transfers for Skills when there is a requirement at a destination location in a specific skill category created by a long-range increase in the workload at such location which, because of skill requirements, cannot be met by hiring new employees. It is intended that the number of Permanent Transfers for Skill will be kept to a minimum.

3. Voluntary Severance Offer:

Within ninety (90) days of ratification of Installation Contract CWA-24 the Company will make a voluntary severance offer to all Installers on roll as of the effective date of this Agreement. There will be no force adjustments, including permanent transfers, made during this period.

a) The amount of the voluntary severance offer shall equal the layoff allowance to which the employee would be entitled if laid off or seventy-five thousand dollars (\$75,000), whichever is less.

- b) The Company may cap the number of installers who may elect to accept such voluntary severance offer. Additionally, the Company may delay the off-roll date of any such installer for up to twelve (12) months. The intent of the Company delaying the original off roll date is that there will be a period of knowledge transfer of critical systems skills to the permanent workforce.

4. One-Time Adjustment to the Number of ACST, CST and SCST Installers:

- a) In the event that fewer than 1,500 ACST, CST and SCST installers remain on roll following the voluntary severance offer in paragraph 3, and only in that event, the Company shall recall or hire ACST, CST or SCST installers on a one-time basis, such that the number of ACST, CST, and SCST installers is equal to 1,500.
- b) The recall or hire of ACST, CST, or SCST installers as a result of the one time adjustment in paragraph 4(a) shall occur, if necessary, at the time installers who elect the voluntary severance offer in paragraph 3 leave the roll; provided, however, that installer(s) on the recall list as of the date of the voluntary severance offer, will remain eligible for recall, solely for purposes of the one time adjustment, until the off roll date of any extended volunteer(s).
- c) In the event any ACST, CST or SCST installer leaves the active roll for any reason other than as part of the voluntary severance offer described in paragraph 3, the Company shall not be required to add additional ACST, CST or SCST installers.

Local Memorandum

AGREED:

FOR THE UNION

By: /s/ M. J. Sherman  
CWA Representative  
Communications Workers of America

APPROVED:

By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

AGREED:

FOR THE COMPANY

By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:

By: /s/ W. L. Schecter  
Workforce Relations  
Vice President

**MILEAGE REIMBURSEMENT  
MEMORANDUM OF UNDERSTANDING**

This will confirm our understanding of November 1, 2004 regarding adjustment to the local assignment table contained in Article 13 Paragraph 3 (a).

1. Effective October 2, 2005, the Daily Transportation Expense Allowance (DTEA) will increase to \$0.375, or the IRS allowable, whichever is less, per mile beginning with road mile band 10 up to 11 through road mile band 64 up to 65. The DTEA will be increased one road mile band (i.e. 11 up to 12, 12 up to 13, etc...) for each cent in excess of \$0.375, and any fraction of a cent will be rounded to the next highest cent.
2. Effective October 5, 2008, the Daily Transportation Expense Allowance (DTEA) will increase to \$0.39, or the IRS allowable, whichever is less, per mile beginning with road mile band 10 up to 11 through road mile band 64 up to 65. The DTEA will be increased one road mile band (i.e. 11 up to 12, 12 up to 13, etc...) for each cent in excess of \$0.39, and any fraction of a cent will be rounded to the next highest cent.
3. The increases set forth above will apply to all carfare sheets.

AGREED:  
  
FOR THE UNION  
  
By: /s/ M. J. Sherman  
CWA Staff Representative

AGREED:  
  
FOR THE COMPANY  
  
By: /s/ S. J. Muscat  
Director  
Workforce Relations

APPROVED:  
  
By: /s/ R. V. Maly  
Vice President  
Communications Workers of America

APPROVED:  
  
By: /s/ W. L. Scheder  
Workforce Relations  
Vice President

Local Memorandum

**MPOP ADDITIONS OR REPLACEMENTS**

January 13, 2003

R. G. Richhart  
Administrative Assistant  
To the Vice President  
Communications Workers Of America  
501 Third Street N.W.  
Washington, D.C. 20001

Mr. Richhart,

This letter is to confirm our understanding at the bargaining table regarding existing Maintenance Points of Presence (MPOP) that were created to manage U.S. Government Clearance situations for the On-Site Technical Services (OTS) organization. The company will not add to the number of employees currently located in the MPOP locations or replace existing employees should they leave the business for any reason.

Sincerely,

/s/ S. J. Muscat  
Lucent Technologies  
Workforce Relations

**2004 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 Lucent Coordinated Bargaining Committee on behalf of Local Unions 21, 1141 and 2020 (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.

Upon ratification and execution of this Memorandum, 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.

This Memorandum shall become effective at 12:01 a.m. on November 1, 2004, but only if it is ratified by the Unions' membership and the Company is so notified on or before December 17, 2004. When so effective, it shall continue in effect in accordance with its own terms until 11:59 p.m. on May 26, 2012, even if certain provisions terminate prior to the expiration of this Memorandum. Upon the termination of this Memorandum, the Company shall have no obligations under any of the terms of this Memorandum beyond the expiration date, except as required by law.

**IBEW AND CWA BARGAINING UNITS**

CWA

CONSOLIDATED WORKERS BARGAINING UNIT including:

Manufacturing P&M

Manufacturing Five Tier

Bell Labs

Repair, Distribution and Services and Support

Operations

INSTALLATION CWA-24

INSTALLATION - GARA, CWA-24 Appendix 7

COCKEYSVILLE CWA-24 Appendix 5

NETWORK RELIABILITY CENTER CWA-24 Appendix 6

IBEW

COLUMBUS - P&M

COLUMBUS - Clerical

NETWORK SOFTWARE CENTER- Trades

OKLAHOMA CITY - Clerical

National Memorandum

This 2004 National Memorandum of Understanding is agreed to this 31st day of October, 2004.

**COMMUNICATIONS WORKERS OF AMERICA**

/s/ Ralph V. Maly, Jr  
Vice President, CWA

/s/ Mary Jo Sherman  
CWA Staff Representative

/s/ Gerald Souder  
CWA Staff Representative

/s/ Brian P. Reilly  
President, CWA Local 1062

/s/ Chuck Mitchell  
President, CWA Local 7790

/s/ Tom Bruhn  
President, CWA Local 3780

/s/ Mike Klein  
President, CWA Local 4090

/s/ Marcie Vincent  
President, CWA Local 1366

APPROVED:

/s/ Morton Bahr  
President, CWA

National Memorandum

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

**/s/ Troy A. Johnson**  
International Representative

**/s/ Ronald Kastner**  
Business Manager  
IBEW Local 21

**/s/ Joe P. Smith**  
Business Manager  
IBEW Local 1141

**/s/ Paul J. Smith**  
President/Business Manager  
IBEW Local 2020

**/s/ Bryan Flickinger**  
Assistant  
IBEW Local 1141

APPROVED:

**/s/ Edwin D. Hill**  
International President, IBEW

**LUCENT TECHNOLOGIES**

**/s/ William L. Schecter**  
**Workforce Relations Vice President**

**/s/ Thomas J. Bevilacqua**  
**Business & Financial**  
**Operations Director**  
**Lucent Worldwide Services**

**/s/ Stephen J. Muscat**  
**Workforce Relations**  
**Director**

**/s/ Leon M. Pratt, Jr.**  
**SCN Senior Manager**  
**Northeast System Integration Center**  
**Engineering**

**/s/ Colin N. Cameron**  
**Lucent Real Estate**  
**Director, Property Management**

**/s/ René G. Urbina**  
**Controller Group**  
**Senior Manager Accounts Payable**

**APPROVED:**

**/s/ Ralph P. Craviso**  
**Vice President – Workforce Effectiveness**

**WAGES**

**1 General Wage Increases 2005-2011**

- (a) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.
- (b) An employee's increase in Standard Rate shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the following General Wage Increases.
- (c) **General Wage Increase – 2005**  
Effective May 29, 2005, wage schedules shall be increased by 2.5% on the Minimum Rates and by 2.5% on the Maximum Rates in effect on May 28, 2005.
- (d) **General Wage increase – 2006**  
Effective May 28, 2006, wage schedules shall be increased by 2.5% on the Minimum Rates and by 2.5% on the Maximum Rates in effect on May 27, 2006.
- (e) **General Wage Increase – 2007**  
Effective May 27, 2007, wage schedules shall be increased by 2.25% on the Minimum Rates and by 2.25% on the Maximum Rates in effect on May 26, 2007.
- (f) **General Wage Increase – 2008**  
Effective May 25, 2008, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 24, 2008.
- (g) **General Wage Increase – 2009**  
Effective May 24, 2009, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 23, 2009.
- (h) **General Wage Increase – 2010**  
Effective May 23, 2010, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 22, 2010.

(i) General Wage Increase – 2011

Effective May 22, 2011, wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 21, 2011.

**ESCALATION ADJUSTMENT**

- 1 Effective May 25, 2008, 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", between March 2007 and March 2008. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2008 General Wage Increase ("GWI").
- 2 Effective May 24, 2009, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2008 and March 2009. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2009 GWI.
- 3 Effective May 23, 2010, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2009 and March 2010. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2010 GWI.
- 4 Effective May 22, 2011, an Escalation Adjustment will be determined by computing the percentage increase in CPI-W, between March 2010 and March 2011. If the percentage increase of the CPI-W minus the current year's GWI percentage is positive, 70% of net positive difference will be added to the 2011 GWI.
- 5 A partial percent increase computed above shall be rounded to the nearest one tenth of one percent.
- 6 In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- 7 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 - 4, Escalation Adjustments required by such appropriate indexes shall be

effective at the beginning of the first payroll week after receipt of the indexes.

- 8 No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first applicable published figures for the CPI-W.
- 9 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 2004. 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 2004, which was 182.9 (1982-1984=100).
- 10 It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the term of this Memorandum of Understanding.

**SIGNING BONUS**

- 1 Effective November 1, 2004, all eligible regular occupational employees will be granted a Signing Bonus of one thousand dollars (\$1,000) in the form of a cash payment in accordance with the provisions specified herein.  
Payment of the Signing Bonus is subject to the ratification of the 2004 collective bargaining agreement by December 17, 2004. Payment of the Signing Bonus shall be made no later than four (4) weeks following such date of ratification.
- 2 Eligibility Criteria for Signing Bonus
  - (a) Employees on the active roll on the date of notice to the Company that ratification of the collective bargaining agreement in accordance with the preamble to the National Memorandum of Understanding has taken place, shall be eligible to receive a Signing Bonus.
  - (b) An eligible part-time employee shall receive a proportionate amount of the applicable full-time Signing Bonus based on the part-time employee's Equivalent Work Week as of November 1, 2004.
  - (c) Employees receiving the Extended Compensation Option of the Lucent Option Program (LCTOP) as of November 1, 2004 shall receive a Signing Bonus of five hundred dollars (\$500).
- 3 Application of the Signing Bonus to Payments, Benefits, Allowances or Allotments.
  - (a) The Signing Bonus shall be considered as eligible compensation subject to pre-tax deferrals and employer match under the LTSSP.
  - (b) The Signing Bonus shall be subject to Federal, State and Local tax and FICA withholding.
  - (c) Where appropriate, the Signing Bonus will be used in determining deductions for Union Dues.
  - (d) The Signing Bonus 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 benefit plan, fringe benefit, allowance or differential.

**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 Award ("Award"), and
  - (2) Business Group Performance Award ("Business Group Award"), (applicable universes to be agreed upon at the National Table)
- (d) The amounts of Lucent Award and Business Group Award, if earned, are based on the performance results of Lucent and the employee's applicable Business Group at the end of each fiscal year compared against business goals which are established at the beginning of each fiscal year.
- (e) When the Company and/or the employee's Business 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, 2004 – September 30, 2005.

**2 Lucent Performance Award**

- (a) The Lucent Award for eligible Occupational Employees (as defined below) will be based on overall Lucent-wide performance against fiscal business goals.

**National Memorandum**

(b) The performance measure(s) for the Lucent Award will be the same measure(s) used for the Team Award under the Lucent Annual Incentive Plan for U. S. based Management Employees or if this Plan is materially changed or discontinued, as mutually agreed to by the Union(s) and the Company.

(c) Eligible employees will receive a lump sum payment as follows:

<u>Performance Year</u>	<u>Minimum Amount</u>	<u>Amount at Target</u>
2005	\$250	\$586
2006	\$250	\$601
2007	\$250	\$614
2008	\$250	\$627
2009	\$250	\$639
2010	\$250	\$652
2011	\$250	\$665
2012	\$250	\$678

(d) Such amounts 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 the Team Awards for Management A-Band employees covered under the Lucent Annual Incentive Plan for U.S. based Management Employees.

(e) There will be no limitation on the maximum payouts.

**3 Business Group Awards**

(a) Every Business Group will establish a Business Group Award plan. Each plan will be based on one or more metric(s). The terms and conditions of such plans will be jointly determined by the appropriate representatives of the Company (from the applicable Business Group) and the Union(s). Discussions regarding such terms and conditions will begin on or about November 1 of the applicable Performance Year. If agreement is not reached by December 31 of the applicable Performance Year then the Business Group Award will be based on the Team Award under the Annual Incentive Plan for U.S. based Management Employees or if this Plan is materially changed or discontinued, as mutually agreed to by the Union(s) and the Company, up to the maximum Amounts set forth in section 3 (c) below.

National Memorandum

(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) Eligible employees will receive a lump sum payment as follows:

Performance Year	Minimum Amount	Amount at Target	Maximum Amount
2005	\$250	\$586	\$1,000
2006	\$250	\$601	\$1,000
2007	\$250	\$614	\$1,000
2008	\$250	\$627	\$1,000
2009	\$250	\$639	\$1,000
2010	\$250	\$652	\$1,000
2011	\$250	\$665	\$1,000
2012	\$250	\$678	\$1,000

(1) The Business Group Award will be increased or decreased if the Business Group's performance exceeds or does not meet the target.

However, in no case shall the amount of such payment be less than the minimum or more than the maximum amount shown above for any Performance Year.

(d) In the event that a Business Group is redefined during a Performance Year and such event results in an adjustment to the related Annual Incentive Plan 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 the Lucent Award and the Business Group Award.

National Memorandum

- (b) Eligibility for these 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:

Type of Leave	Counted as "Active"
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 Awards will be prorated for those joining or leaving participating Business Groups during the Performance Year based on the number of days an employee is assigned to such group during the Performance Year.

**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
  - (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.

**National Memorandum**

- (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 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**

**Joint Payroll Issues Committee**

- 1 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.
- 2 The committee shall consist of 2 representatives from the unions: 1 from CWA and 1 from IBEW, and 2 representatives from the Company.
- 3 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.

