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Title: **Avaya, Inc. and International Brotherhood of Electrical Workers (IBEW), Locals 21, 134, et al. (2003)**

K#: **8107**

Employer Name: **Avaya, Inc.**

Location: **National**

Union: **International Brotherhood of Electrical Workers (IBEW)**

Local: **21, 134, 827, 2213, 2222, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327**

SIC: **3661**

NAICS: **33421**

Sector: **P**

Number of Workers: **1170**

Effective Date: **06/01/03**

Expiration Date: **05/27/06**

Number of Pages: **258**

Other Years Available: **N**

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AGREEMENT

By and Between
Certain
Business Groups and Divisions

Of

AVAYA INC.

And

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS

Locals 21, 134,
827, 2213, 2222, 2320, 2321,
2322, 2323, 2324, 2325, 2326, and 2327



AVAYA

239 pages

Effective June 1, 2003

through may 27, 2006

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AGREEMENT

**By and Between
Certain
Business Groups and Divisions**

Of

AVAYA INC.

And

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS**

**Locals 21, 134,
827, 2213, 2222, 2320, 2321,
2322, 2323, 2324, 2325, 2326, and 2327**

June 1, 2003

2003 SETTLEMENT MEMORANDUM

It is hereby agreed by and between Avaya Inc. on behalf of those Business Groups and Divisions set forth in Appendix 1 (hereinafter collectively referred to as the "Company,") and the System Council T-3 on behalf of Locals 21, 134, 827, 2213, 2222, 2320, 2321, 2322, 2323, 2324, 2325, 2326 and 2327 of the International Brotherhood of Electrical Workers (hereinafter referred to as the "Union") as follows:

(A) Provisions of 1998 Settlement Memorandum

All provisions of the 1998 Settlement Memorandum between Avaya Inc. on behalf of certain Business Groups and Divisions and the Union shall be superseded and replaced in their entireties by the provisions of this Settlement Memorandum.

(B) The 2003 Agreement

The 2003 Agreement shall consist of Articles with the following prefixes: A, M, S and T.

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AGREEMENT

THIS AGREEMENT, IS MADE AND ENTERED INTO EFFECTIVE THE 1st DAY OF JUNE, 2003, BY AND BETWEEN AVAYA INC. ON BEHALF OF THOSE BUSINESS GROUPS AND DIVISIONS SET FORTH IN APPENDIX 1 (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "COMPANY") AND THE SYSTEM COUNCIL T-3 ON BEHALF OF LOCALS 21, 134, 827, 2213, 2222, 2320, 2321, 2322, 2323, 2324, 2325, 2326 AND 2327 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (HEREINAFTER REFERRED TO AS THE "UNION").

ARTICLE G1 - RECOGNITION

1 Certification of Membership

The Union hereby certifies that it represents a majority of the present employees to whom this Agreement applies, and that the Union is the acknowledged, designated and selected collective bargaining agent of such employees.

2 Recognition

- (a) The Company recognizes the Union as the exclusive representative of those Company employees (excluding confidential, managerial and professional employees all as defined by law) whose current job titles appear in Articles A1, M1, S1 and T1, as well as those whose job titles are created pursuant to the new titles provision of this Agreement, and whose permanent physical reference points are in one of the geographic areas listed in Appendix 3 to this Agreement and who are not in a bargaining unit of another union.
- (b) If during the term of this Agreement the Union is certified by the National Labor Relations Board or is recognized by the Company as the collective bargaining representative of employees not previously so represented, such employees shall be included within and be covered by this Agreement upon the conclusion of any negotiations on any necessary amendments.

3 Federal and State Laws

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

ARTICLE G2 - COLLECTIVE BARGAINING

- 1 All Collective Bargaining on matters relative to wages, hours of employment, or other conditions of employment shall be carried on between the delegated representatives of the Union and representatives designated by the Labor Relations Vice President for the Company.
- 2 Negotiations for modifications during the life of this Agreement shall be held only by mutual consent of both parties. No modification of this Agreement shall be effective unless the Labor Relations Vice President or his/her Designee and the authorized representative of the Union sign it.
- 3 It is the parties' intention to reconvene Collective Bargaining negotiations at such mutually agreed-upon time and to conduct those negotiations in such a manner as to reach a new Agreement on or before the termination date of this Agreement.
- 4 Subject only to the limitations contained in this Agreement, the Company retains the exclusive right to manage its business including (but not limited to) the right to determine the methods and means by which its operations are to be carried on, to assign and direct the work force and to conduct its operations in a safe and effective manner.
- 5 All provisions contained in the General Articles of this Agreement shall apply to all employees in the bargaining unit except to the extent that a provision contained in an Article in a separate section of this Agreement provides otherwise.

ARTICLE G3 - NON-DISCRIMINATION

- 1 In a desire to restate their respective policies, 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, marital status, or status as a special disabled veteran or veteran of the Vietnam Era.
- 2 The use of the masculine or feminine gender or any titles which connote gender in this agreement shall be construed as including both genders and not as sex limitations unless the Agreement clearly requires a different construction.
- 3 It is mutually agreed that no discrimination shall be practiced by the Company or the Union against any employee because of membership or non-membership in the Union, or by the Company against any member or officer of the Union because of lawful activities on behalf of the Union.

ARTICLE G4 - DEFINITIONS

The definitions set forth below will be applicable to all Articles, provisions and sections of this Agreement.

1 Definitions Relating to Hours of Work

(a) **Calendar Year**

A Calendar Year is the period beginning January 1 and ending December 31.

(b) **Calendar Week**

A Calendar Week is the period of seven (7) consecutive days commencing on Sunday.

(c) **Normal Work Week**

(1) The Normal Week consists of five (5) regularly scheduled normal Tours or their equivalent during a Calendar Week. The term "Scheduled Weekly Tour" when used in this agreement shall mean the sum of Scheduled Daily Tours in the workweek exclusive of non-scheduled days.

(d) **Day**

(1) *Calendar Day*: The twenty-four (24) hour period beginning at midnight.

(2) *Scheduled Day*: A calendar day on which an Employee is scheduled to work.

(3) *Non-Scheduled Day*: a calendar day on which an Employee is not scheduled to work.

(e) **Meal Period**

A Meal Period is an unpaid period not longer than one (1) hour during which an employee is excused for a meal. Employees excused during a Meal Period are considered to be off duty.

(f) **Relief Period**

A Relief Period is a rest period of fifteen (15) minutes, which shall be considered as Work Time.

(g) **Work Time**

Work Time consists of all time, scheduled or assigned, spent on the job in the performance of Company duties.

(h) **Tours**

(1) *Tour*: A Tour is a period of Work Time, whether scheduled or not, which begins and ends at a specified time, exclusive of any unpaid Meal Period and overtime. The starting time of a Tour determines the Calendar Day on which the Tour occurs.

Article G4

- (2) **Scheduled Daily Tour:** The hours of work scheduled for an individual Employee for a particular day, exclusive of any unpaid Meal Period and overtime.
- (3) **Normal Tour:** A Normal Tour is the number of hours of work (exclusive of a Meal Period) which constitutes a full day's work for a Full-Time Employee.
- (4) **Night Tour:** For all employees, except those covered by Article T5 (Local Union 134), a Night Tour is a scheduled Daily Tour which falls wholly or partially within the time frame of after 7:00 P.M. or before 7:00 A.M.
- (5) **Day Tour:** For all Employees except those covered by Article T5 (Local Union 134), a Day Tour is a scheduled Daily Tour which falls wholly within the time frame of 7:00 A.M. and ends at or before 7:00 P.M.
- (6) **Tours --** For all Employees covered by Articles T5 (Local Union 134), Tours shall be as defined in Article T5 (Local Union 134), Paragraph 12.

2 **Definitions Relating to Wage Rates**

(a) **Standard Rate**

A rate of pay assigned to an Employee based on the Employee's job title.

(b) **Adjusted Rate**

An Employee's total rate, resulting from the sum of his or her Standard Rate and any applicable Wage Protection Allowance. Such Adjusted Rate shall be used to calculate overtime payments, percentage payments for Tour bonuses, paid absences, termination payments and basic pay for group insurance and Savings Plan allotments.

(c) **Hourly Standard Rate**

The Hourly Standard Rate is the rate determined by dividing the Weekly Adjusted Rate by the number of hours in a Full-Time Employee's Normal Work Week.

(d) **Hourly Adjusted Rate**

The Hourly Adjusted Rate is the rate determined by dividing the weekly Adjusted Rate by the number of hours in a Full-Time Employee's Normal Work Week.

(e) **Daily Standard Rate**

The Daily Standard Rate is the rate determined by dividing the Weekly Adjusted Rate by five (5).

(f) **Daily Adjusted Rate**

The Daily Adjusted Rate is the rate determined by dividing the weekly Adjusted Rate by five (5).

(g) **Weekly Standard Rate**

A rate of pay assigned to an Employee based on the Employee's Job Title.

(h) **Weekly Adjusted Rate**

A rate of pay assigned to an Employee based on the Employee's Job Title plus any applicable wage protection allowance.

(i) **Overtime Rate Time and One-Half**

Pay at one hundred and fifty percent (150%) of an Employee's Hourly Adjusted Rate, plus any applicable night work bonuses.

Pay at Time and One-Half shall apply:

For hours worked outside an Employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more; (excluding those Operations Employees who are currently paid overtime for hours outside their Scheduled Daily Tours.)

For hours worked in excess of forty (40) during the Workweek; (excluding those Operations Employees who are currently paid overtime for hours worked outside their Scheduled Daily Tours.)

On a Non-scheduled Day other than a Holiday (Operations)

(j) **Double Time**

Pay at two hundred percent (200%) of an Employee's Hourly Adjusted Rate, plus any applicable night work bonuses.

Pay at Double Time shall apply for overtime hours paid at Time and One-Half in excess of eight (8) in the Workweek including any payments for Call-Ins and Call-Ups paid at Time and One-Half.

Pay at Double Time shall apply to authorized time worked on Sunday for employees who are not working a Continuous Operations Schedule.

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

Pay at two hundred and fifty percent (250%) of an Employee's Hourly Adjusted Rate, plus any applicable night work bonuses.

Pay at Double Time and One-Half shall apply to authorized time worked on the day on which a holiday is observed.

(l) **Overtime Adjustment**

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

$$\begin{array}{l} \text{Sum of allowances paid for week} \\ \text{\# OF HOURS IN SCHEDULED WEEKLY TOUR +} \\ \text{overtime hours worked in week} \\ \text{X} \\ \text{Total overtime hours worked in week} \\ \text{X} \\ \text{(.5) + .009 = Overtime Adjustment} \end{array}$$

(m) Base Rate

The Base Rate is an hourly rate of pay assigned to an Employee whose title appears in Article S1 and is based on the occupation of the Employee's assignment.

3 Definitions Relating to Types of Employees

(a) Employee(s)

The term "Employee(s)," for the purposes of this Agreement, shall refer only to those Employees of the Company included within the bargaining unit as defined in Article G1 (Recognition).

(b) Regular Employee

A Regular Employee is one whose employment is reasonably expected to continue for longer than one (1) year.

(c) Temporary Employee

A Temporary Employee is one who is engaged for a specific project or a limited period with a definite understanding that employment may terminate on or before completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A Temporary Employee may be either full-time or part-time. In the event that a special project, for which the Company engaged a Temporary Employee(s), requires more than twelve (12) months to complete, the Company, following discussion with the Union, may reclassify a Temporary Employee(s) as a Term Employee for the duration of the specific project.

(d) Term Employee

(1) A Term Employee is a Regular Employee who is engaged for a specific project or for a limited period of not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period. Term Employees shall be treated the same as Regular Employees, except that:

- (i) They are not eligible to participate in Tuition Assistance; and the Avaya Career Transition Option Program (ACTOP).
- (ii) The provisions of the following Articles of this Agreement shall not apply to Term Employees:

- (A) Article G27 (Employees in Military Service or Active Duty for Training)
- (B) Article G21 (Technological Change Committee)
- (C) Article G22 (Reassignment Pay Protection Plan)
- (D) Article G25 (Termination Payments)
- (E) Article G28 (Technological Displacement)

(e) Full-Time Employee

A Full-Time Employee is one who is employed for not fewer than the number of hours per week called for in the Normal Work Week.

(f) Part-Time Employee

A Part-Time Employee is one who is employed and normally scheduled to work fewer hours per average month than comparable Full-Time Employees in the same job title, classification, and work group working the same normal Tour.

4 Definitions - Other

(a) Net Credited Service

Net Credited Service shall mean "term of employment" as set forth in the Pension Plan applicable to Employees covered by this Agreement.

(b) Seniority

Seniority shall be determined by the Net Credited Service of the Employees affected.

ARTICLE G5 - SAFE ENVIRONMENT

Safety and health is of mutual concern to the Company and the Unions. Together we recognize the need for a work environment in which safe operations can be achieved in all phases of work. We all recognize the need to promote better understanding and acceptance of safety and health principles by all employees for their own safety and health, and that of their fellow employees, customers and the general public.

To achieve these safety objectives, the Company and the Unions agree to form Local Business/Union Safety Committees. 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 Union respectively). The committees shall meet as required, but at least four (4) times per year.

A primary role of the Local Business Union Safety Committees shall be to implement safety related issues and/or activities at the regional and local level.

In support of its commitment, the Company also agrees to discuss at the National level issues that cannot be resolved at the local Committee level.

The Company outlines the following strategy to address ergonomic concerns in the workplace:

All occupational employees (regular full-time, part-time, temps, terms and occasionals) of The Company's Business Groups and Divisions, who use keyboard skills with a Video Display Terminal (VDT) at least four (4) hours per day will be provided a one (1) hour training program on VDT usage and ergonomic awareness. New hires and any occupational employee who transfers into a position that requires the use of a VDT and keyboard at least four (4) hours per day will be offered the program within six (6) months of employment or assignment.

In order to further promote safe work environments, The Company's Environmental Health and Safety Organization will continue to develop with Avaya Health Services Organization Medical Management Programs designed to promote accurate record keeping of cumulative trauma disorders, and to promote the early recognition of such disorders. The Company will share the status of these programs with the Local Business/Union Safety Committee annually.

ARTICLE G6 - UNION REPRESENTATION

1 Notices Regarding Union Organization

The Union agrees that it shall keep the Company's Labor Relations Vice President advised in writing of the representatives of the Union who are authorized to deal with the Company regarding such matters as designating the Locals which have been established, designating the officers or other authorized representatives of such Locals and indicating the geographical jurisdiction of such Locals and their representatives. The Union agrees further that it shall designate the Union representative or representatives to whom notices, information, certifications and services by Company representatives, as are provided for in this Agreement, shall be directed or furnished.

2 Promotion, Transfer, or Temporary Assignment of Union Representatives

(a) When the Company desires either to permanently promote or transfer a Union representative who is duly certified by the Business Manager of the Local Union, and the proposed change would have an effect on the employee's status as a representative of the Local, the Company agrees to give the designated representative of the Local Union written notice of such impending promotion or transfer at least fourteen (14) calendar days prior to the effective date of the change. Except when the Company applies the provisions of Article G20 (Force Adjustment) or when a proposed promotion or transfer is required by the closing of a Company office or location, the Company will not promote or transfer such an employee without first obtaining the concurrence of the Union.

- (b) When the Company desires to temporarily promote or transfer a Union representative certified as above, for a period in excess of fourteen (14) calendar days, the Company agrees to give the designated representative of the Local Union verbal notification in advance of such temporary promotion or transfer and shall obtain Union concurrence.

3 Bulletin Boards

- (a) The Union shall have the right to mount bulletin boards at its own expense at each Company location, where the Union represents employees, in accordance with the terms and conditions of the building lease. The location, number and construction of bulletin boards, however, shall be subject to the approval of the Company. The use of such bulletin boards shall be considered proper when confined to factual notices and announcements of the Union.
- (b) Material to be posted shall not contain anything of a controversial nature, anything derogatory to the Company or employees, or anything that will detrimentally affect Company operations. If the Company objects to any posted material, the Union shall remove the objectionable material.

4 Union Activity on Company Premises

- (a) Employees who are authorized Union representatives or members may solicit members and carry on similar Union activity outside of working periods in space where no Company operations or administration work is performed.
- (b) The Company and the Union agree that the Union will have the opportunity to meet with newly hired employees as part of the overall orientation process for the purpose of furnishing them with information about the Union. The Union's segment of this process will be limited to a maximum of sixty (60) minutes. Time spent during the basic scheduled work period for each employee will be paid as time worked.

In addition, the Company also agrees to introduce employees transferring into a different work group to the local Union representative assigned to that area.
- (c) Except as set forth in (b) above, no Union representative or other Union member shall engage in any Union activity on time paid for by the Company. This shall not include time spent in meetings with Company representatives, time spent in meetings dealing with Company-Union relationships held at the Company's request, or relief periods.
- (d) Union representatives or members who are not Company employees will be provided access to Company premises after making appropriate arrangements with a management representative of the Company.

5 Absence for Union Activities

- (a) Operational requirements of the Company permitting, employees who are authorized representatives of the Union will be excused without pay, except as specified in Article G7 (Grievance Procedure), Article G6 (Union Representation) Paragraph 4b and Article G6 (Union Representation) Paragraph 7 of this Agreement, at the request of an authorized representative of the Union to attend to the business of the Union. The Union shall make all requests for excused absences as far in advance as possible, and the Company shall act promptly upon each request. When requested by the Company, the Union shall make requests for such absence in writing.
- (b) If total unpaid time off on Union business exceeds one hundred and fifty (150) scheduled days during the calendar year, the employee shall take a formal leave of absence.
- (c) A single period of absence shall not exceed thirty (30) continuous calendar days.
- (d) Meetings with Management will be considered as breaking a continuous period of absence.

6 Leave of Absence for Union Activities

- (a) Requests for leaves of absence without pay while on business pertaining to the Union shall be made to the Company by the Business Manager of the Union on the employee's behalf.
- (b) The requests for such leaves shall be in writing.
- (c) The leave of absence without pay granted by the Company for Union business shall be for an initial period of not less than (30) calendar days and not to exceed one (1) year.
- (d) Additional leaves of absence for initial periods of thirty (30) days and not to exceed one (1) year, shall be granted, all of which shall be with service credit.
- (e) For such leaves of absence, an employee shall:
 - (1) receive full service credit for all purposes except wage progression;
 - (2) be eligible for death benefits;
 - (3) be eligible for the Medical Expense Plan (MEP), Dental Plan, Vision Care Plan, Group Life Insurance and Group Legal Plan with premiums to be paid as follows: Dental Care, Vision Care and Group Legal -- employee pays; and MEP and Basic Group Life Insurance - Company pays.
- (f) Meetings with Management during a period of leave of absence shall not be considered as breaking a continuous period of leave of absence and shall be included in the period of such leave.

- (g) Upon application for reinstatement at or prior to expiration of leave of absence, employee(s) shall be returned to a job of like status and pay and when possible, within the same geographical area.

7 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 Basic Weekly Work Schedule. This includes any associated travel time during the employee's Basic Weekly Work Schedule. Hours paid while engaged in such joint activities will be considered as time worked.

In addition, such employee will be reimbursed for reasonable travel and board and lodging expenses which are directly related to their participation in these activities.

8 Union-Management Relations

Company organizations will neither help nor hinder efforts by the Union to organize and represent employees who occupy titles or occupations in which other employees in the same Company organization are already represented by the Union as of the date of this Agreement; provided, however, that the Company is not precluded from responding to employees' inquiries related to this issue of union representation.

9 Employees on Union Leave of Absence - Benefits

The following benefits shall be available to employees on a union leave of absence as of the effective dates set out below:

Avaya Service Anniversary Award

Employees on a union leave of absence shall participate in the Avaya Service Anniversary Award on the same terms and conditions as active employees.

Life Insurance

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.

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 Avaya Inc. Supplementary Life Insurance Plan that will be determined based on the amount of the employee's current pay.

Savings Plan

An employee on a union leave of absence shall be able to make fund exchanges among his or her accounts in the Avaya Inc. Savings Plan in the same manner and with the same frequency as participants who are active employees of the company.

ARTICLE G7 - GRIEVANCE PROCEDURE

The parties recognize and confirm that the grievance and arbitration procedures, where applicable, provide the mutually agreed upon and exclusive forum for resolution and settlement of employee disputes covered thereby during the term of this Agreement. Neither the Company, nor the Union, its local organizations, their representatives or the employees they represent, will attempt by means other than the grievance and arbitration procedures to bring about the resolution of any issue which is properly a subject for disposition through such procedures. A grievance is a complaint involving the interpretation or application of any of the provisions of this Agreement or a complaint that an employee or group of employees for whom the Union is the bargaining agent has, in any manner, been unfairly treated. When an employee has a complaint, he may first consult his immediate supervisor. If the complaint is not resolved, he may then follow the grievance procedure outlined below.