National Memorandum

**WAGE PROTECTION ALLOWANCE**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Wage Protection Allowance**

This letter confirms our understanding regarding the applicable wage protection allowances incorporated in the current collective bargaining agreements covering employees in bargaining units listed on Attachment A of our 2004 National Memorandum of Understanding.

Such wage protection allowances shall continue in effect in accordance with their terms until the termination of the 2004 National Memorandum of Understanding dated October 31, 2004.

Sincerely,

/s/ William L. Schechter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

260

**PENSION BAND INCREASE**

The Lucent Technologies Inc. Pension Plan shall be amended effective July 1, 2005, to revise the Monthly Benefit Table as follows:

For employees who retire or who leave the Company on or after July 1, 2005, the applicable Monthly Benefit Table shall be increased by 12% as set forth in Attachment A.

*Employees who retire or who leave the Company between November 1, 2004 and June 30, 2005 will be eligible for such pension band increase effective July 1, 2005.*

Pension Band	Effective on or after 7/1/05
103	\$ 35.65
104	\$ 37.23
105	\$ 38.63
106	\$ 40.04
107	\$ 41.46
108	\$ 42.83
109	\$ 44.24
110	\$ 45.63
111	\$ 47.03
112	\$ 48.41
113	\$ 49.83
114	\$ 51.18
115	\$ 52.60
118	\$ 54.00
117	\$ 55.38
118	\$ 56.77
119	\$ 58.18
120	\$ 59.56
121	\$ 60.96
122	\$ 62.38
123	\$ 63.74
124	\$ 65.13
125	\$ 66.55
126	\$ 67.89
127	\$ 69.32
128	\$ 70.71
129	\$ 72.13
130	\$ 73.49
131	\$ 74.92
132	\$ 76.28
133	\$ 77.68
134	\$ 79.13
135	\$ 80.46

**MEDICAL AND DENTAL EXPENSE PLAN BENEFITS**

Medical Expense Plan Benefits for active represented employees under the Lucent Technologies Medical Expense Plan shall be modified as per Attachment A. The amounts and percentages shown below and in Attachment A describe the participant's costs. Active employees who retire during the term of this Agreement will be treated as "Eligible Participants" within the meaning of the Post Retirement Medical and Dental Memorandum upon their retirement.

Premiums for active employees in the POS Plan and the Traditional Indemnity Plan will be as follows:

2005 through 2008	single \$15	family \$30
2009 through 2011	single \$30	family \$45
2012	single \$45	family \$60

Medical Expense Plan and Dental Expense Plan design will be subject to modifications as determined by the Company and the Union(s) after consideration of the recommendations of the Joint Health Care Committee (JHCC) for the plan year 2009 and again for the plan year 2012.

ACTIVE HEALTH BENEFITS

MEDICAL EXPENSE PLAN

Point of Service Plan

- 1 In-network office visit copayments (including preventative care visits, but excluding Mental Health/Chemical Dependency) will be \$30 per visit.
- 2 Coinsurance for hospitalization, outpatient and inpatient surgery and other services will be:
  - (a) In-network: 5%
  - (b) Out-of-network: 25%
- 3 In-network hospital admission copayment will be \$100 per admission
- 4 Annual in-network out-of-pocket maximum will be:
  - (a) \$1,250 Individual
  - (b) \$2,500 Two Person
  - (c) \$3,750 Family
- 5 In-network and out-of-network emergency use of emergency room copayment will be \$60 (waived if admitted)
- 6 In-network and out-of-network non emergency use of emergency room copayment will be \$60 plus 25% coinsurance
- 7 Out-of-network hospital admission copayment will be \$300 per admission
- 8 Out-of-network annual deductible will be:

- (a) \$600 Individual
  - (b) \$1,200 Two Person
  - (c) \$1,800 Family
- 9 Out-of-network annual out-of-pocket maximum will be:
- (a) \$3,500 Individual
  - (b) \$7,000 Two Person
  - (c) \$10,500 Family
- 10 Annual Chiropractic visit limit will be 30 visits (In and out-of-network combined)

**Indemnity Plan**

- 1 Coinsurance after deductible will be 5% for hospitalization, outpatient and inpatient surgery and other services
- 2 Annual deductible per individual will be
- (a) \$300 Individual
  - (b) \$600 Two person
  - (c) \$900 Family
- 3 Annual out of pocket maximum will be:
- (a) \$1,500 Individual
  - (b) \$3,000 Two person
  - (c) \$4,500 Family
- 4 Annual Chiropractic visit limit will be 30 visits

**National Memorandum**

**Prescription Drug Program**

- 1 4 tier formulary with the following copayments:
  - (a) Retail: \$10/\$25/\$35/\$40
  - (b) Home delivery: \$20/\$50/\$70/\$80
  - (c) Annual out-of-pocket maximum will be \$1,250 per individual
  - (d) Maximum 30 day supply at retail
  
- 2 Out-of-network coinsurance will be 30% after annual deductible of:
  - (a) \$100 Individual
  - (b) \$200 Two person
  - (c) \$300 Family

**Mental Health and Chemical Dependency Program**

- 1 In-network annual out-of-pocket maximum will be \$1,250 per individual
  
- 2 In-network outpatient visit copayment will be \$30
  
- 3 In-network inpatient copayment will be \$30 a day
  
- 4 In-network alternate treatment copayment will be \$30 a day
  
- 5 Out-of-network annual out of pocket maximum will be:
  - (a) \$3,500 Individual
  - (b) \$7,000 Two person
  - (c) \$10,500 Family

National Memorandum

- 6 The number of annual free visits for in-network outpatient care will be 3 visits
- 7 Eliminate the first 5 free days of in-network inpatient care
- 8 Eliminate the first 5 free days of in-network alternate treatment

National Memorandum

**DENTAL PLAN: REASONABLE AND CUSTOMARY (R&C)**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Dental Plan: Reasonable and Customary (R&C)**

This will confirm our understanding regarding the R&C tables in the Lucent Technologies Inc. Dental Expense Plan for Active Employees.

It is the intent under the Dental Plan to maintain the R&C tables on a current basis. The Plan Administrator or insurance carrier periodically updates the R&C tables using current applicable industry standards. The current vendor has been updating the schedules on a semi-annual basis, most recently January and July.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

**POSTRETIREMENT MEDICAL AND DENTAL BENEFITS**

A. Postretirement medical benefits under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees (the "Retiree Medical Plan") and postretirement dental benefits under the Lucent Technologies Inc. Dental Expense Plan for Retired Employees (the "Retiree Dental Plan") will be provided solely in accordance with the provisions of this Section for employees who retired on or before the effective date of this agreement and who were represented by the CWA or IBEW (the "Unions") at the time of their retirement, and their eligible dependents. Such retired employees and their eligible dependents shall be referred to in this Section as "Eligible Participants".

B. Retiree Health Benefits Act. The parties agree to present to Congress and the Administration a proposed amendment to the Internal Revenue Code of 1986, as amended, (the "Code") to be known as the Retiree Health Benefits Act, substantially in the form attached as Exhibit A (the "Act"), and to use their best efforts, working cooperatively, to secure passage of the Act. As a condition to the Company's commitment to fund healthcare benefits as described in Section E below, the parties agree that the Act must contain the following provisions:

1. An employer may, from time to time, fund in a section 401(h) account collectively bargained retiree healthcare benefits, not only for current years but also for future years, by in its discretion either transferring to such account excess pension assets, as determined in accordance with section 420 of the Code, or by making supplemental contributions from operating cash as may be required to fund those benefits even if otherwise limited by the full funding limitation.
2. To take advantage of the provisions of the Act, an employer must make an enforceable commitment to fund or prefund retiree healthcare benefits, or set aside excess pension assets to fund or prefund retiree healthcare benefits, as described above, at a level of cost or subsidy negotiated with a union or unions.
3. At the time of a transfer, all pension plan participants would become fully vested in their accrued pension benefit.
4. The employer would not be subject to any maintenance of cost requirement as a result of prefunding, funding or setting aside amounts in accordance with the Act.
5. Transfers of excess pension assets will not be deductible to the employer, but any contributions to the 401(h) account from operating cash will be deductible.

C. Retiree Healthcare Caps for All Years. Solely for purposes of determining the amount of the Company's subsidy or cost each year for

National Memorandum

postretirement healthcare benefits for Eligible Participants, the Retiree Healthcare Cap shall be calculated as the sum of (a), (b), and (c) below determined for each individual projected to participate in the Retiree Medical Plan and/or the Retiree Dental Plan as of the beginning of such year, where:

"(a)" is equal to the following amounts, applied to each retiree who retired on or after March 1, 1990:

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

"(b)" is equal to Medicare Part B premiums calculated for those retirees who retired on or after March 1, 1990 in accordance with the following schedule:

<u>Retirement Date</u>	<u>Retiree premium</u>	<u>Spouse premium</u>
On or after 3/1/90 but prior to 5/31/98	\$46.00/month	\$33.00/month
On or after 5/31/98	\$46.00/month	\$0

and "(c)" is an amount, for enrolled pre-3/1/90 retirees, equal to the expected cost of the 2004 plan design for the year of determination.

The amount of the Company's subsidy each year for postretirement healthcare benefits for Eligible Participants for 2005 and thereafter shall be equal to the Retiree Healthcare Cap.

The parties recognize that the actual costs of the Company in any year may differ from the Retiree Health Care cap for that year, and that the Company may make appropriate adjustments in that year or future years to substantially comply with the Retiree Healthcare Cap provisions.

D. Healthcare Benefits for 2005 and 2006

(1) 2005 Healthcare Benefits.

Postretirement medical benefits for Eligible Participants under the Retiree Medical Plan and the Retiree Dental Plan will continue from January 1, 2005 until the changes to such plans described in Exhibit B can be implemented. Such implementation date shall be on or before March 1, 2005 as determined by the

Company. After such implementation date, such benefits will be provided in accordance with the provisions of Exhibit B. The Company will absorb the cost in excess of the Retiree Healthcare Caps for the period commencing October 1, 2004 and ending on such implementation date.

(2) 2006 Healthcare Benefits.

The Company's subsidy for calendar year 2006 towards postretirement medical and dental benefits under the Retiree Medical Plan and the Retiree Dental Plan for Eligible Participants will be determined in accordance with the Retiree Healthcare Cap provisions. A Joint Retiree Healthcare Committee (the "Joint Committee") will be established to determine the plan design and premium costs for 2006, working in conjunction with the Company and the Trustees of the Welfare Benefits Trust (as described in Section G) or their representatives. The Joint Committee shall make its initial findings and recommendation by May 15, 2005, with the deadline of finalizing such plan design and premium costs by June 15, 2005. If the Joint Committee is unable to make such a determination by June 15, 2005, the Company shall implement a plan design and premium costs consistent with the Retiree Healthcare Cap provisions of Section C. To the extent plan design reductions are necessary to achieve the Retiree Healthcare Caps, and to the extent legally permissible, they shall be made first to dental benefits, second to Medicare Part B reimbursements, and then to medical benefits.

The Joint Committee shall consist of two representatives appointed by each Union and four representatives appointed by the Company.

E. Healthcare Benefits and Funding for 2007 and All Later Years.

(1) Application of Section E.

This Section E applies if the Act is enacted into law before September 1, 2006. If the Act is not enacted into law before that date or it is enacted but is not consistent with the requirements of Subsection F(4) below, this Section E shall not apply and Section F shall apply.

(2) Healthcare Benefits for 2007 and Later.

For each calendar year commencing in 2007, the Company's subsidy towards retiree medical and dental plans for Eligible Participants will be determined in accordance with the Retiree Healthcare Cap provisions of Section C. The Joint Committee will determine the plan design and premium costs for each calendar year commencing in 2007, working in conjunction with the Company and the

National Memorandum

Trustees of the Welfare Benefits Trust or their representatives. For each calendar year commencing in 2007, the Joint Committee shall make its initial findings and recommendation by May 15 of the prior year, with the deadline of finalizing such plan design and premium costs by June 15 of the prior year. If the Joint Committee is unable to make such a determination by June 15 of the prior year, the Company shall implement a plan design and premium costs consistent with the Retiree Healthcare Cap provisions of Section C. To the extent plan design reductions are necessary to achieve the Retiree Healthcare Caps, and to the extent legally permissible, they shall be made first to dental benefits, second to Medicare Part B reimbursements, and then to medical benefits.

(3) Company Healthcare Funding for 2007 and Later.

The Company agrees that it shall cause the accumulated postretirement benefit obligation for Company-provided postretirement medical and dental plans for Eligible Participants, as determined by the Company in accordance with Financial Accounting Standard 106, to be funded commencing in 2007 by contributions to a section 401(h) account in the Lucent Technologies Pension Plan ("LTTP") in accordance with the Act. Such contributions shall be made either from transfers of pension assets in excess of 125% of plan liabilities (as determined under the Act) or from Company contributions, in either case as contemplated by the Act. The Company shall determine, in its sole discretion, for each year whether it shall fund such amount from Company contributions or from excess pension assets. The Company shall make the initial funding of the section 401(h) account in 2007 from excess pension assets or Company contributions in an amount at least sufficient (after considering available VEBA trust assets) to pay annual costs for retiree healthcare under this Section for that year. The Company shall continue to fund the 401(h) account on the same basis for each year thereafter until it determines there are sufficient assets in the pension plan to fully fund the remaining FAS 106 liabilities for that year in accordance with the Act, in which event the Company may transfer excess pension assets to fully fund the remaining FAS 106 liabilities. At such time, should the Company choose not to fully fund the remaining FAS 106 liabilities, its commitment to continue to fund on an annual basis, either from excess pension assets or Company contributions, shall continue.

In years after such full funding transfer, the section 401(h) account shall be fully funded on an annual basis from excess pension assets or Company contributions as the FAS 106 liabilities are recalculated as a result of experience or changed assumptions.

For purposes of determining such accumulated postretirement benefit obligation for each year, the plans described in this Section shall be used and the actuarial methods and assumptions shall be the same as those used by the Company in the presentation of its financial statements under FAS 106 for the applicable fiscal year. Excluding Medicare Part D reimbursements, the cost impact of any government program that takes effect on or after November 1, 2004 that results in a reduction of costs shall be allocated between the Company and the retirees in an equitable manner. The cost of any benefit provided by another employer (such as through coordination of benefits) shall reduce the Company's obligation under this Section.

For purposes of determining the Company's funding levels under FAS 106 for Eligible Participants, the Retiree Medical Cap provisions of Section C shall apply.