1 Grievance Procedure Steps

The grievance procedure shall consist of:

- (a) Step 1 - shall be at the first or second level of supervision. Notice of the grievance shall be given to the immediate supervisor of the aggrieved employee or employees.
- (b) Step 2 - shall be at the third level of supervision, or that supervisor's designated representative who has not participated in the grievance at Step 1. Notice of the grievance appeal shall be given by the Union to the third level of supervision of the aggrieved employee(s).
- (c) Step 3 - shall be at the Headquarters level of the Company, and notice of the grievance appeal shall be delivered by the Union to the Company's Labor Relations V.P., or his or her designated representative.
- (d) Any adjustment or settlement of a grievance at Step 1 or Step 2 shall be final and binding for the particular grievance involved but shall not be used as precedent by either party.
- (e) Notices of appeal at Step 3 of the grievance procedure shall be in writing and shall set forth the identity of the aggrieved employee(s) involved, a statement of the act or occurrence complained of, the Agreement provision(s) allegedly violated, if any, and the remedy requested.

2 Time for Filing Grievances and Appeals

- (a) No grievance shall be considered nor shall any appeal thereof be handled as a grievance unless it is presented at Step 1 within forty-five (45) calendar days of the action or failure to act which is the subject of the grievance.

- (b) In the event the grievance is not resolved at Step 1, notice of appeal of the grievance shall be given at Step 2 within fifteen (15) calendar days of the date of Management's decision at Step 1.
- (c) In the event the grievance is not resolved at Step 2, written notice of the appeal shall be given at Step 3 within fifteen (15) calendar days of the date of Management's written decision at Step 2.
- (d) The decision(s) of Management concerning grievances submitted under the grievance procedure shall be confirmed in writing within fifteen (15) calendar days of the close of the grievance meeting(s) at Steps 2 and 3 or not later than a mutually agreed upon later date.
- (e) Waiver of Grievance Steps
 - (1) For all employees, in cases involving disciplinary issues, on an individual grievance-by-grievance basis and by mutual agreement in writing, the parties may agree to waive either Step 1 or 2 (but not both) in the grievance procedure, but in no event shall Step 3 be omitted or bypassed.
 - (2) In cases involving questions or disputes concerning the true intent and meaning of a provision of this Agreement, on an individual grievance-by-grievance basis the Company's Labor Relations V.P. (or his or her designee) and the Union may, by mutual consent in writing, agree to waive both Steps 1 and 2 in the grievance procedure. In no event, however, shall Step 3 be omitted or bypassed.

3 Grievance Meetings

A meeting at any step of the grievance procedure shall be held promptly and not later than fifteen (15) calendar days after receipt by the Company of the grievance or the notice of appeal, unless the parties mutually agree to a later date or dates. In the absence of agreement for such later date or dates, and if such meeting is not held within fifteen (15) calendar days because of default of Management, the grievance shall be considered as denied by Management, and the Union may appeal its grievance to the next higher step in the formal grievance procedure. The Company agrees to meet to consider all grievances appealed to the third step. In the event the Company fails to provide the Union with a written response concerning the grievance, the grievance will be deemed to be denied and the Union may pursue the matter to arbitration pursuant to Article G8 (Arbitration).

4 Number of Union Representatives and Pay Treatment

- (a) Other than Management representatives, the number of Company paid employees, including Union representatives, designated by the Union to attend grievance meetings shall not be more than three (3) in any step of the grievance procedure. Those employees so designated shall suffer no loss in pay for time consumed (during such employees' scheduled daily tour of working hours) while in attendance at such grievance meetings. In addition, those same employees shall suffer no loss in pay for time necessarily consumed, during a scheduled daily tour of working hours, in traveling to and from grievance meetings.
- (b) Meetings at the first step of this grievance procedure shall be held in mutually acceptable locations within the common geographic area of both the jurisdiction of the Local Union presenting the grievance and the first or second level of supervision hearing the grievance.
- (c) Meetings at the second step of this grievance procedure shall be held in mutually acceptable locations within the common geographic area of both the jurisdiction of the Local Union presenting the grievance and the third level of supervision hearing the grievance.
- (d) Meetings at the third step of this grievance procedure shall be held in the following locations:

For Grievance Originating In:

Connecticut, New Hampshire, Maine, Vermont,
Massachusetts, and Rhode Island - **BOSTON, MA**
Northern New Jersey - **MORRISTOWN, NJ**
Southern New Jersey - **EAST WINDSOR, NJ**
Illinois, Indiana - **CHICAGO, IL**
New York - **SYRACUSE, NY**

Meetings at this third step of the grievance procedure may be held at other locations when mutually acceptable.

5 Discussion or Settlement of Grievance

- (a) Any individual employee or group of employees shall have the right to present grievances directly to the Company and to have such grievances adjusted, without the intervention of the Union, so long as the adjustment is not inconsistent with the terms of this Agreement, and provided that the Union has been given an opportunity to be present at such adjustment.

- (b) After an employee or employees have referred a grievance to the Union, and the Union advises the Company that the Union will present the grievance on behalf of that employee, or employees, the Company will not discuss or adjust such grievance directly with said employee or employees.

The Company and the Union recognize the right of each other to investigate the circumstances surrounding any grievance and agree to cooperate in such investigation.

ARTICLE G8 - ARBITRATION AND MEDIATION

1 General

If, at any time, a controversy arises between the Company and the Union regarding the true intent and meaning of any provision of this Agreement or regarding a claim that either party hereto has not fulfilled its obligations and commitments hereunder, the Grievance Procedures set forth in Article G7 (Grievance Procedure) shall be employed in an effort to settle the dispute. If the Grievance Procedures do not result in a settlement of the dispute, either party may institute proceedings pursuant to this Article to resolve the dispute in question. Except where this Agreement expressly provides otherwise, the right to require arbitration does not extend to any matter other than those expressly set forth in this Article.

2 Election to Arbitrate

- (a) Within ninety (90) calendar days after completion of the grievance procedure set forth above, either party may elect to submit a grievance, which is otherwise subject to arbitration under the provisions of this Agreement, to arbitration for final decision in accordance with the procedures herein set forth. Such election shall be by written notice to the Labor Relations V.P. setting forth in detail the issue(s) involved, the facts giving rise to the issue(s), its contentions, and the remedy sought. Additionally, the Union's notice will state whether the grievance is to be heard before a single impartial arbitrator or a panel of three (3) arbitrators. Failure to state such an election shall constitute an election to proceed before a single impartial arbitrator.
- (b) For purposes of calculating the above ninety (90) calendar day time period, the grievance procedure shall be deemed completed as of the date of the Company's written decision at Step 3.

3 Selection of an Arbitrator

- (a) Any matter submitted to arbitration shall be heard and determined by a single impartial arbitrator or a panel of three (3) arbitrators, at the Union's option. The single impartial arbitrator or the Chairman of the panel of arbitrators shall be selected from panels of arbitrators arranged from master lists of thirty (30) arbitrators mutually agreed to between the parties. When the Union elects to proceed to arbitration before a panel

of three (3) arbitrators, the Union shall advise the Company of the name of its arbitrator, who must be an official of the Local Union, at the time of the election to proceed to arbitration. The Company will, within fifteen (15) days, advise the Union of the Company's arbitrator, who must be an employee of the Company. Once an election to arbitrate is made, an arbitration panel will be assigned. The selection of an arbitrator will be made within thirty (30) calendar days of written notification by either party to proceed with the selection process.

- (b) The parties shall agree to one (1) master list, comprised of thirty (30) arbitrators for each of the following geographic groups. Geographic group "A" shall consist of the states of Connecticut, New York, New Jersey, New Hampshire, Maine, Vermont, Massachusetts and Rhode Island. Geographic group "B" shall consist of the states of Michigan, Illinois and Indiana.
- (c) After each master list has been agreed upon, the thirty (30) arbitrators' names shall be arranged, by random computerized selection, into 300 separate panels of seven (7) arbitrators each. Each seven-member panel will bear a unique three-digit number code.
- (d) The parties will select the individual panel from which the arbitrator will be chosen either by agreement upon a three-digit number or by alternately selecting a single-digit number until three (3) digits have been selected. The panel bearing the unique three-digit code that is identical to the selected three-digit number shall be the panel to be used. The parties may either agree upon one arbitrator from the panel or alternately strike arbitrators' names until one remains.
- (e) Arbitrators may be removed from the master list(s) by written notice from either party to the other.
- (f) Replacement of an arbitrator removed from the master list(s), (either by death of the arbitrator or in accordance with Subparagraph 3(e) above), shall be by mutual agreement of the parties.
- (g) The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives and witnesses.

4 Conduct of Hearing and Decision of Arbitrator

- (a) The hearing shall be held as soon as practicable following the selection of an arbitrator but in no event later than one hundred eighty (180) calendar days following such selection or designation. In the event the parties and the arbitrator are unable to agree upon a time for such hearing, the arbitrator shall designate the date for hearing within such time period. If the selected arbitrator is unable to meet this time requirement, another arbitrator who is available to hear the matter within

such time period shall be selected by the same procedure as set forth above.

- (b) The arbitrator shall be confined to the issues submitted for decision, and shall not, as a part of any decision, impose upon the parties thereto any obligation to arbitrate on a subject which is not arbitrable pursuant to the terms of this Agreement as a subject for arbitration.
- (c) The arbitrator shall not have authority or jurisdiction (1) to add to, subtract from, modify, or disregard any provision of this agreement; (2) to establish or determine any new wage rate, job classification or job differential, which issues may be addressed solely pursuant to Article G11 (New Job Titles, Classifications and Wage Rates); or (3) to deal with any grievance unless it involves a specific instance of action or failure to act with respect to an employee or group of employees.
- (d) In disciplinary (including discharge) cases, the arbitrator shall have authority to mitigate or modify the discipline imposed. In no event, however, shall any retroactive pay treatment extend beyond sixty (60) calendar days prior to the date of filing of the appeal at Step 2 in the grievance procedure. Any retroactive pay accorded shall be limited to the amount of wages lost calculated at the weekly standard rate, reduced or offset by all interim earned income, unemployment compensation, termination pay or disability or pension benefits.
- (e) The arbitrator shall render a decision within thirty (30) calendar days after briefs are filed and the record in the case is closed, unless the parties thereto mutually agree to an extension of such time for a decision.
- (f) The decision of the arbitrator on any matter submitted and decided in accordance therewith shall be in writing and shall be final and binding on the parties thereto as to the particular case submitted subject to law.

5 Expedited Arbitration

- (a) *In lieu of the procedures specified in Paragraphs 1 through 4 of this Article, 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 Paragraphs 1 through 4 of this Article, both parties may, within fifteen (15) calendar days after the 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 Paragraph 1 through 4 shall be followed.

- (b) As soon as possible after this Agreement becomes final and binding, a panel of at least three (3) arbitrators shall be selected by the parties for each of the three (3) geographic areas defined in Paragraph 3(b). Each arbitrator shall serve until the termination of this Agreement unless the arbitrator's services are terminated earlier by written notice from either party to the other. The arbitrator shall be notified of such termination by a joint letter from the parties. The arbitrator's services shall conclude upon settlement of any grievance previously heard. A successor arbitrator shall be selected by the parties. Arbitrators shall be assigned cases in rotating order designated by the parties. If an arbitrator is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next arbitrator. If no one can hear the case within ten (10) working days, the case will be assigned to the arbitrator who can hear the case on the earliest date.
- (c) The procedure for expedited arbitration shall be as follows:
 - (1) The parties shall notify the arbitrator in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The arbitrator shall notify the parties in writing of the hearing date.
 - (2) The parties may submit to the arbitrator 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 arbitrator shall be satisfied that the evidence submitted is of a type on which the arbitrator 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 arbitrator.
 - (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 arbitrator shall render the settlement within five (5) working days after receiving the briefs. The arbitrator shall provide the parties a brief written statement of the reasons supporting the settlement.
 - (5) The arbitrator'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 modification thereof is adopted by the written concurrence of the representatives of each party at the last step of the grievance procedure.

- (6) The time limits in (1) and (4) of this section may be extended by agreement of the parties or at the arbitrator's request, in either case, only in emergency situations. Such extensions shall not circumvent the purpose of this procedure.
- (7) In any grievance arbitrated under the provisions of this paragraph, the Company shall under no circumstances be liable for back pay for more than six (6) 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 arbitrator shall have no authority to add to, subtract from or modify any provisions of this Agreement.
- (9) The decision of the arbitrator will settle the grievance, and the Company and the Union agree to abide by such decision. The compensation and expenses of the arbitrator 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 in existing procedures.

6 **Mediation**

- (a) Upon mutual agreement between the Company's Labor Relations V.P. or his or her designated representative and the Union's Business manager or his or her designated representative, grievances appealed to arbitration may first be mediated, with the exception of those involving contract interpretation.
- (b) A sufficient number of Mediators will be jointly selected by the parties for each Geographic group as described in 3(b).
- (c) Within fifteen (15) calendar days of the mutual agreement to mediate, the parties will schedule a Mediation Conference to be held at the earliest available date. Normally, the Mediation Conference will be held in the city in which the grievant is located and will be conducted in either a Company or Union facility.
- (d) The spokesperson for the Company will be the Labor Relations V.P. or his or her designee. The spokesperson for the Union will be the *Business Manager or his or her designated representative*. An attorney will not be used by either party at the Mediation Conference.
- (e) In addition to the individuals identified in Paragraph 6(d), above, the grievant, a Local Union designated representative, the grievant's supervisor and Manager level or above manager will normally attend the Mediation Conference. Attendance by others at the Mediation Conference shall be limited to those people actually involved in the

Mediation Conference. Attendance by such others may be permitted only upon mutual consent of the parties.

- (f) All written material that is presented to the Mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The Mediator may, however, retain one copy of the written grievance to be used solely for purposes of statistical analysis.
- (g) Proceedings before the Mediator shall be informal in nature. The issue mediated will be the same as the issue the parties have failed to resolve through the grievance process. The rules of evidence will not apply, and no record of the Mediation conference shall be made.
- (h) The Mediator may meet separately with the parties during the Mediation Conference, but will not have the authority to compel the resolution of a grievance.
- (i) The Company and Union spokesperson at the Mediation Conference may accept the resolution proposed by the Mediator and such settlement or any other settlement resulting from the conference shall not be precedent setting.
- (j) If no settlement is reached during the Mediation Conference, the Mediator shall provide the parties with an immediate oral advisory opinion, unless both parties agree that no opinion shall be provided. The Mediator shall state the basis for his or her advisory opinion.
- (k) If no settlement is reached as a result of the Mediation Conference, the grievance may be scheduled for arbitration in accordance with the Collective Bargaining Agreement.
- (l) In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a Mediator between these parties may serve as the arbitrator. Neither party may at the arbitration hearing refer to presentations made by the other party at the Mediation Conference, the fact that a Mediation Conference was held, or any statements made by the Mediator.
- (m) By agreeing to schedule a Mediation Conference, the Company does not acknowledge that the case is properly subject to arbitration and reserves the right to raise this issue notwithstanding its agreement to schedule such a conference.
- (n) The compensation and expenses of the Mediator and the general administrative expenses of the Mediation Conference shall be borne equally by the parties.
- (o) The Mediator shall conduct no more than four (4) Mediation Conferences per day.

ARTICLE G9 - UNION SECURITY AND COLLECTION OF DUES**1 Union Security**

- (a) Each employee who is a member of the Union or who is obligated to tender to the Union amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all employees entering into the bargaining unit on or after the effective date of this Agreement shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members, for the period from such effective date or, in the case of employees entering into the bargaining unit after the effective date, on or after the thirtieth day of such entrance, whichever of these dates is later, until the termination of this Agreement.
- (b) For the purpose of this section, "employee" shall mean any person entering into the bargaining unit.
- (c) 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.
- (d) The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee, but shall re-apply to such employee on the thirtieth day following his/her return to the bargaining unit. For purposes of this paragraph, the term "formal separation" shall include transfers out of the bargaining unit, removal from the payroll of the Company, and leaves of absence of more than one (1) month duration.
- (e) The Company may inform employees and applicants for employment of their rights and obligations under the provisions of this section.
- (f) This section shall only apply to those states where permitted by law.
- (g) All employees with thirty (30) days or more of employment with the Company, who are represented by Local Union 134 shall become and remain members of Local Union 134 in good standing as a condition of employment under this Agreement after the ratification date of this Agreement.

2 Collection of Dues

- (a) The Company agrees upon the receipt of authorization from an individual member of the bargaining unit in a form acceptable to the Company, (as reprinted in Paragraph 1 (h) below) to deduct regular Union membership dues, or an amount equal to the dues applicable to members, in the amount stipulated in the by-laws of the member's Local Union and as may be stipulated by revisions of the by-laws certified by the financial secretary of said Local Union. Such deductions shall continue so long as the employee remains in the bargaining unit, unless canceled in writing by the employee who authorized the deduction.
- (b) The Company shall forward periodically to each local union financial secretary a check made payable to the local union for the amount of the dues deductions.
- (c) The Company will submit a report of employees in alphabetical order for whom dues deductions are being made in accordance with Paragraph 1(b) above to each local financial secretary or designated official. Also, the Company will furnish a monthly report of employees in the bargaining unit for whom dues deductions are not being made and a monthly report of newly authorized deductions and cancellations of deductions for dues.
- (d) By written certification, the Union shall keep the Company currently informed of the amount of regular monthly Union membership dues lawfully in effect in each Local of the Union having jurisdiction over any employees in the bargaining unit, and of the jurisdiction of each such Local. Such written certification shall be received by the Company at least thirty (30) calendar days prior to the effective date of any dues change.
- (e) An authorization by an employee for deduction of Union dues shall be canceled automatically when such employee is permanently transferred out of the bargaining unit, or is removed from the payroll of the Company. An authorization by an employee for deduction of Union dues shall be suspended during the period in excess of one (1) month during which such employee is temporarily transferred out of the bargaining unit or is on Leave of Absence for more than one (1) month.
- (f) A newly executed authorization card signed by the employee shall be required if the employee desires to replace an authorization card under which deductions have been terminated in accordance with the provisions of Paragraph 2(e).
- (g) It is understood and agreed that the Company assumes no responsibility for the consequences of any failure to make these deductions or mistakes in connection therewith and that neither the Company nor any of its officers, agents or employees shall in any way be held liable or responsible for any loss.

(h) Payroll Deduction Authorization

PAYROLL DEDUCTION AUTHORIZATION

_____ - _____ - _____ Name _____
 Social Security Number Last First Init

I hereby authorize Avaya 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 Avaya Inc. fails or is unable to make a deduction, I authorize Avaya 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 Avaya Inc. by the International Brotherhood of Electrical Workers for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes, if applicable.

This authorization shall remain in effect when I am employed by Avaya Inc. unless canceled by me. Such cancellation must be individually sent to my Avaya 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, 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 Avaya 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

 Avaya Inc.
 Organization

() _____
 Employee
 Business
 Telephone No.

Class of IBEW Membership

A _____ BA _____

ARTICLE G10 - DISCIPLINE

- 1 In the event the Company demotes (for just cause, if disciplinary), suspends, or discharges any employee, the Company shall give reasonable notice prior to the demotion, suspension or discharge to an appropriate Union representative if the circumstances are such that it is practical for the Company to do so. The Union may appeal such action pursuant to the provisions of Article G7 (Grievance Procedure) of this Agreement.
 - (a) *If a regular Employee has nine (9) months or more of net credited service, the appeal may also be reviewed pursuant to the provisions of Article G8 (Arbitration and Mediation) of this Agreement.*

In discipline cases subject to arbitration, the arbitrator shall determine whether the discipline was for just cause.
- 2 At any meeting between a representative of the Company and an employee in which discipline or a warning, which is to be recorded in the personnel file, is to be announced, the employee may request that a Union representative be present.
- 3 At any investigatory interview between a representative of the Company and an employee, wherein the employee reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed employee, a Union representative may be present if the employee so requests.
- 4 When an employee receives a warning of suspension, demotion or discharge that is to be recorded in the employee's personnel file, the employee will be afforded the opportunity to read and review the warning and will be given a copy of the warning. A copy of the warning will be given to a Union Representative who may be present pursuant to Paragraph 2.
- 5 Once in each year (and more frequently in unique circumstances where the employee so requests and the Company agrees), employees may inspect their personnel records in accordance with the Company's practice concerning inspection of personnel and/or medical records.

ARTICLE G11 - NEW JOB TITLES, CLASSIFICATIONS AND WAGE RATES

- 1 Whenever the Company determines it appropriate to create a new job title or job classification in the bargaining unit, or to restructure or redefine an existing one, it shall provide advance notice of that action to the Union. Such notice shall include the job title or classification, a job description of the duties for such job title or classification, and the initial wage rates and schedule for such job title or classification. The Company may proceed to staff such job title or classification 10 days after issuing the notice.
- 2 Within thirty (30) days from receipt of such notice, the Union may initiate negotiations concerning the initial wage rates or schedules which the Company has established for the new or restructured job title or classification.