F. Other Provisions.

(1) Upon the expiration of the 2003 CWA/IBEW/Lucent National Memorandum of Understanding ("2003 MOU"), the agreement in that MOU extending application of the retiree medical caps past the expiration of the 2003 MOU has been terminated and its obligations are no longer binding upon the Company or the Unions. The parties agree that this 2004 Memorandum of Understanding agreement on postretirement medical and dental benefits fully *supersedes and replaces* all *prior oral or written agreements among the parties* with respect to postretirement medical and dental benefits.

(2) Upon the expiration of the 2003 MOU, the January 9, 2003 letter agreement titled "VEBA Stock Proposal", printed as part of the 2003 MOU, has been terminated and its obligations are no longer binding upon the Company or the Unions. The January 9, 2003 letter provided a funding mechanism for the VEBA trust for the years 2005 and thereafter, providing that certain conditions had been met. This agreement extinguishes application of the January 9, 2003 letter to any period after the expiration of the 2003 MOU.

(3) The May 31, 1998 letter agreement, Attachment 6 of the 2003 MOU, is hereby cancelled and has no further force and effect. The May 31, 1998 letter committed Lucent to "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." This agreement extinguishes application of the May 31, 1998 letter to any period after the expiration of the 2003 MOU.

(4) If the Retiree Health Benefits Act is not enacted into law by September 1, 2006, or if such Act is enacted but does not meet each of the basic

National Memorandum

requirements described in Subsection B above or, in the Company's sole discretion, imposes additional constraints that significantly impair the Company's ability to prefund retiree healthcare benefits in accordance with such Act as currently contemplated, Sections A through E of this agreement on Postretirement Medical and Dental Benefits shall terminate on such date, there shall be no further obligation to fund the Welfare Benefits Trust under Subsection G(3), and this Section F shall survive. No prior agreement reached among the parties or prior obligation of any party terminated by this Memorandum of Understanding shall be revived upon such termination. The parties understand that under such circumstances, the Company may exercise its discretion regarding the amount of a retiree healthcare subsidy on or after December 31, 2006. Under such circumstances, the parties may, consistent with their understanding of the permissive nature of the subject, but shall not be obligated to, enter into discussions with respect to retiree healthcare, but in no event shall any retiree healthcare subsidy the Company may provide exceed the Retiree Healthcare Cap funding level described in Section C above.

(5) The parties may agree at any time to discuss plan design changes that may reduce the premium costs or may otherwise benefit plan participants, including but not limited to changes that may be appropriate in light of significant changes to the United States healthcare system. However, nothing herein shall require the Company or the Union to bargain over postretirement medical and dental benefits, which the parties acknowledge is a permissive subject of bargaining.

G. Welfare Benefits Trust

(1) Establishment of Welfare Benefits Trust. The parties recognize that the actual cost of the postretirement healthcare benefits to be made available to Eligible Participants through the Retiree Medical Plan and the Retiree Dental Plan exceeds the level established by the Retiree Healthcare Caps and that the excess cost would, in the absence of further funding, have to be met by premium (or other) payments by Eligible Participants. The parties further recognize that the additional costs that the Eligible Participants would have to absorb may make further participation in the retiree healthcare program prohibitive for many.

Accordingly, the parties agree to establish a supplemental retiree healthcare benefit trust to pay a portion of the cost of healthcare benefits that the Eligible Participants (who may, for purposes of this Section G, include active employees who have retired from the Company) would otherwise be required to absorb through premiums or other payments. Such trust shall be a joint labor management employee benefit fund to be known as the Lucent Welfare Benefits

Trust (the "Trust"). The obligations set forth in this Section G are in addition to any obligations set forth elsewhere in this Memorandum.

The Trust will be established by February 28, 2005. The Trust will be a voluntary employees' beneficiary association meeting the requirements of section 501(c)(9) of the Code, and will meet other applicable legal requirements, including Section 302 of the Labor Management Relations Act and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). All assets of the Trust shall be held for the exclusive purposes of (i) providing retiree healthcare benefits to Eligible Participants and their beneficiaries, and (ii) defraying the reasonable expenses of administering the Trust. The Trust may provide benefits to participants and beneficiaries by reimbursing the Company for benefit payments previously made under the Retiree Medical Plan or Retiree Dental Plan. Although contributions are provided until fiscal year 2012, the parties anticipate that the Trust may continue to operate beyond that date.

(2) Trustees. The Trustees of the Trust shall be one individual appointed by each Union, and two individuals appointed by the Company, or their respective successors. The Trustees will have the exclusive authority to manage the Trust fund and invest its assets for the exclusive benefit of its participants consistent with the requirements of ERISA. The Trustees shall meet at least quarterly or on a different schedule as they may determine.

(3) Funding. The Trust will be funded by contributions by the Company or, if permitted by applicable law, may in the Company's discretion be funded by asset transfers from the LTPP. The Company will fund the Trust, or cause it to be funded, with assets of \$400 million. Such funding shall be completed by the end of fiscal year 2012. The Company shall determine the exact amount of each annual contribution and when such contributions shall be made; provided, however, that a minimum payment shall be made for each year of this agreement in the amount of \$25 million. The parties recognize that there is no obligation of the Company to fund the Trust in excess of the amount set forth in this paragraph. In addition, the Trust may be funded by contributions or premiums from Eligible Participants.

(4) Benefits. The Trustees will have the exclusive authority to determine the amount, manner and timing of benefit payments under the Trust. The Trustees shall appoint a Benefits Committee, which shall consist of two representatives nominated by each Union and four representatives nominated by the Company. A Trustee may serve on the Benefits Committee. The Benefits

**National Memorandum**

Committee shall represent the Trustees in carrying out the duties described in Subsections D(2) and E(2).

In conjunction with the establishment of the plan design and premiums as described in Subsections D(2) and E(2), the Trustees will determine what amount of benefits are appropriate to be paid from the Trust during the forthcoming year for Eligible Participants taking into consideration the amount of funds available and the need for those funds to provide benefits in accordance with the Trust Agreement.

No representations are made as to the taxability of any benefit provided under the Trust to any Eligible Participant.

(5) Administration. The parties will cooperate in developing guidelines governing the operations of the Trust, including but not limited to the function of the Trustees and the Benefits Committee and benefits to be funded by the Trust. The parties agree that the Trust shall be subject to periodic audit by a qualified independent accounting firm. The expenses of such audits and other reasonable expenses of administering the Trust shall be charged to the Trust.

S. \_\_\_\_\_/HR. \_\_\_\_\_

**RETIREE HEALTH BENEFITS ACT OF 2005**

To amend the Internal Revenue Code of 1986 and make conforming changes to encourage the funding of collectively bargained retiree health benefits.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Retiree Health Benefits Act of 2005".

**SECTION 2. FUNDING OF RETIREE HEALTH BENEFITS.**

**(a) AMENDMENTS OF INTERNAL REVENUE CODE OF 1986 –**

(1) Subsection (b)(1) of section 420 of the Internal Revenue Code of 1986 is amended by adding the following flush language at the end thereof:

"A collectively bargained transfer (as defined in subsection (e)(5)) shall also be treated as a qualified transfer."

(2) Subsection (b)(2) of section 420 of such Code is amended by adding the following subparagraph immediately after subparagraph (B) thereof:

"(C) EXCEPTION FOR COLLECTIVELY BARGAINED TRANSFERS. A collectively bargained transfer shall not be taken into account for purposes of subparagraph (A)."

(3) Subsection (b)(3) of section 420 of such Code is amended to read as follows:

"(3) LIMITATION ON AMOUNT TRANSFERRED.

"(A) IN GENERAL. The amount of excess pension assets which may be transferred in a qualified transfer (other than a collectively bargained transfer) shall not exceed the

**National Memorandum**

amount which is reasonably estimated to be the amount the employer maintaining the plan will pay (whether directly or through reimbursement) out of such account during the taxable year of the transfer for qualified current retiree health liabilities.

**"(B) EXCEPTION FOR COLLECTIVELY BARGAINED TRANSFERS.** The amount of excess pension assets which may be transferred in a collectively bargained transfer shall not exceed the amount which is reasonably estimated, in accordance with the provisions of the applicable collective bargaining agreement and generally accepted accounting principles, to be the amount the employer maintaining the plan will pay (whether directly or through reimbursement) out of such account during the collectively bargained cost maintenance period for collectively bargained retiree health liabilities."

(4) Subsection (b)(5) of section 420 of such Code is amended to read as follows:

"(5) No transfer made after December 31, 2013, shall be treated as a qualified transfer unless the transfer is a collectively bargained transfer."

(5) Subsection (c)(1) of section 420 is amended to read as follows:

**"(1) USE OF TRANSFERRED ASSETS.**

**"(A) IN GENERAL.** Except in the case of a collectively bargained transfer, any assets transferred to a health benefits account in a qualified transfer (and any income allocable thereto) shall be used only to pay qualified current retiree health liabilities (other than liabilities of key employees not taken into account under subsection (e)(1)(D)) for the taxable year of the transfer (whether directly or through reimbursement).

**"(B) COLLECTIVELY BARGAINED TRANSFER.** Any assets transferred to a health benefits account in a collectively bargained transfer (and any income allocable thereto) shall be used only to pay collectively bargained

National Memorandum

retiree health liabilities (other than liabilities of key employees not taken into account under subsection (e)(6)(D)) for the taxable year of the transfer or for any subsequent taxable year during the collectively bargained cost maintenance period (whether directly or through reimbursement).

"(C) AMOUNTS NOT USED TO PAY FOR HEALTH BENEFITS.

"(i) IN GENERAL. Any assets transferred to a health benefits account in a qualified transfer (and any income allocable thereto) which

"(I) are not used as provided in subparagraph (A) (in the case of a qualified transfer other than a collectively bargained transfer), or

"(II) cannot be used as provided in subparagraph (B) (in the case of a collectively bargained transfer)

"shall be transferred out of the account to the transferor plan.

"(ii) TAX TREATMENT OF AMOUNTS.  
Any amount transferred out of an account under clause (i) -

"(I) shall not be includible in the gross income of the employer, but

"(II) shall be treated as an employer reversion for purposes of section 4980 (without regard to subsection (d) thereof).

"(D) ORDERING RULE.—For purposes of this section, any amount paid out of a health benefits account shall be treated as paid first out of the assets and income described in subparagraph (A) (in the case of a qualified transfer other than a collectively bargained transfer) or

National Memorandum

subparagraph (B) (in the case of a collectively bargained transfer)."

(6) Subsection (c)(3)(A) of section 420 of such Code is amended to read as follows:

"(A) IN GENERAL. The requirements of this paragraph are met if –

"(i) except as provided in clause (ii), each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer; and

"(ii) in the case of a collectively bargained transfer, each collectively bargained group health plan under which collectively bargained health benefits are provided provides that the collectively bargained employer cost for each taxable year during the collectively bargained cost maintenance period shall not be less than the amount specified by the applicable collective bargaining agreement."

(7) Subsection (c)(3)(B) of section 420 of such Code is amended by striking "APPLICABLE" in the caption and by adding the following flush language at the end of subsection (c)(3)(B):

"For purposes of this paragraph, the term 'collectively bargained employer cost' means the average cost per covered individual of providing collectively bargained retiree health benefits as determined in accordance with the applicable collective bargaining agreement. Such agreement may provide for an appropriate reduction in the collectively bargained employer cost to take into account any portion of the collectively bargained retiree health benefits that is provided or financed by a government program or other source."

(8) Subsection (c)(3)(D) of section 420 of such Code is amended to read as follows:

**“(D) MAINTENANCE PERIOD.**

**“(i) COST MAINTENANCE PERIOD.** For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A)(i) for such taxable year.

**“(ii) COLLECTIVELY BARGAINED COST MAINTENANCE PERIOD.** For purposes of this paragraph, the term ‘collectively bargained cost maintenance period’ means, with respect to each covered retiree and his covered spouse and dependents, the shorter of –

**“(I) the remaining lifetime of such covered retiree and his covered spouse and dependents, or**

**“(II) the period of coverage provided by the collectively bargained health plan (determined as of the date of the collectively bargained transfer) with respect to such covered retiree and his covered spouse and dependents.”**

(9) Subsection (d) of section 420 of such Code is amended to read as follows:

**“(d) LIMITATIONS ON EMPLOYER.** For purposes of this title –

**“(1) DEDUCTION LIMITATIONS.** No deduction shall be allowed –

**“(A) for the transfer of any amount to a health benefits account in a qualified transfer (or any retransfer to the plan under subsection (c)(1)(C)),**

**“(B) for qualified current retiree health liabilities or collectively bargained retiree health liabilities**

National Memorandum

paid out of the assets (and income) described in subsection (c)(1), or

"(C) except in the case of a collectively bargained transfer, for any amounts to which subparagraph (B) does not apply and which are paid for qualified current retiree health liabilities for the taxable year to the extent such amounts are not greater than the excess (if any) of -

"(i) the amount determined under subparagraph (A) (and income allocable thereto), over

"(ii) the amount determined under subparagraph (B).

"(2) OTHER LIMITATIONS.

"(A) Except as provided in subparagraph (B), an employer may not contribute after December 31, 1990, any amount to a health benefits account or welfare benefit fund (as defined in section 419(e)(1)) with respect to qualified current retiree health liabilities for which transferred assets are required to be used under subsection (c)(1)(A).

"(B) An employer may contribute an amount to a health benefits account or welfare benefit fund (as defined in section 419(e)(1)) with respect to collectively bargained retiree health liabilities for which transferred assets are required to be used under subsection (c)(1)(B), and the deductibility of any such contribution shall be governed by the limits applicable to the deductibility of contributions to a welfare benefit fund under a collective bargaining agreement (as determined under section 419A(f)(5)(A)) without regard to whether such contributions are made to a health benefits account or welfare benefit fund and without regard to the provisions of section 404 or the other provisions of this section."

National Memorandum

(10) Subsection (e) of section 420 of such Code is amended by adding the following immediately after paragraph (4):

**"(5) COLLECTIVELY BARGAINED TRANSFER.** The term 'collectively bargained transfer' means a transfer -

**"(A)** of excess pension assets to a health benefits account which is part of such plan in a taxable year beginning after **December 31, 200\_**,

**"(B)** which does not contravene any other provision of law,

**"(C)** with respect to which the following requirements are met in connection with the plan-

**"(i)** the use requirements of subsection (c)(1),

**"(ii)** the vesting requirements of subsection (c)(2), and

**"(iii)** the minimum cost requirements of subsection (c)(3).

**"(D)** which is made in accordance with a collective bargaining agreement, and

**"(E)** which, before the transfer, the employer designates, in a written notice delivered to each employee organization that is a party to the applicable collective bargaining agreement, as a collectively bargained transfer in accordance with this section.