- 3 If negotiations are not so initiated, the initial wage rates and schedules set by the Company shall remain in effect.
- 4 If agreement is reached between the parties within sixty (60) days following the Union's receipt of notice from the Company concerning the initial wage rates and schedules, the agreed-upon wage rates and schedules shall be implemented as of the date of such agreement.
- 5 If negotiations are initiated pursuant to Paragraph 2, above, and if the parties are unable to reach agreement on a schedule of wage rates for the new or restructured job title or classification within sixty (60) days following the Union's receipt of notice from the Company, the Union may, within thirty (30) days of the expiration of the sixty (60)-day period for negotiations, demand that the issue of an appropriate schedule of wage rates for the new or restructured job title or classification be submitted for resolution to a neutral third party, to be selected by mutual agreement from among those who possess acknowledged expertise in the area of job evaluation. The parties may submit all evidence deemed relevant to the issue to the neutral third party. At the request of either party, a hearing shall be held to receive such evidence. Any such meeting or hearing shall be held within thirty (30) days after the matter is referred to the neutral third party, who shall render a written decision as to an appropriate schedule of wage rates for the new or restructured job title or classification within sixty (60) days of the date that the matter is first referred for resolution. In the event the neutral third party determines that a different schedule of rates is appropriate, the new schedule shall be placed in effect as of the date of the neutral third party's decision.
- 6 The procedures set forth in Paragraph 5, above, shall be the exclusive means by which the Union may contest the schedule of wage rates which the Company sets for any new or restructured job title or classification.

ARTICLE G12 - CLASSIFICATION AND TREATMENT OF PART-TIME EMPLOYEES

- 1 All hours worked by a Part-Time employee shall be paid at the same Adjusted Rate for a comparable Full Time Employee in the same job title, classification and work unit.
- 2 The classification of a part-time employee is based on the employee's "Part-Time Equivalent Work Week" (EWW) which shall be determined prospectively by dividing the employee's total normally scheduled hours per month by 4.35 and rounding the result to the next higher whole number. (Illustration: 73 hours per month divided by 4.35 equals 16.7 rounded to a EWW classification of 17.)
 - (a) The EWW classification of each Part-Time Employee shall be reviewed by the Company during December and June of each year and adjusted as appropriate and become effective on January 1 and July 1, respectively of each year. In determining whether such adjustment is appropriate, the Company will consider the actual average number of hours worked per month during the preceding six (6) month period and the likelihood that such number of work hours will continue for a reasonably foreseeable period of time except that any hours worked which are paid at the overtime rate shall not be counted in computing the average number of hours worked.
 - (b) A Part-Time Employee's EWW shall be used as the basis for determining payments for:
 - Sickness Disability, Accident Disability, Death Benefits and the Company's Sickness and Accident Disability Benefit Plan
 - Anticipated Disability Leave
 - Termination Allowance or its equivalent
 - Sickness Absence
 - Paid Time Off (PTO)
- 3 Eligible Part-Time Employees may enroll for coverage under the Medical Expense Plan, Dental Expense Plan, and Vision Care Plan according to their "EWW Classification" as follows:

EWW Classification	Employee's Premium Payment
16 or less	100%
17 through 24	50 %
25 or more	same as regular full-time employee

- 4 Effective January 1, 1999, for payment purposes, all Vacations, Paid Excused Work Days and Floating Holidays will be converted to a Paid Time Off Bank (PTO) calculated as follows:
- (a) Eight (8) hours times the employee's annual eligibility in days for Vacations, Paid Excused Work Days and Floating Holidays (if any) = total annual hours of PTO eligibility.
 - (b) Total annual hours of PTO eligibility shall be pro-rated based on the employee's EWW. (Illustration for employee with EWW 25: 10 Days Annual Vacation plus 4 Paid Excused Work Days plus 3 Floating Holidays = 17 days X 8 Hours = 136 gross PTO Hours X 25/40 = 85 pro-rated PTO hours eligibility.)
 - (c) Such pro-rated PTO will be established in January of each calendar year and adjusted in July if the Part-Time Employee's EWW changes.
 - (d) In the event a Full-Time Employee converts to a Part-Time Employee during the year, the PTO will be established at the time of the conversion by applying a factor of forty (40) for the number of weeks prior to the conversion and a factor based on an EWW for the remainder of the year. The PTO shall be further adjusted in July, as applicable.
 - (e) In the event a Part-Time Employee converts to a Full-Time Employee during the year, the PTO will be adjusted at the time of the conversion by applying a factor of forty (40) for the remaining number of weeks in the calendar year. Such result will establish the Full-Time Employee's entitlement to remaining Vacation, Excused Work Days and Floating Holidays in that year.
 - (f) All payments made to a Part-Time Employee for Vacation, Excused Work Days and Floating Holidays will be deducted from the employee's pro-rated PTO.
 - (g) Payments to a Part-Time Employee for sickness disability, accident disability, or death benefits and the Company's Sickness and Accident Disability Benefit Plan, anticipated disability leave, sickness absence (not under the Company's Sickness and Accident Disability Benefit Plan), shall be pro-rated based on the relationship of the individual Part-Time Employees EWW to forty (40) hours.
 - (h) All paid absences shall be paid based on the hours absent from the Part-Time Employee's Scheduled Weekly Tour.
- 5 Payment for overtime hours worked shall be determined pursuant to the provisions of this Agreement concerning overtime compensation except that Time and One-half shall be paid to a Part-Time Employee for overtime hours worked in excess of his or her Scheduled Daily Tour provided the employee's Scheduled Daily Tour is eight (8) hours or more.

Article G12

- (a) In the event the employee's Scheduled Daily Tour is less than eight (8) hours, the employee will receive his or her Adjusted Rate for all time worked less than eight (8) hours.
- 6 Payments to a regular Part-Time Employee for termination allowance (or its equivalent) shall be pro-rated based on the relationship of the Part-Time Employee's EWW to (40) hours.

ARTICLE G13 - HOLIDAYS

- 1 The following days shall be observed as holidays for all employees:

New Year's Day	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Day After Thanksgiving	(Fourth Friday in November)
Christmas Day	(December 25)
General Election Day (New Hampshire Only)	(First Tuesday following the first Monday in even numbered years)

Three (3) Floating Holidays; except that for Local Union 2213 in the state of New York and Local Union 2326 in the state of Vermont the number of Floating Holidays shall be four (4).

- (a) When a holiday occurs on a Sunday, the following Monday shall be observed as the holiday for employees not scheduled to work on Sunday, and such employees shall be compensated pursuant to Paragraphs 3 and 4, as appropriate. When a holiday occurs on a Saturday, the preceding Friday shall be observed as the holiday for employees not schedule to work on Saturday and such employees shall be compensated pursuant to Paragraphs 3 and 4 as appropriate.
- 2 Floating Holidays must be taken on a scheduled day of work and will be scheduled in accordance with the provisions of Article G14 (Vacations), except that, where there are special local holidays observed by other business concerns, local management may designate Floating Holidays each year so as to coincide with those local holidays.

Article G13

- (a) New employees are eligible for all designated holidays occurring after their date of hire, but they will be eligible for non-designated Floating Holidays in accordance with the schedule below:

Date of Hire	Eligibility Non-Designated
January 1 - June 30	3
July 1 - August 31	2
September 1 - October 31	1

3 Holiday Compensation for Full-Time Employees

- (a) Full-time employees who are excused from work on the day a holiday is observed shall be paid at their daily adjusted rate, including any night work bonus to which the employee would have been eligible had they not been excused.
- (b) Full-time employees who work on the day a holiday is observed shall be paid, in addition to the holiday allowance, at the Time and One-Half (1 1/2) Rate for time worked during their scheduled daily tour. Hours worked outside the scheduled daily tour shall be compensated at the Double Time and One-Half (2 1/2) Rate plus applicable night work bonuses.

4 Holiday Compensation for Part-Time Employees

- (a) Part-time employees who work on a holiday shall be paid pursuant to Article G12 (Classification and Treatment of Part-Time Employees).
- 5 Any employee who is absent without pay on the scheduled work day before and after the holiday may not be paid the holiday allowance.
- 6 An employee who is scheduled to work on a holiday but who fails to report for work and is not excused shall receive no holiday allowance.

ARTICLE G14 - VACATIONS

1 Vacation Eligibility

Employees shall be eligible for annual vacations paid at their adjusted rate plus any applicable night work bonus as follows:

- (a) One (1) week of vacation after the completion of a term of employment of six (6) months.
- (b) Two (2) weeks of vacation after the completion of a term of employment of twelve (12) months. When terms of employment of six (6) and twelve (12) months are both completed in the same calendar year, only two (2) weeks of vacation shall be granted during that year.
- (c) Two (2) weeks during each calendar year after the year in which a term of employment of twelve (12) months is completed.
- (d) Three (3) weeks beginning with the calendar year in which a term of employment of seven (7) years is completed.
- (e) Four (4) weeks beginning with the calendar year in which a term of employment of fifteen (15) years is completed.
- (f) Five (5) weeks beginning with the calendar year in which a term of employment of twenty-five (25) years is completed, provided that one week be taken, as a full week, during the months of January, February, March, April, November or December in the calendar year of eligibility, where the vacation schedule allows.

2 Vacations: Part-Time Employees

All Part-Time Employee vacation payments shall be made pursuant to Article G12 (Classification and Treatment of Part-Time Employees).

3 Return from Disability

When an employee returns from disability absence but is unable, due to said absence, to take a previously scheduled vacation, the employee will be permitted to reschedule the vacation. The vacation may be rescheduled, service and coverage conditions permitting, according to the following conditions:

- (a) If the period between the date the employee returns and the end of the carry-over period associated with the vacation year of the missed vacation exceeds the length of the missed vacation, subject to Paragraph 6, the entire vacation may be rescheduled.
- (b) If the period between the date the employee returns and the end of the carry-over period associated with the vacation year of the missed vacation is shorter than the length of the missed vacation, the rescheduled vacation may be permitted to be taken, subject to vacation availability on the current year's schedule, during the period ending with the last full week in June.

4 Illness During Vacation

An employee's vacation assignment in a particular vacation week shall not be modified because of illness or accident which occurs after that vacation week has begun.

5 Day-At-A-Time Vacation

Employees who are eligible for two (2) weeks of vacation may elect to take one (1) week on a day-at-a-time basis. Employees who are eligible for three (3) or more weeks of vacation may elect to take one (1), two (2) week(s), or three (3) weeks on a day-at-a-time basis.

6 Carry-Over Vacation

- (a) A regular employee may elect to carry over any number of the vacation weeks to the following year provided that the employee takes at least one (1) week during the calendar year.
- (b) Any week or weeks of vacation carried over from one (1) calendar year into the next must be completed no later than the last week ending in *May of the year into which they are carried over.*

7 Holidays During Vacations

If an authorized holiday occurs during an employee's vacation, an additional day off with pay will be scheduled. This additional day off will be considered a vacation day for the purposes of determining work schedules, but need not be taken contiguous to a vacation week.

8 Payments In Lieu Of Vacation

In the event of an employee's resignation, discharge (for other than misconduct) or death before using all the vacation which the employee is eligible to receive in the calendar year, an amount equivalent to such unused vacation shall be paid to the employee, his or her beneficiary, or estate.

9 Scheduling of Time Off

- (a) Employees will select available time off for which they are eligible from the schedule in accordance with the procedures provided in this Article.
- (b) Time off for this purpose includes full weeks of vacation, day-at-a-time vacation, Excused Work Days (paid or non-paid), floating holidays, and days in lieu of holidays which occur during a scheduled vacation week.
- (c) Employees shall select time off in the priority herein set forth in seniority order within each occupational and/or administrative unit. It is the intent of the parties that the employees' selections will be granted to the extent practicable consistent with force requirements and the needs of the business.

- (d) Prior to the beginning of the calendar year, management will canvass the occupational and/or administrative unit to allow the employees to select scheduled vacation weeks from the available dates. Only full weeks of vacation are included in this first selection priority. (Vacation days of less than a full calendar week are included in the second selection priority). After all employees in the occupational and/or administrative unit have been scheduled for full vacation weeks, management will then canvass the occupational and/or administrative unit to allow employees to select other scheduled time off for which they are eligible under the provisions of Paragraph 9(b).
- (e) In addition to the time off scheduled under Paragraph 9(d) above, employees shall also select reserve time on the second selection priority canvass. Reserve time shall equate to all time off not scheduled under Paragraph 9(d) above. The period during which reserve time may be scheduled shall extend through the last full week ending in May of the following calendar year.
- (f) Subject to the needs of the business and force requirements of the occupational and/or administrative unit, reserve time may be rescheduled to an earlier date on the basis of the earliest request to the employee's immediate supervisor. However, time off not taken by an employee prior to the scheduled reserve time must be taken during the scheduled reserve time for that employee.
- (g) Employees may select one day of half-tour vacations during the vacation selection process described above.

10 Rescheduling Vacation Due to Movement

- (a) If an employee is involuntarily transferred, permanently or temporarily, to the extent the needs of the business permit, the employee will retain the vacation schedule previously approved for that employee.
- (b) Employees who voluntarily transfer may be required to reselect their vacations from those days available within the new work group.

ARTICLE G15 - OVERTIME AND OTHER PAYMENTS

- 1 Overtime is time worked in excess of a tour on a day an employee is scheduled to work, time worked in excess of a normal workweek, or time worked on a non-scheduled day. Overtime continuous with a preceding tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a preceding tour shall be considered as occurring on the day such period of overtime is started.
- 2 An employee required to work overtime shall be paid at the employee's hourly Adjusted Rate overtime rate for work performed under the following conditions:
 - (a) Time worked in excess of eight (8) hours in a day, or;
 - (b) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.

3 Double Time Payments.

Overtime hours worked in excess of eight (8) hours at the Time and One-Half (1 1/2) Overtime Rate (as provided in Paragraph 2) within a calendar week shall be paid at the Double Time Overtime Rate.

NOTE: The following hours, which are paid at the Time and One-Half (1 1/2) Overtime Rate, shall not be included within the meaning of Paragraph 3:

- (a) All hours worked during a Scheduled Daily Tour on a Sunday.
- (b) All hours worked on an Excused Work Day up to a full tour where the employee is not re-scheduled for another Excused Work Day.
- (c) All hours worked during a Scheduled Daily Tour on a holiday.
- (d) All hours worked outside of the employee's established schedule paid in accordance with Article A2 (Administrative), Paragraph 2(b), Article T2 (Technical and Technical Support), Paragraph 2(b), or Article S2 (Supplies), Paragraph 2(b).

4 Management Relief

- (a) In all Company locations, an employee may be assigned to relieve a management employee, subject to the following:
 - (1) Employees may be assigned to perform all duties normally performed by the management employees, except for personnel related functions.
 - (2) Assignments to relieve management employees shall not constitute transfers or assignments outside the bargaining unit.
 - (3) Employees assigned to relieve management employees shall receive an additional payment of \$15.00 for each daily tour so worked.
 - (4) Employees shall not have access to the personnel files of other employees and may not take or impose disciplinary action.

(b) The practices and/or policies currently in existence in an area concerning the temporary assignment of employees in the titles of Customer System Engineer and Senior Technician (or their equivalent titles) to relieve management employees will continue.

5 Sunday Payments

Payment to all employees, except as provided in Article G12 (Classification & Treatment of Part-Time Employees), for all hours worked during a Sunday tour shall be at the applicable overtime rate.

6 Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification payment for each day in which an employee works 60 minutes or more in the higher assignment. Such daily classification payment shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis. Temporary assignments to a higher occupational job classification shall not be made for longer than nine (9) consecutive months, but may be extended as circumstances warrant, upon approval of the Local Union Business Manager or his/her designee.

7 Maximum Hourly Compensation

No combination of overtime or any other rate may produce an effective rate higher than two and one half (2 1/2) times the hourly adjusted rate plus applicable differential.

8 **Call-Up**

When a telephone call is made or authorized by a supervisor to an employee who is not at work, the employee will be compensated if the call meets all of the following criteria:

- the call is made outside the employee's Scheduled Daily Tour or on a Non-scheduled Day or an excused holiday;
- the employee uses his or her job knowledge; and,
- the call was not necessitated by error or omission by the employee.

An employee will be compensated for a Call-Up as follows:

- A Call-Up of less than one quarter (1/4) hour, paid one (1) Hour Overtime pay at applicable rate.
- A Call-Up of one quarter (1/4) hour but less than one (1) hour, paid two (2) Hours Overtime pay at applicable rate.
- A Call-Up of one (1) hour or longer, paid the greater of two (2) Hours Overtime pay at applicable rate or the actual time for such call.

When more than a single telephone call is involved, the compensation shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

ARTICLE G16 - ABSENCE

1 Absence in General

- (a) An employee who is to be absent for any reason other than personal illness shall promptly notify his or her supervisor, in advance, in order that proper consideration may be given by the Company to the employee's request. Absences with or without pay because of other reasons not outlined in this Article may be granted at the discretion of the Company.
- (b) When an employee is absent on a scheduled overtime tour, the employee shall not be paid.

2 Personal Illness

An employee who is to be absent due to personal illness shall promptly notify his or her supervisor before or as close to the start of their tour as is possible. Payment for scheduled daily tours in a normal workweek not worked due to personal illness will be paid at the daily adjusted wage rate according to Paragraph 3(a).

3 Personal Illness - Payment

- (a) All employees other than those covered by Paragraph 3(b) below irrespective of whether the illness absence is for the entire scheduled daily tour or for a part of it:
 - (1) Less than one (1) year of service - No pay.
 - (2) One (1) year of service but less than two (2) years - Pay after the second scheduled daily tour.
 - (3) Two (2) years of service but less than five (5) years - Pay after the first scheduled daily tour.
 - (4) Five (5) years of service and over - Pay from and including the first scheduled daily tour. No more than five (5) regularly scheduled tours will be paid for personal illness absence in any calendar week.
- (b) All employees in the titles set forth in Articles M1 (Marketing and Sales) and A1 (Administrative) and in the titles of Project Coordinator and Software Associate and who are employed in geographic areas represented by Local Unions 21 and 2213 irrespective of whether the illness absence is for the entire scheduled daily tour or for part of it:
 - (1) Less than two (2) years of net credited service – Pay beginning with the third consecutive scheduled daily tour.
 - (2) More than two (2) years of net credited service – Pay beginning with the first scheduled daily tour.
- (c) Further, payments made pursuant to the provisions of this Paragraph 3 shall not be paid beyond the seventh consecutive calendar day of absence.

4 Jury or Witness Duty

An employee who is not a party to the action and who is absent in compliance with a Subpoena requiring the employee to appear in court as a witness or an employee who is absent in compliance with a Summons for jury duty, shall be excused with pay for the period during which the employee is absent on scheduled days because of such jury service or court appearance. When an employee is excused from jury or witness duty for part of a day or for an entire day, the employee shall notify his or her supervisor. The employee may be assigned to report to work when it is practicable to make such an assignment.

Employees working evening or night shifts may be rescheduled to day shifts during the period they are required to be absent because of jury duty, but no payments pursuant to the provisions of Article T2 (Technical and Technical Support), Paragraph 2(b) and Article S2 (Supplies), Paragraph 2(b) will be made as a result of rescheduling either the employee concerned or the employee's replacement.

5 Death in the Family

Employees may be excused with pay from scheduled work time in the event of a death in their immediate family. Such time shall be granted for the purpose of attending the funeral, traveling to and from the funeral, and/or coordinating funeral arrangements. Such time shall not normally exceed five (5) calendar days. Immediate family means parents, grandparents, spouse, children, grandchildren, spouse's grandparents, brothers or sisters, spouse's parents, any relative or significant other residing in the same household of the employee.

6 Military Leaves of Absence

Employees will be granted military leaves of absence under provisions set forth in Article G27.

ARTICLE G17 - TITLES AND WAGES

1 General Wage Information

Standard Rates for job titles in this Agreement are contained in the wage schedules found in Appendix 4 of this Agreement. Such wage schedules shall apply in individual geographic locations as indicated in Appendix 4 and are for a normal workweek and are exclusive of differentials and special city allowances. For the purposes of this Article, a "normal work week" consists of five (5) tours or their equivalent during a calendar week.