**"(6) COLLECTIVELY BARGAINED RETIREE HEALTH LIABILITIES.**

**"(A) IN GENERAL.** The term 'collectively bargained retiree health liabilities' means the present value, as of the beginning of a taxable year and determined in

National Memorandum

accordance with the applicable collective bargaining agreement, of all collectively bargained health benefits (including administrative expenses) for such taxable year and all subsequent taxable years during the collectively bargained cost maintenance period.

**“(B) REDUCTION FOR AMOUNTS PREVIOUSLY SET ASIDE.** The amount determined under subparagraph (A) shall be reduced by the value (as of the close of the plan year preceding the year of the collectively bargained transfer) of the assets in all health benefits accounts or welfare benefit funds (as defined in section 419(e)(1)) set aside to pay for the collectively bargained retiree health liabilities.

**“(C) COLLECTIVELY BARGAINED HEALTH BENEFITS.** The term ‘collectively bargained health benefits’ means health benefits or coverage which are provided to—

“(i)(I) retired employees who immediately before the collectively bargained transfer, are entitled to receive such benefits upon retirement and who are entitled to pension benefits under the plan, and

“(ii) their spouses and dependents;  
and

“(ii)(I) if specified by the provisions of the applicable collective bargaining agreement governing the collectively bargained transfer, active employees who, following their retirement, are entitled to receive such benefits and who are entitled to pension benefits under the plan, and

“(ii) their spouses and dependents.

**“(D) KEY EMPLOYEES EXCLUDED.** If an employee is a key employee (within the meaning of section 416(l)(1)) with respect to any plan year ending in a taxable year, such employee shall not be taken into account in computing collectively bargained retiree health liabilities for

National Memorandum

such taxable year or in calculating collectively bargained employer cost under subsection (c)(3)(B).

"(7) COLLECTIVELY BARGAINED HEALTH PLAN. The term 'collectively bargained health plan' means a group health plan or arrangement for retired employees and their spouses and dependents that is maintained pursuant to one or more collective bargaining agreements."

(11) Subsection (h) of section 401 of such Code is amended so that the last sentence thereof reads as follows:

"In no event shall the requirements of paragraph (1) be treated as met if the aggregate actual contributions for medical benefits (other than contributions with respect to collectively bargained retiree health liabilities within the meaning of section 420(e)(6)), when added to actual contributions for life insurance protection under the plan, exceed 25 percent of the total actual contributions to the plan (other than contributions to fund past service credits) after the date on which the account is established."

(b) CONFORMING AMENDMENTS –

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking "Pension Funding Equity Act of 2004" and inserting "Retiree Health Benefits Act of 2005."

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking "Pension Funding Equity Act of 2004" and inserting "Retiree Health Benefits Act of 2005."

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended

(A) by striking "before January 1, 2014" and inserting "in accordance with section 420 of title 26 (as in effect on the date of enactment of the Retiree Health Benefits Act of 2005)"; and

**National Memorandum**

(B) by striking "Pension Funding Equity Act of 2004" and inserting "Retiree Health Benefits Act of 2005".

(c) **EFFECTIVE DATE.** The amendments made by this section shall apply to years beginning after December 31, 200\_.

**EXHIBIT B**

**POSTRETIREMENT HEALTH BENEFITS**

**MEDICAL EXPENSE PLAN**

Postretirement medical benefits under the Lucent Technologies Inc. Medical Expense Plan for Retired Employees ("the Retired Medical Plan") will continue with such changes as described below. The amounts and percentages shown below describe the participant's costs.

**Point of Service Plan**

- 1 In-network office visit copayment (including preventative care visits, but excluding Mental Health/Chemical Dependency) will be \$30 per visit.
- 2 Coinsurance for hospitalization, outpatient and inpatient surgery and other services will be:
  - (a) In-network: 5%
  - (b) Out-of-network: 25%
- 3 In-network hospital admission copayment will be \$100 per admission
- 4 Annual in-network out-of-pocket maximum will be:
  - (a) \$1,250 Individual
  - (b) \$2,500 Two Person
  - (c) \$3,750 Family
- 5 In-network and out-of-network emergency use of emergency room copayment will be \$60 (waived if admitted)
- 6 In-network and out-of-network non emergency use of emergency room copayment will be \$60 plus 25% coinsurance

**National Memorandum**

- 7 Out-of-network hospital admission copayment will be \$300 per admission**
- 8 Out-of-network annual deductible will be:**
  - (a) \$600 Individual**
  - (b) \$1,200 Two Person**
  - (c) \$1,800 Family**
- 9 Out-of-network annual out-of-pocket maximum will be:**
  - (a) \$3,500 Individual**
  - (b) \$7,000 Two Person**
  - (c) \$10,500 Family**
- 10 Annual Chiropractic visit limit will be 30 visits (in and out of network combined)**

**Indemnity Plan**

- 1 Coinsurance after deductible will be 5% for hospitalization, out patient and inpatient surgery and other services**
- 2 Annual deductible per individual will be \$150 plus 1% of annual pension not to exceed 3% of annual pension**
- 3 Annual out of pocket maximum will be:**
  - (a) \$1,500 Individual**
  - (b) \$3,000 Two person**
  - (c) \$4,500 Family**
- 4 Annual Chiropractic visit limit will be 30 visits**

**Prescription Drug Program**

- 1 4 Tier formulary with the following copayments:
  - (a) Retail: \$10/\$25/\$35/\$40
  - (b) Home delivery: \$20/\$50/\$70/\$80
  - (c) Annual out of pocket maximum will be \$1,250 per individual
  - (d) Maximum 30 day supply at retail
  
- 2 Out-of-network coinsurance will be 30% after annual deductible of:
  - (a) \$100 Individual
  - (b) \$200 Two person
  - (c) \$300 Family

**Mental Health and Chemical Dependency Program**

- 1 In-network annual out of pocket maximum will be \$1,250 per individual
  
- 2 In-network out patient visit copayment will be \$30
  
- 3 In-network inpatient copayment will be \$30 a day
  
- 4 In-network alternate treatment copayment will be \$30 a day
  
- 5 Out-of-network annual out of pocket maximum will be:
  - (a) \$3,500 Individual
  - (b) \$7,000 Two person
  - (c) \$10,500 Family

**National Memorandum**

- 6 The number of annual free visits for in-network out patient care will be 3 visits
- 7 Eliminate the first 5 free days of in-network, inpatient care
- 8 Eliminate the first 5 free days of in-network alternate treatment

**Other Covered Charges Buy Up Provision**

Currently, retirees who are Medicare eligible or who are enrolled in the traditional indemnity medical plan have the opportunity to increase the \$50,000 maximum amount of company provided coverage for Other Covered Charges (OCC). The OCC buy up allows a retiree to elect an additional \$50,000, \$100,000 or \$200,000 of coverage for himself/herself and each covered dependent. The cost per covered individual is \$9.00, \$18.00, or \$27.00 annually. Election of this additional coverage has been required at the time of retirement

The OCC buy up option will now be permitted to be exercised one time at retirement, during the annual open enrollment period or when a qualified status change occurs. Once a retiree has elected the OCC buy up, he/she can only decrease coverage thereafter. Decreases in coverage become effective the first day of the plan year following the plan year in which the election to cancel or decrease was made. No subsequent increases are permitted.

**Premiums for Post 3/1/90 Retirees**

- 1 Pre-65 retirees will be as follows:
  - (a) 2005 plan year will be 3% of monthly pension benefit for single
  - (b) 2005 plan year will be 5% of monthly pension benefit for family
- 2 Post-65 retirees will be as follows:
  - (a) 2005 plan year will be 2% of monthly pension benefit for single
  - (b) 2005 plan year will be 4% of monthly pension benefit for family

**National Memorandum**

**For 2006 and beyond, premiums for post 3/1/90 retirees will be increased on an annual basis 0.5% per year unless modified in accordance with the Postretirement Medical and Dental Benefits Memorandum.**

**LONG TERM SAVINGS AND SECURITY PLAN**

Savings Plan benefits for represented participants under the Lucent Technologies Inc. Long Term Savings and Security Plan (the "Savings Plan") will continue with such changes described below effective as of January 1, 2005 or as soon thereafter as practicable:

**Eligibility**

Change eligibility to immediate eligibility to contribute, with Company match commencing after Six Months of Eligibility Service.

**Residential Loan Feature**

Include a feature that allows for residential loans with up to 175 months to repay.

**Limited Double Payroll Deductions**

Modify Section 4.5 of the Savings Plan so that all references to 3 months are changed to 4 months, thereby permitting makeup contributions to be made with respect to up the 4 months of missed contributions as long as all such makeup contributions are completed within 4 months of eligibility.

**Percent-based Plan Design**

Amend the plan to change the participant contribution structure from one based on \$5 increments to a percentage-based structure. The employer match would remain at 66-2/3% of the amount of the Pretax Matched Contributions and After-Tax Matched Contributions, which would be limited in the aggregate to 6% of eligible compensation per pay period.

To maximize the company matching contribution for a participant who has attained age 50, no catch-up contribution may be made unless the participant is already contributing at 6% of eligible compensation.

For a Participant with excused unpaid time off for union business during a pay period, Compensation shall include the amount he or she would have been paid by the company based on the adjusted rate of pay that would have applied if the Participant had worked the period of the excused unpaid time off for union business; provided that such rule shall not apply if total deductions for all contributions to the Savings Plan and other deduction and withholding obligations

would be greater than the Participant's actual pay from the Company for such pay period.

**Raise Participant Deferral Rate**

Participants are eligible to contribute from 1% to 25% of their eligible compensation, in 1% increments, each pay period, subject to IRS limitations then in effect.

**Partial Withdrawals by Terminated Participants**

Retirees who are eligible for a service pension or disability pension currently have the option to take partial withdrawals from their vested account, in dollar amounts they specify (with a minimum of \$300 or the amount in their account, if less). This distribution option would be extended to terminated participants who are not service or disability pension eligible, subject to administrative limits on frequency and minimum amount.

**DeMinimis Distributions**

If the vested account balance of a participant who separates from service for any reason other than death is \$5,000 or less, and such participant does not make a distribution election after the participant's off roll date, the participant's vested account balance will automatically be distributed in a lump sum in accordance with regulatory requirements. Accounts will be valued periodically for this purpose.

**Financial Advice**

Participants will be provided an opportunity to access individual web-based investment advice addressing their investments in the Savings Plan if the advice product is determined advisable by the plan's fiduciaries. Such advice will be provided, if at all, under terms agreed upon by the plan's fiduciaries, and on the same basis, including cost structure, as is provided to participants in the Lucent Savings Plan.

National Memorandum

**FINANCIAL COUNSELING SERVICES**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Financial Counseling Services**

During bargaining, the IBEW and CWA expressed an interest in obtaining certain personal financial and investment counseling, including active money management, for LTSSP participants, distinct from the web-based and personal asset manager services proposed by Lucent.

Due to the complexities of offering this type of service as part of the LTSSP and given the limited amount of time available to the parties during bargaining, we agree to meet as soon as is practicable following the signing of the agreement to consider the feasibility of offering such services in light of the applicable fiduciary requirements, the administrative burdens to Lucent and the plan, and the fees that would be payable by LTSSP participants.

Sincerely,

/s/ William L. Schechter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

**VACATIONS**

The schedule below shall replace the existing schedule in the Article - Vacations in all collective bargaining agreements. The revised schedule reflects administrative modifications to clarify Term of Employment periods and does not change the current provisions of the Article - Vacations nor the current practices regarding vacation eligibility for employees who terminate employment by resignation or who are terminated for cause.

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

Month of Termination	Term of Employment Completed (or would have been completed) in the Calendar Year of the Termination			
	1 - 6 Years	7 - 14 Years	15 - 24 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

**EXCUSED WORK DAYS**

Excused Work Days provisions in the current collective bargaining agreements will be modified as follows:

- 1 The flexible excused work day provisions of the 2003 Memorandum of Understanding will be extended for the term of the 2004 Memorandum of Understanding and the number of days an eligible employee may use under these provisions will be increased to four (4).
- 2 An employee will be eligible to one (1) non paid EWD each calendar year without regard to TERM OF EMPLOYMENT.

**DOMESTIC PARTNER BENEFIT COVERAGE**

Effective February 1, 2005, the Domestic Partner Benefit Coverage provision will be continued with the following changes:

- 1 **Benefit Plans** – the following benefit plans will be added as covered plans:
  - (a) Long Term Care Plan
  - (b) Dependent Group Life Plan, and
  - (c) Dependent Accident Loss Insurance Plan
  
- 2 **Eligibility Criteria** – the following criteria will be modified as specified below and all other eligibility criteria remain unchanged:
  - (a) Bullet one will be modified to read: "Is a member of the same or opposite sex as the employee"
  - (b) Item number 7, which reads: "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" shall be deleted.
  
- 3 **Group Life Beneficiaries** – the beneficiary default methodology for Company provided life insurance under the Group Life Plan will be modified as follows in the sequential order set forth below:
  - (a) Lawful spouse or domestic partner (as defined in the Domestic Partner Coverage provision, as amended here)
  - (b) Children of employee
  - (c) Parent(s) of employee
  - (d) Estate of employee

National Memorandum

**MILITARY LEAVES OF ABSENCE - MODIFICATIONS**

The Military Leaves of Absence agreement will continue in effect with the following modifications and the agreement, as revised and amended, will be printed in the national section of the applicable collective bargaining agreements:

The Military Differential Pay limits are increased as follows: -

- 1 Military Training Duty – A maximum of 20 scheduled work days (including holidays) in each military fiscal year
- 2 Initial Active Duty for Training – First 4 weeks (20 days)
- 3 Emergency Service – A maximum of 20 scheduled work days (including holidays) in each calendar year (See note 2)

**MILITARY LEAVES OF ABSENCE**

A regular employee (not temporary, term or occasional) who enters the United States Uniformed Services for Active Duty for Military Service shall be granted a Military Leave of Absence for the period of his/her necessary absence. Voluntary extension of military service beyond five (5) years shall not be construed as necessary absence. A regular employee (not temporary, term or occasional) who is a member of a reserve component or organized militia of the state and enters upon Military Training Duty will be granted a Military Leave of Absence for the period of the necessary absence for such training. The term "Uniformed Services" as used herein shall mean Uniformed Services of the United States as specified in the Uniformed Services Employment and Reemployment Rights Act of 1994.

An employee, on a Military Leave of Absence for Active Duty for Military Service or military training duty and who has re-employment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and who makes application for reinstatement within the period provided in the law, will receive upon reinstatement, full service credit for the period of absence for military service or training duty.

Military Leaves of Absence will be with eligibility to sickness disability benefits at the termination of the leave if the employee is then disabled but otherwise entitled to reinstatement in accordance with the terms of the Lucent Benefit Plans.

In death cases occurring during a Military Leave of Absence, sickness death benefits, where payable, shall be based upon the term of net credited service at the time the leave was granted, plus the elapsed time of Military Leave of Absence to the date of death, and shall be computed at the time the leave began.

Sickness disability benefits, where payable, shall be granted upon the net credited service at the time the leave was granted plus the elapsed time on Military Leave of Absence to the termination of such leave, and shall be computed on the basis of Lucent pay in effect at the time of the employee's reinstatement.

It is the policy of Lucent to pay a Military Differential Pay to regular employees (not temporary, term or occasional) who receive and provide the Company with a

**National Memorandum**

copy of military orders for military service in the U. S. Armed Forces subject to conditions imposed by federal law.

**Military Differential Pay** is the excess of Lucent pay over military pay received by an eligible employee while on a Military Leave of Absence.

**Lucent pay** is an employee's adjusted rate (excluding overtime) in effect at the time the Military Leave of Absence begins. Night work differentials, seven-day coverage and transition payments (non-lump sum) are included.

**Military pay** is an employee's military basic pay rate in effect when the Military Leave of Absence begins. All allowances and supplementary pay elements (i.e., BAS (Basic Allowance for Subsistence), BAQ (Basic Allowance for Quarters), Hazardous Duty Pay, Proficiency Pay, Special Duty Pay) are not included.

The Military Differential Pay shall be up to the limits prescribed in the following or the period of Military Service, whichever is shorter:

<b>If the leave of absence and duration are...</b>	<b>And the date the leave begins the employee's net credited service is...</b>	<b>Then the duration of Military Differential Pay is...</b>
Active Duty for Military Service (normally 2-5 years) (See note 3)	1 year or less	First 15 weeks
	More than 1 year	First 26 weeks
Military Training Duty-normally 2 weeks (See note 1)	No minimum	A max. of 20 scheduled workdays (including holidays) in each military fiscal year (Oct. 1-Sept. 30)
Initial Active Duty for Training (at least 3 consecutive months but no more than 18 months)	No minimum	First 4 weeks (20 days)
Emergency Service	No minimum	A max. of 20 scheduled workdays (including holidays) in each calendar year (See note 2)

**Note 1:** Includes attendance at schools for special military courses of instruction which may last several months.

**Note 2:** An absence for Emergency Service does not affect an employee's right or eligibility with respect to Military Training Duty, Initial Active Duty for Training, or Active Duty for Military Service. If the local emergency situation exceeds 20 scheduled workdays, pay treatment for additional time must be approved by the Lucent Pension Plan Administrator.

**Note 3:** Payment of Military Differential Pay, for up to the maximum durations described above, is limited to the time when an employee initially enters Active Duty for

National Memorandum

**Military Service.** The employee is not again eligible for the maximum payments, regardless of the number of times the employee enters Active Duty for Military Service.

Regular employees who volunteer for Military Training Duty (including attendance at schools for special military courses or instruction) or Emergency Service without receiving military pay, will be authorized time off, but without Lucent pay or Military Differential Pay.

Upon furnishing official written documentation to his/her supervisor, a regular employee may be granted up to three (3) scheduled workdays off with pay to report for registration, testing and/or a physical examination for induction into Active Duty for Military Service or Initial Active Duty for Training.

An employee who receives a notice to report for Active Duty for Military Service or any Military Training Duty, shall immediately present such notice to his/her supervisor.

**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, subject to the terms of such article:

- 2001 Employee Stock Purchase Plan
- Anticipated Disability Program
- Business Travel Accident Insurance Plan
- Child/Elder Care Reimbursement Account Plan
- Dental Expense Plan for Active Employees
- Group Life and Accident Loss Insurance
  - Dependent Accidental Loss Insurance Plan
  - Dependent Group Life Insurance Plan
  - Group Life Insurance Plan
  - Supplementary Accidental Loss Insurance Plan
  - Supplementary Life Insurance Plan
- 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 for Occupational Employees
- Vision Care Plan
- Work and Family Program

**THE ALLIANCE**

Lucent Technologies and the Communications Workers of America (CWA) agree to continue to provide the services of the Alliance for Employee Growth and Development (The Alliance) as described in Attachment A.

Alliance funding will be established at \$550 per each active CWA represented employee per year. For the period November 1, 2004 to December 31, 2005, the annual funding will be based upon the number of such persons on the roll as of October 31, 2004. For 2006 and all subsequent years, during the term of this Memorandum of Understanding, the annual funding will be based upon the number of such persons on the roll as of May 31st of previous year.

Lucent will make funds available each month for the Alliance on the basis of one-twelfth (1/12) of the annual funding level. Lucent shall credit these funds to an account designated for the Alliance and its activities within 15 days of the end of the month.

Lucent Technologies and the CWA agree that the funds made available to the Alliance will be exclusively used to cover the cost and delivery of training programs for Lucent employees who are represented by the CWA.

The Solotron funding in the Alliance reserve will be utilized for the eligible Solotron employees. Upon completion of eligibility, any remaining Solotron funding will be reverted to the Alliance for the exclusive use of Alliance programs on behalf of eligible Lucent employees who are represented by the CWA.

**THE ALLIANCE FOR EMPLOYEE GROWTH AND DEVELOPMENT**

- 1 Lucent Technologies and the Communications Workers of America (CWA) mutually acknowledge their pride in the talents, abilities, creativity and commitment of Lucent's work force. The parties share a vision of the work environment in which all employees are encouraged to develop their skills, abilities and talents to the fullest extent possible and are furnished every opportunity to take the initiative to do so. Such an environment will not only offer the maximum opportunity to employees to attain their employment goals, but will also lead to increased commitment by employees to devote their maximum energies to improving Lucent's productivity and competitiveness. It is anticipated that this level of employee commitment will contribute significantly to marketplace success for Lucent and to the increased employment security for employees associated with such success.
  - (a) To help achieve this vision, a separate and distinct jointly administered entity, known as the Alliance for Employee Growth and Development (the Alliance), will continue to operate as a not-for-profit corporation. The mission of the Alliance is to make available learning experiences to employees which will enhance their occupational and work group skills; provide opportunities for personal and career development; stimulate and sustain their contributions to Lucent's success through improved communication skills, motivation, improved work habits and enhanced interpersonal skills; familiarize them with state-of-the-art technology, based on the present or anticipated needs of the business; and increase the probability that if they face displacement or dislocation, they will find alternative employment, either in Lucent or in the outside job market.
  - (b) The Alliance focuses on both Personal/Career Development and Job Displacement Training curricula. It is envisioned that the Alliance will generally arrange and/or underwrite these curricula by contracting with accredited outside parties for delivery. In some cases, it may provide the curricula directly.
  - (c) It is understood that the Alliance is not intended to replace Lucent's existing job-specific training, nor does it limit the right of the parties to

National Memorandum

provide educational and training programs on the same, similar or other subjects as they may deem appropriate.

- (d) The Grievance and Arbitration procedures of this Agreement have no application to, or jurisdiction over, any matter relating to the Alliance.

**Personal/Career Development Curriculum**

- 2 The types of programs which the Alliance will underwrite to enhance the personal/career development of regular employees will include, but not be limited to:
  - (a) career counseling
  - (b) skills inventory and aptitude assessment
  - (c) career training
  - (d) personal growth training
  - (e) training associated with skill development programs, such as QWL, which may not be 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, as well as decline, are anticipated. From that information and other resources, the Alliance will recommend, arrange and/or underwrite training that will assist those employees who occupy jobs in which a decline is anticipated, or who may be displaced due to force surplus, to acquire new skills. The training will be designed to increase the probability that these employees will be in a position to compete successfully for new positions within Lucent, or to find alternative employment outside of Lucent.
  - (a) Where appropriate, successful completion of Personal/Career Development or Job Displacement curricula which are relevant to a job will be considered by Lucent when selecting employees for job opportunities.

**Curricula Development, Implementation and Delivery**

- 4 In identifying areas on which Alliance activities should focus, the Alliance will consult with Lucent and CWA officials, as well as with professionals in such fields as higher education, industrial psychology and vocational training. In addition, the Alliance will confer with, advise and offer professional and financial assistance to local 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 Alliance activities
  - (d) undertaking to review, evaluate, and make recommendations on proposals for the use of Alliance funds by the local training/retraining committees
  - (e) coordinating forums, seminars, and workshops for the exchange of ideas and concepts among the local committees
  - (f) commissioning research into, and evaluation of, alternative approaches to training, retraining, and job placement.
  - (g) The Alliance will also contact appropriate governmental agencies - federal, state and local - to obtain other types of governmental assistance that may be available for Alliance activities.

**Eligibility for Participation in Alliance Programs**

- 5 Regular full and part time employees will be eligible to participate in all Alliance activities. In addition, employees who have been displaced or who are on LAYOFF will be eligible to participate in Alliance activities provided that they commence such participation within six months of LAYOFF. A LAID OFF employee may continue participation in Alliance activities for a period extending one year beyond the number of weeks' Termination Allowance the employee is entitled to receive in accordance with the Termination Allowance Article of the applicable local agreement, or until they find alternative employment, whichever occurs first. The Alliance will continue to underwrite any activity that a participant commences within that period, provided that the Alliance initially committed to underwrite it.

**National Memorandum**

- (a) Participation in either the Personal/Career Development or the Job Displacement curricula is voluntary and will be made available at convenient times and locations, such as after hours at the work site, local community colleges, or CWA offices. Time spent by participants in Alliance activities will be outside scheduled working hours, and not paid or considered as time worked. In selected instances, Lucent, at its discretion, may permit active employees to receive such training during working hours.

**Reports**

- 6 The Alliance will publish an Annual Report, detailing the training that was made available to Lucent employees, the number of participants who received such training, the funds expended and the manner in which funds were utilized.

**FAMILY CARE DEVELOPMENT FUND (FCDF)**

The Family Care Development Fund will be suspended for the term of the MOU.

The remaining fund balance (\$263,512) will be added to the funding for Alliance and ETOP on a proportional basis, based on October 31, 2004 CWA and IBEW headcount, respectively.

This transfer of funds will be made within 90 day of the date of signing this MOU.

Funding will be continued for grants that were approved by the Family Care Development Fund Joint Committee on or before October 18, 2004.

National Memorandum

**LEAD 21**

Lucent Education and Development for the 21<sup>st</sup> Century (LEAD 21) will continue except as modified below:

- 1    **ConSern: Loans for Education**  
      The program shall be renamed "Loans for Education."
  
- 2    **The Lucent CWA/IBEW Academic Award Program**  
      The program will be extended for the term of this Memorandum of Understanding.

**ERC/LTP COORDINATORS**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, *International Representative*, IBEW

**Re: ERC/LTP Coordinators**

This will confirm our understanding to move Job Match Center (JMC) administrative work from Convergys to the ERC/LTP coordinators.

The parties agree to establish a sub-committee to oversee the planning and transitional issues related to the movement of certain Job Match Center administrative work from Convergys to the ERC/LTP coordinators. The sub-committee shall include a representative from Lucent Technologies, the CWA ERC/LTP Coordinator and the IBEW ERC/LTP Coordinator.

Concurrent with the transfer of the Job Match Center administrative work, the Job Match Center Review Board will be merged into the LTP Review Board.

The job responsibilities to be transitioned and related information are described in Attachment A.

Detailed planning for the transition of work will begin immediately upon ratification of the 2004 collective bargaining agreements. The effective date for the transfer of work will be 90 days after the signing of the MOU.

In addition, the number of ERC staffers will be reduced from the current level to two full-time CWA positions and one full-time IBEW position.

Sincerely,

*/s/ William L. Schechter*  
Workforce Relations Vice President

Concurred:

*/s/ Ralph V. Maly, Jr.*  
Vice President, CWA

*/s/ Troy A. Johnson*  
International Representative, IBEW

National Memorandum

**Attachment A**

**Responsibilities to be transitioned to the ERC/LTP coordinators:**

- Answer JMC employee questions/inquiries
- Communicate with Convergys on the need for Convergys to input ECRs in Peoplesoft
- Manual calculation of night work bonus for applicable employees
- Research issues for the Supervisor of Record, keeping him/her informed and serving as a liaison with other organizations as necessary.
- Handle calls to other organizations in the resolution of various problems encountered by JMC employees. The JMC representative serves as liaison with organizations such as:
  - Payroll
  - Pension Service Center
  - Benefits
  - Tuition Assistance
  - Other departments, as necessary
- Serve as point contact with Lucent organizations as necessary and appropriate in connection with temporary job vacancy requisitions as well as the organization with the temporary vacancy
- Place ECO candidates on temporary available assignments (handle matching process, communication with JMC employee, organization with temporary vacancy, etc.)
- Act as liaison for the organization with the temporary vacancy and the JMC employee
- Collect data and time-report for JMC employees on any temporary assignments
- Troubleshoot time reporting issues, as required
- Update various reports on a regular basis
- Mail JMC Welcome Package and Separation packages (at end of time in JMC) for each ECO employee
- Maintain paper files on all JMC employees
- Coordinate TLA paperwork (for ECO participants who are to be put on a TLA)
- Other activities, as needed or necessary, as directed by the business

**Training**

Formal, in-person training session at Convergys (in Jacksonville, Florida) will need to be scheduled. Approximately two days will be required for this training. The ERC/LTP Coordinators should also be scheduled to sit with the current

National Memorandum

Convergys representatives to take "live" calls. The ERC/LTP Coordinators will likely need to be at Convergys for one week.

**Miscellaneous**

- Ensure the availability of office coverage between the hours of 9:00am – 6:00pm Eastern Monday through Friday.
- Ensure the availability of a toll-free number for JMC employees to utilize when contacting the ERC/LTP Coordinator.
- Ensure that proper backup coverage is provided when a Coordinator is on vacation, out of the office, etc.

National Memorandum

**EMPLOYEE RESOURCE CENTERS (ERCs)**

Employee Resource Centers will continue as described in the 2003 National Memorandum of Understanding and will be extended to those eligible employees, with the following modifications:

- 1 ERC funding will be suspended for the term of the 2004 Memorandum of Understanding (MOU).
- 2 A portion of the remaining ERC reserve will be used to fund wages and reasonable expenses for the ERC staffers for fiscal years 2005 and 2006.
- 3 Beginning in fiscal year 2007, the company will pay wages and reasonable expenses for the ERC staffers for the term of the 2004 MOU.

**LUCENT CAREER TRANSITION OPTION PROGRAM (LCTOP)**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Lucent Career Transition Option Program (LCTOP)**

The parties agree that, due to the complex nature of the Lucent Career Transition Option Program, a joint committee will be formed with representatives from the Unions and the Company to develop recommendations to be reviewed by the National Bargainers.