2 Starting Rates

- (a) *When, in the judgment of the Company, business conditions or an employee's qualifications justify starting rates higher than the minimum, such higher rates commensurate with such conditions or qualifications shall be granted. In no case shall an employee be paid less than the starting rate on the wage schedule applicable to the employee's title.*
- (b) In administering paragraph 1 (a) above, the Company agrees that with regard to the Company's hiring employees above the starting rate for titles contained in the 2003 Agreement. While it is the Company's intention to hire employees at appropriate starting rates, it may become necessary to hire employees at wage progression steps above the minimum. In those cases, however, when the Company determines that it must hire employees above the minimum wage step, the Company will notify the Union of the locations involved, the reasons (qualifications or market conditions) for the need, the amount of wage credit to be given and the period of time that the wage credit will be given. The notification will take place before any employees are hired above the starting rates.

3 General Wage Increases

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

(a) **Initial Wage Increase**

Effective June 1, 2003, Wage Schedules shall be increased by 3.0% on the Maximum Rates and by 3.0 % on the Minimum Rates in effect on May 31, 2003.

(b) **Retroactive Pay Equivalent Payment**

- (1) Employees on the active roll on the date of the initial wage increase, shall be eligible to receive a Retroactive Pay Equivalent Payment.
- (2) For Full-Time employees, the Retroactive Pay Equivalent Payment shall be determined as follows:

The amount of the employee's hourly rate increase resulting from the initial wage increase;

Multiplied by the total hours paid including actual number of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time and One-Half, Double Time or Double Time and One-Half, as applicable); in the period beginning June 1, 2003 and ending with the effective date of the initial wage increase;

Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;

Total Hours paid includes all the actual differentials, allowances and payments that are paid as hours during that period including On-Call, Call-In, Call-Up, Sunday Payments, Saturday Differential, Shifted Tour Differential, and Minimum Interval Differential.

- (3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's Standard Rate during the period beginning June 1, 2003 and ending with the effective date of the initial wage increase, the employees' payment records for the period will be reviewed to ensure that the employees' Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.
 - (i) In such case, the employee will receive an adjustment to the calculation for the difference, if any.
- (4) An eligible Part-Time employee shall receive a Retroactive Pay Equivalent Payment based on the employee's total hours paid in the period beginning June 1, 2003 and ending with the effective date of the initial wage increase
- (5) In the event an employee has left the active roll during the period beginning June 1, 2003, and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
 - (i) In such case, the percentage increase as specified in Paragraph shall be applied to the employee's Standard Rate effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
- (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 26, 2003, provided the Company has been notified that the 2003 National Memorandum of Understanding (which includes the National Manufacturing and National Units) and all local contracts have been ratified no later than 11:59 p.m. July 25, 2003.

- (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
- (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (i) The Avaya Stock Purchase Plan
 - (ii) Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on June 1, 2003 rounded to the nearest whole number, times the employee's weekly Savings Plan Allotment.
 - (iii) Union dues as specified by the union
- (9) The Retroactive Pay Equivalent Payment will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall it enter into the Standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.

(c) Second Wage Increase

Effective May 30, 2004, Wage Schedules shall be increased by 3.0 % on the Maximum Rates and by 3.0% on the Minimum Rates in effect May 29, 2004.

(d) Third Wage Increase

Effective May 29, 2005, Wage Schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 28, 2005.

(e) Escalation Adjustment

- (1) Effective May 29, 2005, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 2004 and March 2005.
 - (i) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second, and third GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the third scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 28, 2005.
 - (ii) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- (2) In no event shall a decrease in the CPI-W result in a reduction of any wage rate.

- (3) 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, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
 - (4) No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2004 and March 2005.
 - (5) 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 2003, which was 180.3 (1982 - 1984 = 100).
 - (6) It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.
- (f) An employee's increase in Standard Rate in accordance with this Paragraph shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the aforementioned GWI's and Escalation Adjustment(s), if any.

4 Wage Progression

- (a) All wage progressions shall be on a semi-annual basis and shall be effective at the beginning of the week of the first weekly pay date in September and March.
- (b) The minimum eligibility to a wage progression increase shall be 60 days Net Credited Service as of the date of the scheduled increase.

5 Transfers

When an employee is permanently transferred to another locality where a different wage schedule is applicable, the employee's Standard Rate shall be adjusted to conform to the schedule in the new locality. When an employee is temporarily transferred for two (2) continuous days or more to a locality with a higher wage schedule, the Standard Rate will be adjusted as of the date of transfer to conform to the wage schedule of the new locality. No adjustment shall be made for those employees temporarily transferred to a locality with a lower wage schedule.

6 Reassignment to a Title in a Lower Wage Band in Same Locality

When an employee is reassigned to a position in a lower wage band, such employee's Standard Rate shall not be reduced unless:

- (a) The employee's Standard Rate is then higher than the maximum indicated in the wage schedule applicable to the employee's new

position, in which case the employee's Standard Rate shall be reduced to such maximum, except as indicated in Article G22 (Reassignment Pay Protection Plan).

- (b) The employee is reclassified to his or her former title following a temporary promotion, in which case the Standard Rate shall be changed to the Standard Rate the employee would have acquired had the employee remained in the lower title.
- (c) The reassignment is employee initiated, in which case the employee's new Standard Rate will be determined by placing the employee on the same step of the lower schedule as the employee occupied on the higher schedule.

7 Promotions

- (a) If an employee's attendance and job performance are satisfactory, the Company will consider many factors including but not limited to, seniority, technical skills and experience in determining an employee's qualification for promotion within the bargaining unit. If qualifications are substantially equal, the senior net credited service employee will be selected.
- (b) Each employee promoted from one occupational job to another occupational job with a higher maximum standard rate of pay shall have his or her standard rate of pay in the higher rated job determined by allowing the employee full wage experience credit, both in progression and at maximum, except that when an employee is promoted to an occupational job having a longer progression schedule than that of the occupational job from which the employee is promoted, an employee's wage experience credit shall not exceed one step down from maximum on the longer wage schedule. If the effect of applying the step down is to decrease the employee's standard rate, then the employee will be placed on the first step of the new schedule that results in a standard rate increase.

ARTICLE G18 - EMPLOYEE BENEFIT PLANS

- 1 The term "Employment Benefit Plans" will refer to the following plans or to their successors.

Employee Stock Purchase Plan
Anticipated Disability Program
Child/Elder Care Reimbursement Account Plan
Dental Expense Plan
Life Insurance Programs

1. Basic Life
2. Basic Accidental Death and Dismemberment
3. Supplemental Life
4. Supplemental Accidental Death and Dismemberment
5. Dependent Life
6. Dependent Accidental Death and Dismemberment

Health Care Reimbursement Account Plan
Long Term Care Plan
Long Term Disability Plan
Savings Plan
Medical Expense Plan
Group Legal Services Plan
Pension Plan
Sickness and Accident Disability Benefit Plan
Vision Care Plan
Work and Family Program

- 2 Except as provided in this section and in Paragraph 1, there shall be no negotiations during the life of this Contract upon changes in pensions or any other subject covered by the existing Employee Benefit Plans.
- 3 In the event, during the life of this Contract, 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 and if not resolved by the parties, it may be submitted to the arbitration procedure of this Contract. 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 Plan(s) to arbitration.

ARTICLE G19 - EXCUSED WORK DAYS

- 1 Each regular employee who has at least six (6) months of net credited service on January 1, of the respective years 2004, 2005 and 2006 shall be eligible for four (4) Excused Work Days with pay, and one (1) Excused Work Day without pay during each of such years. Except for any Excused Work Day designated and scheduled pursuant to Paragraph 7, below, Excused Work Days may be granted to regular full-time employees on a half-tour basis, subject to the needs of the business.
- 2 Employees who do not work on their paid Excused Work Day shall be paid for the day as if for a normal or standard day worked 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 the preceding Paragraph, 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 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 Subparagraphs:
 - (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) Employees who agree to work after 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 provision of this Agreement covering work on a non-scheduled day.
- 6 A part-time employee shall be paid for each Excused Work Day as provided in Article G12 (Classification and Treatment of Part-Time Employees).
- 7 **Flexible Excused Work Day**

The Company and the Unions recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly for the years 2004, 2005 and 2006 up to four (4) Excused Work Days (EWDs) may be used as follows:

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- (a) An employee may designate and schedule, as applicable, four (4) EWDs to be used flexibly. This provision shall apply to an employee's unpaid EWD and/or his/her paid EWD(s) which are not designated by the Company.
- (b) Each flexible EWD may be divided into increments of two (2) hours for an increment, provided, however, that where the length of an employee's scheduled daily tour is not evenly divisible by two (2), the last increment of each EWD may be less than two (2) hours.
- (c) An increment may be taken at any time during the vacation schedule period up to and including the actual scheduled Excused Work Day provided his/her supervisor is notified before the beginning of the tour and not more than 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 G20 - FORCE ADJUSTMENT

1 General

- (a) When the Company finds that conditions make it necessary to layoff employees, the procedures set forth in this Article shall be followed.
- (b) Layoffs shall be accomplished from among employees in a title within an appropriate subsection of this Agreement (Marketing and Sales, Administrative, Technical and Technical Support) within affected Reasonable Commuting Areas and/or Force Adjustment Areas.

2 Areas Defined

- (a) A "Reasonable Commuting Area" (RCA) will include physical reference points (as defined in Article G24) within reasonable commuting distances. RCAs shall be defined by the Company's Labor Relations V.P. (or his or her designee) and the Union's appropriate Business Manager(s) (or his or her designee).
- (b) RCAs once defined will not be redefined or reconfigured except upon mutual agreement in accordance with Article G2 (Collective Bargaining) Paragraph 2.
- (c) A "Force Adjustment Area" (FAA) will include all of the RCAs within the geographic boundaries of the FAA.

The FAA's are:

- (1) The six state region of New England (consisting of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts and Connecticut);
- (2) The state of New York;
- (3) The state of New Jersey;
- (4) Cook County, Illinois (Local 134 Only);
- (5) The state of Illinois (excluding the FAA described in (c)(5), above) and Lake and Porter Counties, Indiana.

3 Notice of Layoffs

- (a) The Company will provide the Union not less than sixty (60) calendar days notice concerning its decision to layoff employees. The Company's notice will include the identification of the involved title(s) within an appropriate subsection of the Agreement in the RCA(s) affected by the conditions requiring layoffs (hereinafter the "identified RCA(s)").
- (b) Within two (2) weeks of notification to the Union, and following discussions with the Union, the least senior employees in the FAA in which the identified RCA(s) is located will be advised by the Company of the existence of the conditions requiring layoffs and the potential effect those conditions may have upon such employees.