The joint committee will contain not more than four (4) union appointees (two (2) from the CWA and two (2) from the IBEW) and not more than four (4) Company appointees. The committee members shall have no authority to bind the entities they represent, and the CWA, the IBEW and Lucent are not obligated to accept any recommendations made by the committee or any of the appointees.

The recommendations will be prepared and presented by the joint committee to the National Bargainers no later than June 1, 2005 for the parties' review and consideration. There will be no change in the administration or intent of the program unless the recommendations by the Joint Committee, or part of, are agreed to in writing by the National Bargainers of the (3) three parties: CWA, IBEW, and Lucent Technologies, Inc.

Sincerely,

/s/ William L. Schecler  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

National Memorandum

**LTP OVERSIGHT AND REVIEW BOARD**

November 1, 2004

Mr. Ralph V. Maty, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: LTP Oversight and Review Board**

This will confirm our understanding reached during 2004 Bargaining that the Unions and the Company, recognizing the proven advantages of continuing to simplify administrative processes and other improvements concerning the Lucent Transfer and Rehire Program (LTP/LRS) agree that:

The LTP/LRS Review Board will seek ways to address the following subjects:

- The staffing of LTP/LRS positions requiring a security clearance
- Review and update the employee information package, skill codes, job titles, and level equalization group data
- Discuss potential areas for enhancement regarding the LTP/LRS system, the LTP/LRS Web site, as well as other Administrative issues
- Review Time in Title for all Represented Titles
- Review and discuss LTP/LRS job requisitions to ensure candidates are selected and/or job requisitions are closed in a timely manner
- Identify job titles that are no longer staffable. Archive titles, job descriptions and related contractual language with reach back capabilities in the event of reactivation of titles and/or work
- Board input on system upgrades and/or changes prior to implementation
- Address other issues as directed by the National Bargainers
- Concurrent with the transfer of the Job Match Center (JMC) responsibilities to the ERC/LTP Coordinators, combine the LTP Oversight and Review Board and the JMC Review Board into one committee (the LTP/JMC Oversight and Review Board)
- Oversee the administration of the Job Match Center

National Memorandum

All recommendations made by the LTP Oversight and Review Board will be reviewed and considered by the Company for possible implementation.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

National Memorandum

**COPE PAC DEDUCTIONS**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: COPE PAC Deductions**

The Company will continue procedures, which became effective January 1, 1987, to permit CWA-represented employees to contribute to the CWA-COPE Political Action Committee ("CWA-COPE PAC") and 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 Memorandum of Understanding.

As provided for in the regulations of the Federal Election Commission, the Unions will reimburse the Company for the costs of development, implementation and administration of the payroll deduction system for CWA-COPE PAC and 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 Unions and a credit to the Company.

Payroll deductions authorized pursuant to this Agreement will be transmitted to the Treasurer of CWA-COPE PAC and the Treasurer of IBEW-COPE PAC, respectively, on a monthly basis.

Sincerely,

/s/ William L. Schecler  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

**COPE DEDUCTION****IMPLEMENTATION AND ADMINISTRATION COST SUMMARY**

<b>Union</b>	<b>Employees</b>	<b>Monthly Deductions</b>	<b>Annual Deductions</b>
CWA	234	\$953.34	\$11,440.08
IBEW	0	0	0
<b>Total</b>	<b>234</b>	<b>\$953.34</b>	<b>\$11,440.08</b>

Administrative support approximately 1 hour per month

1. 1 hour per month X 91 months = 91 hours
2. 91 hours X \$45 = \$4,095

Miscellaneous expenses in manpower and supplies in connection with data entry, problem resolution, remittance efforts to the Union, general maintenance of processes and documentation amount to approximately \$3,000 for the term of the MOU.

Total estimated cost from November 1, 2004 to May 26, 2012

$$\mathbf{\$4,095 + \$3,000 = \$7,095}$$

National Memorandum

**MANAGED CARE PROGRAM COORDINATORS AND ERC/LTP  
COORDINATORS**

November 1, 2004

Mr. Ralph V. Maty, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Managed Care Program Coordinators and ERC/LTP Coordinators**

This will confirm our discussions and agreement reached in 2004 Bargaining, that the 2 (two) Managed Care Program Coordinator positions will continue during the term of this agreement. The CWA and the IBEW will each select one person to fill the Managed Care Program Coordinator position. In addition the ERC/LTP Coordinator positions will also continue for the term of this agreement with the number of ERC/LTP Coordinators to be determined by the parties.

When a Coordinator vacates a position, the parties may agree to a period of overlap between such Coordinator and his/her replacement, if necessary to insure continuity and the appropriate transfer of knowledge.

The parties agree the job duties and responsibilities for the ERC/LTP Coordinator and the Managed Care Program Coordinator should be reviewed to assure they reflect the current environment. A joint committee of not more than two (2) union appointees (one each from the CWA and IBEW, respectively) and not more than two (2) from the Company shall complete the review no later than April 1, 2005.

The pay associated with these titles will be an annual rate of \$62,504 (\$30.05 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,

National Memorandum

- 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.
- The standard General Wage Increase formula will apply.
- Coordinators will be eligible participants in the Lucent Performance Plan.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

National Memorandum

**PRE 2004 MEMORANDUM**

November 1, 2004

Mr. Ralph V. Maly, Jr., Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

**Re: Continuation of Pre 2004 National Agreement Items**

The parties agree that the following agreements, which were in effect during the term of the 2003 National Memorandum of Understanding, will continue in effect in accordance with their original terms during the term of the 2004 National Memorandum of Understanding.

It is agreed that this letter and the attachments described below are to be appended to each of the applicable local collective bargaining agreements.

Attachment 1	Service Bridging Rules - 2003
Attachment 2	Ad Hoc Pension Increase Letter - 2003
Attachment 3	Dental Expense Plan for Occupational Employees - 2003
Attachment 4	Prescription Drug Plan Education Letter - 2003
Attachment 5	Managed Care Plan Education Letter - 2003
Attachment 6	Funds for Alliance/ETOP Distribution Program (FAED) Administration - 2003
Attachment 7	Dispute Resolution Procedure and Letter - 2003
Attachment 8.1	Recognition Award Programs CWA - 1998
Attachment 8.2	Recognition Award Programs IBEW - 1998
Attachment 9	Joint Health Care Committee - 1998
Attachment 10	Employee Assistance Program (EAP) - 1998
Attachment 11	Academic Awards Letter - 1998
Attachment 12	Tuition Assistance Letter - 1998
Attachment 13	Lucent Transfer Program (LTP) - 1998
Attachment 14	Lucent Career Transition Option Program (LCTOP) - 1998
Attachment 15	Extended Compensation Participant in Alliance or ETOP Letter - 1998
Attachment 16	Employee Resource Centers (The Program Description) - 1998
Attachment 17	Work Place of the Future - 1998
Attachment 18	Extension of Constructive Relationship Trials - 1998
Attachment 19	Memorandum of Understanding Regarding Neutrality and Consent Election - 1998

National Memorandum

Attachment 20	Trial Mail Ballot – 1998
Attachment 21.1	Union Management Relations CWA – 1998
Attachment 21.2	Union Management Relations IBEW – 1998
Attachment 22	Drug Testing – 1998
Attachment 23	Standing Joint Subcommittee on Testing – 1998
Attachment 24	Technology Change Committee - 1998
Attachment 25.1	April 19, 2001 Memorandum Of Agreement – CWA (Merimack Valley Only)
Attachment 25.2	February 19, 2001 Memorandum Of Agreement – IBEW
Attachment 26	Pension Asset Transfer and Special Social Security Supplement Letter – September 24, 2003

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maly, Jr.  
Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

2003 National Memorandum of Understanding

**LUCENT TECHNOLOGIES INC. PENSION PLAN**  
(applicable section)

**SERVICE BRIDGING RULES**

The Lucent Technologies Pension Plan shall be amended to replace the requirement that an 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 with the requirement that the employee complete two years of continuous service after 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 or elective lump sum 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 March 1, 2003, so that any employee who has completed two years of post absence consecutive service as of March 1, 2003 shall have his or her former service bridged as of that date.

2003 National Memorandum of Understanding

**AD HOC PENSION INCREASE**

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Ad Hoc Pension Increase**

In recognition of the concerns of our retired employees regarding their pension benefits, this letter records our mutual understanding that the Company and the Unions are willing to discuss the feasibility of an ad hoc pension increase. We agree that such discussions will not reopen any issues related to other features of the pension plan or other items agreed upon in the 2003 Memorandum of Understanding.

Effective upon ratification of this Agreement, the Company and the Unions shall establish, for the duration of this Agreement, a committee known as the Retirement Policy Advisory Committee (the "Committee"). The Committee will consist of four (4) representatives from the Company, two (2) representatives from the Communications Workers of America and two (2) representatives from the International Brotherhood of Electrical Workers. The Committee shall meet no less than annually with the first meeting to be held in April 2003. The Committee may adopt such rules of procedures for its meetings and operations as it deems reasonable and appropriate.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

2003 National Memorandum of Understanding  
**DENTAL EXPENSE PLAN**

Dental benefits for occupational employees under the Lucent Technologies Inc. Dental Expense Plan will continue with such changes described below effective July 1, 2003.

The schedule of allowances for the Type B services listed below will be increased 10 percent.

Procedure #	Service
2110	Amalgam-one surface, deciduous
2120	Amalgam-two surfaces, deciduous
2130	Amalgam-three surfaces, deciduous
2330	Resin-one surface (anterior)
2331	Resin-two surfaces (anterior)
2332	Resin-three surfaces (anterior)
2335	Resin- (involving incisal angle)
2385	Resin-one surface, posterior-permanent
2386	Resin-two surface, posterior-permanent
2387	Resin-three or more surfaces, posterior-permanent
4211	Gingivectomy or gingivoplasty
4341	Periodontal scaling and root planning
7110	Single tooth
7120	Each additional tooth
7210	Extraction of tooth, erupted
7220	Impaction that requires incision of overlying
7230	Impaction that requires incision of overlying
9220	General
9240	Intravenous sedation

2003 National Memorandum of Understanding

**PRESCRIPTION DRUG PROGRAM EDUCATION**

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Prescription Drug Plan Education**

The parties acknowledge that a major focus of the JHCC is to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers. As part of this focus, the JHCC will discuss and sponsor an educational effort for active and retired employees with respect to the use of the mail order plan and generic drugs.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

2003 National Memorandum of Understanding

**MANAGED CARE PLAN EDUCATION**

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Managed Care Plan Education**

The parties acknowledge that a major focus of the JHCC is to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers. As part of this focus, the JHCC will discuss and sponsor educational efforts whereby the JHCC will work with the vendors to foster communication with physicians about the use of the mail order plan and generic drugs.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

2003 National Memorandum of Understanding

**LUCENT CAREER TRANSITION OPTION PROGRAM (LCTOP)**

**Funds for the Alliance/ETOP Distribution Program (FAED) Administration**

Disbursement of FAED funds will be subject to the following:

Of the \$2,500 available for each eligible employee, a maximum of \$1,000 may be used for equipment, tools and supplies required for training, upon proof of enrollment in a program in a regionally accredited institution.

Of the \$5,000 available for each eligible employee under the terms of the Memorandum of Understanding dated February 19, 2001 (IBEW) or the Memorandum of Understanding dated April 19, 2001 (CWA), a maximum of \$2,000 may be used for equipment, tools and supplies required for training, upon proof of enrollment in a program in a regionally accredited institution.

National Memorandum

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA

Dear Mr. Richhart:

**Re: Funds for the Alliance/ETOP Distribution Program (FAED)  
Administration**

This will confirm our agreement that for the life of the 2003 Memorandum of Understanding, Lucent agrees to establish an account with the FAED vendor (currently The Alliance) to pre-fund FAED expenditures on behalf of CWA represented Lucent employees. The initial pre-funded amount will be \$100,000. Additional funding will be deposited as needed.

Sincerely,

/s/ William L. Schechter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

2003 National Memorandum of Understanding

**MANAGEMENT PERFORMING BARGAINING UNIT WORK DISPUTE  
RESOLUTION PROCEDURE**

In support of the objectives of the parties to establish a more constructive relationship, to address the Company's competitive concerns and to address the Unions' concerns about movement of work outside the Bargaining Unit, the Company and Unions hereby agree that the following shall apply to all bargaining units with the exception of Installation; but including CWA - 23 Appendix 5 - Cockeysville and Appendix 7 - CARA:

- 1) **National Bargaining Unit Work Committee:**
  - a. The parties agree to a National Bargaining Unit Work Committee and a third party dispute resolution process as outlined below.
  - b. The Committee shall consist of four (4) members, one (1) of whom shall be from the Communications Workers of America, one (1) from the International Brotherhood of Electrical Workers and two (2) from the Company. One (1) member from the Company and one (1) member from the CWA or the IBEW shall be sufficient to transact the business of the Committee on any issue relating to their respective members.
  - c. The Committee's duties shall be to address issues arising under this agreement, scheduling and administration of the third party process, administration of the selection process for the third party and to assist in administering placement of work back into the bargaining unit if it is determined to be bargaining unit work by the third party. In the event there is no agreement by the Committee, the Union may proceed, with notification to the Company, to the neutral third party under this dispute resolution procedure.
  - d. The Committee may conduct joint job evaluations in conjunction with disputes pending before it. If the Company disagrees with a joint job evaluation the Union may conduct one on their own.

National Memorandum

- e. The Committee shall meet quarterly or as requested by either party in person or by teleconference.

2) Bargaining Unit Dispute Resolution Process:

There shall be a Bargaining Unit Work Dispute Resolution Process which shall include the following:

a) General:

- i. The process will apply to new and changed MA1 through MA5 or equivalent jobs/work in the Management Pay Plan or successor titles, TA and Occupational Non-represented employees or equivalent jobs/work in the Management Pay Plan or their respective successor titles. New or changed jobs include the assignment of work moved in whole or in part from the bargaining unit.
- ii. Incidental duty disputes are to be processed through the normal grievance procedure. (Work performed by non-bargaining unit employees with no permanent intent.)
- iii. The parties understand overlap; however it is not the intent of management to systematically eliminate bargaining unit jobs by assuming bargaining unit work.
- iv. A third party dispute resolution process will be used.

b) Notification to the Union:

- i. Discussion between Workforce Relations and the National Union in a timely manner.
- ii. The Company shall make every reasonable effort to provide advance written notice and documentation to the National Union of any newly created jobs or of its determination to move or assign work from a bargaining unit employee to an employee in paragraph 2(a)(i) above; provided,

National Memorandum

however, that nothing herein shall require the Company to delay the implementation of any operational or staffing plan.

- iii. In the event that circumstances are such that there is new work assigned to an employee in paragraph 2(a)(i) above, the Company shall make every reasonable effort to provide advance written notice and documentation to the National Union provided, however, that nothing herein shall require the Company to delay the implementation of any operational or staffing plan.
  - iv. It is understood that simply because the Company has notified the Union of its determination to move the work the Union may or may not be in agreement with such move. The Union reserves the right to contest any movement of work under this agreement.
  - v. Management Job Evaluators' (MJE) and Occupational Job Evaluators' (OJE) involvement and education and MJE's and OJE's alignment
  - vi. Internal Workforce Relations review process to support this Initiative.
  - vii. Discovery Process (Union/Company discuss their respective positions).
  - viii. One step grievance procedure for applicable disputes at the National Level.
- c) 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

**National Memorandum**

be Job Evaluation Specialist or to have Job Evaluation experience.

- Joint scheduling and administration to be performed by National Bargaining Unit Work Committee.
- No attorneys
- No transcripts
- No precedent
- No briefs
- No back pay
- The arbitrator shall have the authority to determine if all or part of the work being performed is bargaining unit work.
- A hearing to present the dispute shall be scheduled as soon as practicable, but no later than 30 days after notification to the Company of the Union(s) intent to pursue the issue.
- Presentations by International Representative and/or designee, National Bargaining Unit Work Committee and Workforce Relations and/or designee.
- Final and binding decision.
- Work determined by the arbitrator to be inappropriately classified as management and/or otherwise belonging to the bargaining unit shall be immediately included in the appropriate bargaining unit.

National Memorandum

- Cost sharing as agreed to under Expedited Arbitration.

National Memorandum

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Dispute Resolution**

During the course of bargaining over the Management Performing Bargaining Unit Work Dispute Resolution Procedure memorandum of agreement, the Unions inquired what is intended by the phrase "every reasonable effort" in paragraph 2(b)(iii). Per our discussion:

"It is the Company's intention that when management assigns new work to an employee in paragraph 2(a)(1) of the MOA, or when Workforce Relations becomes aware of the institution of a new work process, Workforce Relations shall have an affirmative obligation to notify the National Union in accordance with the MOA.

In the event that a business unit of the Company fails to make every reasonable effort to ensure that the National Union is so notified, the Company shall take immediate and effective action to ensure that such business unit complies with the terms of this agreement."

Sincerely,

/s/ William L. Schechter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

336

**NEW RECOGNITION AWARD PROGRAMS**

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA

**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 in excess of \$50 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.

National Memorandum

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

Very truly yours,

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

Concurred:

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

**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

## National Memorandum

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

## National Memorandum

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 bargainers 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

#### **National Memorandum**

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.

1998 National Memorandum of Understanding

**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

1998 National Memorandum of Understanding

**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.

National Memorandum

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

1998 National Memorandum of Understanding

**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.

National Memorandum

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

Sincerely,

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/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

1998 National Memorandum of Understanding

**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**

National Memorandum

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**

National Memorandum

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

National Memorandum

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.

National Memorandum

- (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.

National Memorandum

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.

National Memorandum

- (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.

National Memorandum

- (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 an 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

National Memorandum

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

National Memorandum

- (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:

<b>Number of weeks after effective date of the assignment</b>	<b>Reduction to be applied</b>
<b>0 - 10 Years N.C.S.</b>	
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
<b>10 - 15 Years N.C.S.</b>	
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
<b>15 Years N.C.S. and over</b>	
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.

National Memorandum

- (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.

## National Memorandum

## 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

364

## National Memorandum

Level / Grade / Title	Level Equalization Group	Time In- Title/ Grade	Time In Location
BL405-Bldg. Atten. (F/T)	2	9	9
BL407-Print Repr. Operator	2	9	9
BL408-Telephone Operator	2	12	12
BL409-Genl Utility Wkr.	2	12	12
BL410-Bench Mach. Oper.	2	12	12
BL411-Bldg. & Grounds main.	3	12	12
BL413-Rec.-Shpr./Strkpr.	3	12	12
BL415-Alarm & CB Operator	3	12	12
BL417-Grounds Svc. Oper.	4	18	18
BL419-Chauffeur	4	12	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
BL439-Plant Oper. Mechanic	5	24	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. & Timkr.-Prec.	6	36	12
BL456-Sr. Exp. Glass Tech.	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
BL480-Admin. Associate	2	9	9

## National Memorandum

Level / Grade / Title	Level Equalization Group	Time In- Title/ Grade	Time In Location
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 Timker.	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 Ass. (ERC)	3	24	12
BL509-Elec. Trades Tech.	6	36	12
BL510-Timkr./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
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

## National Memorandum

Level / Grade / Title	Level Equalization Group	Time In- Title/ Grade	Time in Location
DT	1	9	9
E-1	1	9	9
E-2	2	9	9
E-3	2	12	12
EA5N	6	36	12
ELAR	6	18	12
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

## National Memorandum

Level / Grade / Title	Level Equalization Group	Time In- Title/ Grade	Time In Location
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
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

## National Memorandum

Level / Grade / Title	Level Equalization Group	Time In- Title/ Grade	Time In Location
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
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
Added January 9, 2003			
DSC - Data Services Coordinator	3	15	12

1998 National Memorandum of Understanding

**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.

National Memorandum

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**

<b>Completed Years of Svc.</b>	<b>Weeks of Pay</b>	<b>Completed Years of Svc.</b>	<b>Weeks of Pay</b>
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.

National Memorandum

- (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

National Memorandum

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): Grieved 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

**National Memorandum**

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:
  - (i) 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,
  - (ii) the date the employee attains required age and/or service to become service pension eligible, or
  - (iii) 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.

1998 National Memorandum of Understanding

**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,

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

1998 National Memorandum of Understanding

**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

National Memorandum

**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 1988 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;

National Memorandum

- 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.

**National Memorandum**

- (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.

National Memorandum

- (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.

1998 National Memorandum of Understanding

**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.

1998 National Memorandum of Understanding

**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

1998 National Memorandum of Understanding

**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 1988 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**

National Memorandum

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

National Memorandum

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.

## National Memorandum

- (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.

1998 National Memorandum of Understanding

**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

National Memorandum

Attachment 21.1

1998 National Memorandum of Understanding

**UNION MANAGEMENT RELATIONS**

May 31, 1998

Mr. R. V. Maly, Assistant to the Vice President, CWA

Dear Mr. Maly:

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

**UNION MANAGEMENT RELATIONS**

AT&T organizations will neither help nor hinder efforts by the CWA 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 CWA as of the date of this Agreement; provided, however, that the Company is not precluded from responding to employees' inquires 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.

1998 National Memorandum of Understanding

**DRUG TESTING**

May 31, 1998

Mr. R. V. Maty, 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.

National Memorandum

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

**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

National Memorandum

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.

National Memorandum

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

National Memorandum

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.

2003 National Memorandum of Understanding

**PENSION ASSET TRANSFER AND SPECIAL SOCIAL SECURITY  
SUPPLEMENT**

September 24, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA  
Mr. Troy A. Johnson, International Representative, IBEW

Gentlemen:

**Re: Pension Plan Items – 2003 CWA/IBEW/Lucent National Memorandum of  
Understanding (MOU)**

This will confirm our understanding that the Pension Plan provisions, included in the 1998 CWA/IBEW/Lucent National Memorandum of Understanding and inserted below, shall continue in effect in accordance with their original terms during the life of the 2003 MOU.

**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

National Memorandum

and the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

**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.

Sincerely,

/s/ William L. Schecter  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

/s/ Troy A. Johnson  
International Representative, IBEW

**CONTINUE – 1998 MANUFACTURING AND NATIONAL UNITS SUPPLEMENT**

November 1, 2004

*Mr. Ralph V. Maly, Jr., Vice President, CWA*  
*Mr. Troy A. Johnson, International Representative, IBEW*

**Re: Continuation of the Manufacturing and National Units Supplement to the 1998 National Memorandum of Understanding Items**

The parties agree that all the provisions in the Manufacturing and National Units Supplement to the 1998 National Memorandum of Understanding that were included in the applicable 2003 collective bargaining agreements will be continued for the term of the 2004 agreements.

Sincerely,

*/s/ William L. Schecter*  
Workforce Relations Vice President

Concurred:

*/s/ Ralph V. Maly, Jr.*  
Vice President, CWA

*/s/ Troy A. Johnson*  
International Representative, IBEW

National Memorandum

**CONTINUE – NATIONAL OPERATIONS TABLE ITEMS**

November 1, 2004

Mr. Ralph V. Maty, Jr., Vice President, CWA

**Re: Continuation of National Operations Table Items Included During the Term of the 1998 National Memorandum of Understanding – Operational Employees**

The parties agree that all the provisions in the National Operations Table included during the term of the 1998 National Memorandum of Understanding that were included in the Consolidated Workers General Agreement Appendix F associated with Articles 25-28 will continue for the term of the 2004 Memorandum of Understanding with regard to Operational Employees.

Sincerely,

/s/ William L. Schechter  
Workforce Relations Vice President

Concurred:

/s/ Ralph V. Maty, Jr.  
Vice President, CWA

**MANUFACTURING AND NATIONAL UNITS – INSTALLATION AND CARA**

January 9, 2003

Mr. Robert G. Richhart, Administrative Assistant to Vice President, CWA

Dear Mr. Richhart:

**Re: Continuation of the Manufacturing and National Units Supplement to the 1998 National Memorandum of Understanding Items – Installation and CARA**

The following agreements, which are included in the Manufacturing and National Units Supplement to the 1998 National Memorandum of Understanding, will be terminated in all respects effective 11:59 p.m. on February 28, 2003. The following agreements and stipulations shall be considered restated effective 12:00 a.m. on March 1, 2003, subject to ratification, and continue in effect in accordance with their original terms, except as modified or changed by the terms of the 2003 CWA/IBEW/Lucent National Memorandum of Understanding. It is agreed that this letter and the attachments described below are to be appended to each of the applicable local agreements.

Attachment 1	Emergency Response Team
Attachment 2	Layoff Service Bridge
Attachment 3	Continuation of CWA Pre – 1998 Agreements

Sincerely,

/s/ William L. Scheeler  
Workforce Relations Vice President

Concurred:

/s/ Robert G. Richhart  
Administrative Assistant to Vice President, CWA

**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

**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 two (2) years or more net credited service (which is eligible for recognition under the Lucent Technologies Pension Plan upon completion of a two 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.

**CONTINUATION OF CWA PRE-1998 AGREEMENTS:  
INSTALLATION AND CARA**

May 30, 1998

Mr. R. V. Maly, Assistant to the Vice President  
Communications Workers of America  
501 3rd Street NW  
Washington, D.C. 20001-2797

Dear Mr. Maly:

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 - Agency Temporaries (1989)
- Attachment B - ATTOP (1995)
- Attachment C - Subcontracting Network Systems Installers (1995)

**Manufacturing and National Units**

Very truly yours,

Lucent Technologies

By: /s/ R. J. Clampitt  
R. J. Clampitt  
Workforce Relations Director

**AGREED:**

By: /s/ R. V. Maly  
R. V. Maly  
Assistant to the Vice President  
Communications Workers of America

**AGENCY TEMPORARIES**

May 30, 1989

Mr. J. E. Irvine  
Vice President - CWA  
Communications and Technologies  
Communications Workers of America  
Two Executive Square Drive  
Somerset, NJ 08873

Mr. A. Perry, Jr.  
Director - Telecommunications Department  
International Brotherhood of Electrical Workers  
1125 15th Street, NW  
Washington, DC 20005

Jim, Art,

This is to confirm our understanding, reached during 1989 collective bargaining, concerning Agency Temporaries. It is understood that Agency Temporaries who hold a position normally filled by a bargaining unit employee will be removed from the roll at the end of three months unless there is agreement otherwise between the Union and the Company.

Sincerely,

By: /s/ Charles S. Brumfield

Manufacturing and National Units

1995 National Agreement Item

Attachment B

**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

Manufacturing and National Units

1989 National Agreement Item

Attachment C

**SUBCONTRACTING - NETWORK SYSTEMS & BELL LABS**

May 27, 1995

Mr. Ronald J. Allen  
Communications Workers of America  
501 3rd Street, NW  
Washington, DC 20001-2797

**Re: 1989 National Operations Agreement Item**

The attached Bahr letter dated May 27, 1989, concerning subcontracting, was a National item that was agreed to in 1989 for certain bargaining units represented at the National Operations Table, and which will continue in effect in accordance with its original terms for the following CWA bargaining units represented in 1995 at the Manufacturing and National Units Table:

- Network Systems - Installers (including Distribution Technicians)\*
- Network Systems - CARA
- Bell Laboratories
- Operations Support Center (OSC)

Very truly yours.

/s/ J.J. Breslin  
Labor Relations V.P.

\*The attached letter does not apply to Cockeysville

May 27, 1989

Mr. Morton Bahr, President  
Communications Workers of America  
1925 K Street, NW  
Washington, DC 20005

Dear Mr. Bahr:

I am writing to respond to the expressions of concern raised at the Operations bargaining table regarding the Company's contracting out of work, which have focused on situations in which a layoff is pending or has occurred (and ex-bargaining unit members retain recall rights) within the same force adjustment area where the work is to be contracted, and in job titles whose occupants would traditionally have performed such work.

I do not believe that CWA and AT&T have diverse views on this subject.

As to such work normally performed by our employees, we have always preferred not to contract such work out if it would otherwise be performed by bargaining unit employees in job titles in a geographical commuting area (1) where layoffs of such employees are pending; or (2) where a layoff has already occurred and such laid off bargaining unit members retain recall rights and are available to perform such work.

In the future, the Company will not contract out such work, under the conditions outlined above, except when it has no other reasonable alternative. Under such circumstances, the Company will discuss its decision with the Union.

Very truly yours,

/s/ RAYMOND E. WILLIAMS

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## INDEX

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### A

Absences - 3, 12, 13, 14, 15, 112, 115, 122, 127, 223, 301  
Academic Award - 147, 310  
Adjusted Rate - 3, 13, 27, 28, 30, 31, 32, 74, 81, 111, 112, 118, 121, 122, 123,  
132, 135, 143, 292, 300, 360  
Agency Shop - 139  
Agency Temporaries - 414, 418  
Agent - 3, 8, 11, 127, 398  
Alliance - 147, 304, 305, 306, 307, 308, 309, 322, 329, 330, 377, 378, 382, 384,  
402  
Allowances - 32, 75, 77, 79, 81, 82, 92, 131, 225, 252, 260, 300, 321, 326  
Alternate Work Schedule (AWS) - 5, 182  
Anticipated Disability Plan (ADP) - 124, 303  
Arbitration - 20, 21, 22, 69, 71, 76, 125, 134, 135, 136, 137, 145, 194, 195, 223,  
258, 306, 333, 335, 344, 347, 363, 376  
AT&T Option Plan (ATTOP) - 417  
AT&T Resource Centers (ARCs) - 379

---

### B

Bargaining Agent - 398  
Base Location - 40, 45, 50, 54, 59, 63, 71, 77, 78, 79, 80, 90, 91, 93, 96, 97, 98,  
99, 102, 104, 105, 106, 108, 109, 110, 113, 118, 128, 129, 144, 145, 146, 165,  
171, 205, 208, 207, 222, 225, 226, 229, 233, 235, 236  
Basically Qualified - 348, 358  
Benefit Plans - 124, 125, 146, 297, 299, 303, 371  
Bulletin Boards - 22

---

### C

Calendar Year - 13, 69, 112, 113, 114, 115, 116, 117, 118, 119, 120, 140, 173,  
220, 271, 272, 295, 296, 298, 301, 341, 407  
CAPS - See Health Care: CAPS  
Career Placement - 348, 349, 350, 353, 354, 355, 356, 357, 358, 361, 362  
Career Rehire Placement - 349, 354, 361  
Child/Elder Care Reimbursement Account - 124, 303

## INDEX

Collective Bargaining · 8, 9, 18, 175, 386, 390, 416  
Computation Point · 6, 77, 78, 79, 83, 85, 87, 89, 95, 99, 101, 103, 128, 190, 192,  
206, 207  
Constructive Relationship Council (CRC) · 182, 215, 387, 404  
Coordinator · 311, 313, 320, 321, 363, 369  
COPE-PAC · 318

---

### D

Death · 16, 100, 101, 121, 122, 223, 256, 293, 299, 371, 377, 408  
Deductions · 6, 172, 194, 195, 252, 292, 318, 319  
Demotion · 349, 360  
Dental Expense Plan · 16, 124, 146, 263, 268, 269, 303, 322, 326  
Dependent · 34, 80, 98, 99, 104, 105, 106, 124, 251, 290, 297, 303, 345, 372  
Discipline · 134, 228  
Discrimination · 22, 216, 401  
Domestic Partner · See Partner  
Drugs · 327, 328, 399  
Duration · 108, 139, 238, 301, 325, 343, 371, 408

---

### E

Education · 228, 307, 310, 322, 327, 328, 333, 351, 352, 377, 381  
Election Board Service · 121  
Eligible Employees · 222, 234, 254, 255, 314, 348, 349, 350, 352, 353, 355, 371,  
379, 408  
Emergency Response Team · 411, 412  
Employee Assistance Program · 322, 343  
Employee Resource Center · 147, 381, 382, 383, 384, 385  
Employment · 324, 383  
Layoff · 3, 79, 80, 116, 128, 129, 130, 131, 132, 133, 148, 206, 207, 228, 230,  
238, 307, 362, 373, 377, 411, 413, 417, 419  
Net Credited Service (NCS) · 88, 130, 299, 301, 370, 372, 373, 377, 413  
Term of Employment · 3, 15, 17, 79, 80, 114, 115, 116, 117, 118, 120, 121,  
122, 123, 128, 129, 130, 131, 132, 134, 140, 145, 148, 208, 211, 212, 295,  
417  
Enhanced Training Opportunities Program (ETOP) · 382  
Excused Work Days (EWD) · 14, 122, 140, 146, 220, 296, 375  
Expedited Arbitration · 70, 135, 136, 333  
Extended Compensation Option · 252, 355, 370, 373, 375, 376, 378

INDEX

---

**F**

Facility Closing Program (FCP) · 348, 351, 352  
FAED · 147, 322, 329, 330, 377  
Family · 80, 100, 101, 106, 109, 110, 121, 263, 264, 265, 266, 270, 287, 288,  
289, 290  
Force Freeze · 349, 350

---

**G**

Grievance · 9, 19, 20, 21, 69, 71, 76, 125, 134, 135, 136, 137, 194, 195, 214,  
258, 306, 332, 333, 344, 347, 363, 375, 376

---

**H**

Health Care · 217, 327, 328, 339, 340  
    CAPS · 269, 271, 272, 273, 274  
    Chemical Dependency · 264, 266, 287, 289, 339  
    Medical · 5, 17, 124, 303, 339, 341, 342, 343, 371  
    Out of Network · 264, 265, 266, 287, 288, 289  
Health Care Reimbursement Account · 124, 303  
Health Maintenance Organization (HMO) · 342, 371  
Hiring Bonus · 6, 202  
Hiring Location · 40, 77, 90, 91, 93, 96, 97, 98, 99, 102, 225, 226, 228  
Holidays · 111, 112, 113, 145  
    Floating · 101, 111, 112, 113, 114, 145, 220, 231, 375

---

**I**

Illness · 100, 101, 117, 118, 231, 343  
Immediate Family · 100, 121, 122  
Incentive · 222, 254, 255  
Insurance · 16  
    Dependent Accidental Loss · 124, 303  
    Dependent Group Life · 124, 303, 372  
    Group Life · 16, 124, 172, 257, 303, 371  
    Supplementary Accidental Loss · 124, 146, 303  
    Supplementary Life · 16, 303, 372

INDEX

---

**J**

Job Brief - 348, 351  
Job Classification - 3, 68, 144, 145, 382, 383  
Job Title - 35, 68, 69, 70, 71, 201, 350  
Joint Health Care Committee (JHCC) - 263, 327, 328, 339, 340, 341  
Jury Duty - 121

---

**L**

Laws - 10, 107, 110, 215, 399  
Layoff - See Employment: Layoff  
Layoff Service Bridge - 413  
LEAD 21 - 310  
Lead Installer - 73  
Leaves of Absence - 3, 12, 13, 14, 15, 16, 17, 20, 78, 113, 116, 119, 139, 173,  
197, 256, 298, 301, 353  
    Anticipated Disability - 256  
    Military - 14, 299, 300, 301, 302  
    Transition - 370, 376  
Legal Plan - 124, 303  
Level Equalization Group - 316, 349, 350, 364  
Local Assignment - 77, 78, 81, 82, 89, 101, 192, 209, 241  
Local Placement Area - 349, 374  
Long Term Care Plan - 124, 297, 303  
Long Term Disability Plan (LTD) - 16, 124, 303  
Long Term Savings and Security Plan (LTSSP) - 16, 124, 146, 257, 292, 303  
Lucent Career Transition Option Program (LCTOP) - 147, 315, 322, 370  
Lucent Transfer Program (LTP) - 320, 322, 348, 359, 381

---

**M**

Meal Period - 27  
Mediation - 21, 393  
Medical Disagreements - 217  
Medical Expense Plan (MEP) - 16, 146, 172, 263, 269, 287, 339, 341  
Mileage - 81, 86, 88, 89, 91, 99, 102, 103, 104, 108, 213  
Minimum Pay - 32  
Monitoring - 73, 199, 339, 363  
Movement of Personnel - 348, 350, 383

INDEX

Moving Expenses · 362

---

**N**

Neutrality and Consent Election · 322, 388, 395, 396, 397

---

**O**

Officer · 127

Optional Termination Pay (OTP) · 370, 372, 373, 374

Orientation · 22, 24

Overtime Adjustment · 32, 252, 257

---

**P**

Partner · 106, 122, 297

Pay for Performance · 253

Payroll Deduction · 135, 172, 173, 174, 194, 197, 198, 318

Pension Band · 261, 320, 374

Pension Plan · 3, 13, 16, 119, 124, 128, 130, 146, 147, 261, 269, 272, 301, 303,  
324, 325, 376, 407, 408, 413

Physician · 117, 123, 217, 328

Placement Request · 349, 350, 354

Planning Council · 337, 403

Point of Service (POS) · 263, 264, 287, 339, 340, 341, 342

Prescription · 266, 289, 322, 327, 339

Promotion · 348, 357, 359, 360, 382

PTH Mileage In Lieu of Airplane Ticket · 213

---

**Q**

Quarantine · 35, 98, 121

---

**R**

Recall · 6, 129, 130, 133, 226, 230, 237, 348, 352, 356, 358, 359, 372, 419

## INDEX

Recognition Award Program - 337  
Relief Periods - 26, 28, 144  
Relocation - 228, 361, 362, 377  
Resource Center - 382, 384  
Retired - 119, 269, 270, 273, 274, 284, 285, 287, 325, 327, 407, 408

---

### S

Safety - 69, 73  
Safety Advisory Committee - 5, 219  
Savings Plan - 292, 293, 372  
Seniority - 79, 144, 206, 207, 235, 358, 359, 370, 372, 417  
Seven Day Coverage - 210  
Sickness - 3, 13, 16, 20, 35, 96, 101, 115, 119, 122, 123, 124, 130, 172, 175, 198, 223, 299, 303  
Sickness and Accident Disability Benefit Plan - 13, 16, 124, 303, 375  
Special City Allowance - 74, 75, 145, 150  
Special Leave Program (SLP) - 123, 370  
Special Retention Incentive Program (SRIP) - 6, 222  
Stock Purchase Plan - 124, 146, 257, 303  
Subcontracting - 414, 418  
Surplus Placement - 349, 350, 351, 352, 355, 356, 357, 358  
Surplus Rehire Placement - 350, 356, 361

---

### T

Technology Change Committee - 323, 403, 405  
Temporaries - See Agency Temporaries  
Temporary Promotion - 351, 353  
Term of Employment - 324  
Termination - 3, 11, 17, 18, 20, 22, 80, 113, 119, 120, 136, 139, 145, 173, 175, 192, 197, 198, 215, 216, 243, 260, 274, 295, 299, 307, 324, 348, 352, 362, 370, 371, 372, 373, 374, 377, 397, 406, 414, 417  
Termination Allowance - 307  
Testing - 73, 302, 323, 359, 399, 401  
Third Party Neutral - 390, 391, 402  
Transfers - 5, 6, 23, 71, 77, 78, 79, 81, 91, 139, 181, 190, 203, 204, 206, 207, 209, 211, 213, 218, 225, 238, 269, 272, 275, 350  
Transition Leave of Absence - See Leaves of Absence: Transition

## INDEX

Travel · 14, 24, 32, 77, 78, 79, 81, 82, 89, 90, 91, 92, 93, 97, 98, 101, 102, 103,  
104, 106, 108, 122, 124, 192, 209, 303  
Lodging · 24, 82, 92, 96, 97, 99, 101, 191, 192  
Per Diem Allowance · 78, 81, 82, 89, 92, 93, 94, 95, 96, 97, 101, 105, 106  
Travel Time · 77, 81, 90, 97, 103  
Tuition Assistance Plan (TAP) · 346, 347

---

### U

Union · 325, 337, 375, 376, 382, 383, 388, 395, 398  
Dues · 127, 135, 138, 139, 172, 173, 175, 194, 195, 196, 197, 198, 202, 222,  
252, 257, 373  
Payroll Deduction · 132, 135, 138, 172, 173, 195  
Initiation Fees · 138, 172  
Local · 2, 3, 8, 9, 11  
Recognition · 8  
Representative · 3, 11, 12, 13, 14, 17, 19, 20, 24, 27, 29, 127, 134, 334  
Union Business · 12, 15, 16  
Union Duties · 12, 15  
Union Management Relations · 323, 397

---

### V

Vacancies · 144, 145, 349, 351, 352, 355, 357, 358, 359  
Vacation · 97, 98, 100, 101, 112, 115, 116, 117, 118, 119, 120, 122, 140, 141,  
145, 172, 175, 198, 220, 223, 231, 295, 313, 372, 375  
Vested · 407  
Vesting · 283  
Veterans · 123, 126  
Vision Care Plan · 16, 124, 146, 303

---

### W

Wages  
Increases · 14, 33, 68, 69, 70, 72, 144, 225, 241, 248, 253, 290  
Maximum Rate · 360  
Minimum Rate · 33, 144, 248, 249  
Night Work Bonus · 13, 30, 31, 32, 73, 74, 111, 112, 119, 121, 122, 123, 132,  
140, 143, 312

## INDEX

Overtime · 26, 27, 29, 30, 31, 32, 75, 89, 99, 103, 115, 131, 142, 209, 252, 257, 300, 321  
Progression · 14, 33, 35, 68, 69, 70, 144, 225, 228, 229, 248  
Protection Allowance (WPA) · 3, 69, 260, 285, 359, 406  
Schedules · 33, 35, 71, 144, 225, 248, 249  
Standard Rate · 3, 17, 33, 35, 68, 71, 72, 75, 108, 132, 144, 195, 198, 248, 252, 257, 359, 360  
Vacation Pay · 118  
Wages · 10, 24, 33, 129, 135, 138, 172, 175, 198, 215, 243, 252, 257, 268, 314, 382, 383, 384  
Work and Family Programs · 124, 147, 303  
Work Location · 23, 77, 78, 79, 80, 81, 89, 92, 93, 95, 96, 97, 98, 99, 101, 103, 108, 129, 175, 198  
Work Schedules · 334, 359, 390  
Daily Tour · See Scheduled Daily Tours  
Excused Time Off · 12  
Night Tour · 26, 27, 74, 82, 119, 142, 143  
Nonscheduled · 3, 30, 31  
Scheduled · 3, 11, 13, 24, 26, 27, 28, 29, 30, 31, 32, 35, 73, 74, 78, 81, 89, 90, 91, 102, 103, 111, 112, 115, 116, 118, 119, 121, 122, 123, 131, 135, 142, 143, 144, 192  
Scheduled Daily Tours · 3, 26, 81, 112, 122, 123, 142, 382  
Scheduled Day · 30, 92, 93, 105, 140, 141  
Schedules · 73, 99  
Weekly Tour · 3, 13, 24, 26, 32, 35, 78, 81, 111, 112, 115, 116, 119, 121, 122, 123, 135, 142, 231  
Workplace of the Future (WPOF) · 386  
Workweek · 3, 26, 27, 30, 31, 71, 81, 142

<b>January 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>February 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<b>March 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>April 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
<b>May 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>June 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>July 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>August 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
<b>September 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>October 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>November 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>December 2007</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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<b>May 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>June 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>July 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>August 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
<b>September 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>October 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>November 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>December 2008</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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<b>May 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>June 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>July 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>August 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
<b>September 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>October 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>November 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>December 2009</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

<b>January 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>February 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<b>March 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>April 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
<b>May 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>June 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>July 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>August 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
<b>September 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>October 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>November 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>December 2010</b> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31