4 Layoff Procedures - RCA

The following procedures will apply separately to each title within the identified RCA(s):

- (a) Temporary employees will be separated from the payroll before regular employees are laid off.
- (b) Term employees will be separated from the payroll in inverse order of seniority.
- (c) Employees who have been assigned to a management title (other than as a result of a temporary promotion) and whose most recent return to the bargaining unit from such a management title is within nine (9) months of the declaration of conditions requiring a layoff in the identified RCA(s), shall be laid off prior to any other regular employee in the same title in the identified RCA(s).
- (d) If the above actions do not relieve the conditions requiring layoff, the Company will offer employees the opportunity to participate in the Avaya Career Transition Options Program.

5 Layoff Procedures - FAA

If the foregoing procedures have not relieved the conditions requiring layoffs, the following procedures, applicable separately to each affected title, will be employed within the FAA in which the identified RCA(s) is located.

- (a) The Company will offer employees the opportunity to participate in the Avaya Career Transition Options Program.
 - (b) If the above does not relieve the conditions requiring layoff, the Company will seek volunteers from among employees in the affected title in the identified RCA(s) who are willing to accept voluntary transfers to vacancies created by those employees who elected to participate in the Avaya Career Transition Options Program in Paragraph 4(a), above, and/or who are willing to accept voluntary transfers to claim the positions of the least senior employees in the same title(s) in the FAA, to the extent required to relieve the surplus and to minimize the need to effect the layoff of employees. If there are more volunteers than required to relieve the conditions requiring layoffs, volunteers will be accepted in descending order of seniority.
 - (c) If there are insufficient volunteers to relieve the conditions requiring layoffs, the remaining least senior employees in the identified RCA(s) shall be offered, in inverse order of seniority, the opportunity to fill vacancies created by those employees who elected to participate in the Avaya Career Transition Options Program in Paragraph 1(a), above, or in order of seniority, the opportunity to claim the position of any of the least senior employees in the FAA.
 - (d) If, as a result of the foregoing procedures, any vacancy created by an employee's election to participate in the Avaya Career Transition Options Program, pursuant to Paragraph 1(a), above, remains unfilled, employees in the FAA whose positions have been claimed may elect, in order of seniority, to fill any of the said vacancies.
- 6 Any at risk employee in the identified RCA(s) who is eligible to participate in any of the foregoing procedures who fails to avail himself of any option set forth above, will be laid off and will be eligible to a termination payment pursuant to Article G25 (Termination Payments).

7 Administration of Procedures

- (a) Notwithstanding the provisions of Paragraphs 3, 4, 5 and 6, the Company may retain three percent (3%) of the employees in the title of Customer Systems Engineer and the pooled titles of Senior Technician (or equivalent journeyman titles set forth in Article T5), in the identified RCA(s) despite lesser seniority when such employees possess special skills, training or expertise essential to the Company or necessary to protect customer service. No employee, however, may be so exempted from layoff more than twice during the term of this Agreement. If the calculation of the percent of protection results in a number other than a whole number, the next higher whole number shall be used.
- (b) The procedures set forth in Paragraphs 4 and 1, above, may be administered by the Company concurrently, and nothing herein shall be construed to require that the said procedures must be administered consecutively.
- (c) Notwithstanding the provisions of Paragraphs 4 and 1, above, nothing shall be construed as prohibiting the Company and the Union from modifying, by mutual agreement, the procedures for layoffs. Additionally, nothing in this Agreement shall prevent the Company and the Union from mutually agreeing to implement part-timing or reclassification of employees to avoid layoffs.

8 Relocation Expense

Employees who relocate their residences as a result of the application of the procedures set forth in Paragraph 1, above, may receive reimbursement for such expenses to the extent that they meet the criteria set forth in Article G24 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 11.

9 Recall from Layoff

When the Company requires additions of regular employees to the work force in the affected job titles in a Reasonable Commuting Area within three (3) years of the last layoff therein, the Company shall proceed as follows before selecting employees under the provisions of the Avaya Transfer Program relating to Career Movement requests and/or before hiring new employees:

- (a) Former regular employees (not including term employees) who held the affected job titles in the RCA, at time of layoff, shall be offered reemployment at their prior job title in inverse order in which such employees were laid off, provided:
 - (1) Their period of layoff has not exceeded three (3) years; and
 - (2) They are physically able to perform the duties of the work available.
- (b) Notice for rehiring shall be mailed by registered letter return receipt requested, to the last known address of the laid-off employee. The Union shall also be notified.

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- (c) The Company will assume that failure on the part of any former employee to notify the Company within fifteen (15) calendar days concerning acceptance of an offer of reemployment or failure to report for duty within fifteen (15) calendar days from the date of the offer constitutes a rejection.
- (d) It shall be the responsibility of such former employees to notify the Company, at the employment office, of their desire for reemployment and to keep the Company currently informed of their correct addresses.

ARTICLE G21 - TECHNOLOGY CHANGE COMMITTEE

1 The Company and the Union recognize that technological change 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 four (4) representatives of the Company and not more than four (4) representatives of the Unions (2 CWA, 2 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 of operation) which may affect employees represented by the Union. The Company will notify the Union at least six (6) months in advance of planned major 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 Union of its plans with respect to the introduction of such changes and will familiarize the Union 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 Union:
 - (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 Avaya Companies or any of its affiliates, subsidiaries or entities.

- (2) The applicability of various Company programs and agreement provisions relating to force adjustment plans and procedures, including Avaya Career Transition Options Program, Reassignment Pay Protection Plan, termination allowances, 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.

ARTICLE G22 - REASSIGNMENT PAY PROTECTION PLAN (RPPP)

1 If, because of force surplus adjustments, employees are assigned to vacancies where the Standard Rate of pay of the new job is less than the Standard Rate of the employee's regular job, the rate of pay will be reduced over a period of time based on the employee's length of service. The reductions in pay are effective at periods following reassignments as shown below and are based on the difference between the employees Adjusted Rate and the Standard Rate to which assigned in the new job title.

0 TO 10 YEARS

Weeks 1 thru 4	No reduction
Weeks 5 thru 8	1/3 reduction
Weeks 9 thru 12	2/3 reduction
Weeks 13 and thereafter	Full reduction

10 TO 15 YEARS

Weeks 1 thru 30	No reduction
Weeks 31 thru 34	1/3 reduction
Weeks 35 thru 38	2/3 reduction
Weeks 39 and thereafter	Full reduction

15 YEARS AND OVER

Weeks 1 thru 56	No reduction
Weeks 57 thru 60	1/3 reduction
Weeks 61 thru 64	2/3 reduction
Weeks 65 and thereafter	Full reduction

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- 2 No reduction in pay shall be applicable for an employee with fifteen (15) years or more of net credited service who is demoted due to technological change for a period of thirty-six (36) months following the effective date of such demotion. Thereafter, the following schedule in reduction shall apply:

Weeks 1 thru 4	No reduction
Weeks 5 thru 8	1/3 reduction
Weeks 9 thru 12	2/3 reduction
Weeks 13 and thereafter	Full reduction

An employee with fifteen (15) years or more of net credited service on the effective date of a downgrade due to technological change during the term of the preceding agreement between the parties and who suffered no reduction in pay during the term of such agreement shall be treated in accordance with the foregoing thirty-six (36) month period and subsequent schedule of reduction as though both had been in effect on the effective date of his or her demotion.

ARTICLE G23 - CONTRACT WORK

- 1 In making decisions regarding contracting of work, it is management's objective to consider carefully the interests of both customers and employees along with all other considerations essential to the management of the business. Some of these considerations include but are not limited to law, regulations, changing industry structure, economic conditions, and business considerations.
- 2 Projects involving types of traditional telephone work which have regularly been performed by bargaining unit members in a work group will not be contracted out if the contracting out of traditional telephone work on such a project will currently and directly cause layoffs of regular employees in the same work group which would have otherwise performed the work. "Work group" as used in this article shall be deemed to refer to the group of employees normally treated as a unit for purposes of layoff under Article G20 (Force Adjustment).

- 3 From time to time, but no less frequently than every six (6) months, the Labor Relations Vice-President or his/her designee and the IBEW System Council T-3 Chairman or his/her designee will meet to review traditional telephone work which has been contracted out which, heretofore, was performed in a given locality by bargaining unit members. The focus of the meetings will be to afford the IBEW System Council T-3 Chairman or his/her designee an opportunity to suggest ways in which the Company could, in the future, use bargaining unit members in the same locality to perform the contracted out work at the same or lower total cost to the Company and within the same completion time requirements. Where such methods are presented by the Union, the Company will give them due consideration and will advise the Union of its determination. Where appropriate the Labor Relations Vice-President or his/her designee and the IBEW System Council T-3 Chairman or his/her designee will mutually authorize the formation of local committees to examine the contracted work to suggest ways that the work could be performed, in the future, by bargaining unit members in a given locality at the same or lower costs and within the same completion time requirements.
- 4 The provisions of this article will be subject to the grievance procedure contained in Article G7, but shall not be subject to the arbitration provisions contained in Article G8.

The parties mutually desire to provide a vehicle, other than litigation, by which certain subcontracting disputes can be amicably and expeditiously resolved in the future.

Because of the competitive nature of our markets, fluctuating work loads, and the need to provide prompt response to customer demands, the Company cannot agree that it will not contract work which might otherwise be performed by its employees. It has agreed, however, to provide for a neutral third party review of its compliance with the applicable language of the collective bargaining agreement concerning contracting, as well as the commitments set forth in the Williams/Barry letter, which the parties have agreed to renew for the term of this new Agreement.

In furtherance thereof, the parties have agreed as follows:

In lieu of all other procedures set forth in Article G8 (Arbitration), the following procedure shall apply to grievances alleging that the Company has contracted work which would otherwise have been performed by bargaining unit employees in a RCA/FAA in which (1) layoffs of such employees are pending, (2) in which employees are on layoff with recall rights and are available to do the work which has been contracted.

- (a) Within thirty (30) days of the denial of the Union's grievance at the third step, the Union's T3 Council may request, in writing, that the grievance be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties.

- (b) The parties shall schedule a meeting with the neutral third party within thirty (30) days of the Union's appeal. At a meeting with the neutral, the Union shall have the opportunity to explain why it believes that the contracting at issue either currently and directly caused layoffs or part-timing of employees in circumstances set forth in Paragraph 2 of this Article or whether, in circumstances addressed by the Williams/Barry letter, the Company had no other reasonable alternative but to contract the work in dispute. The Company shall then have the opportunity to respond.
- (c) Except as agreed upon by the parties, the meeting shall be informal. Normally, witnesses shall not be called. No transcript shall be made. The neutral shall issue a written decision within thirty (30) days of the meeting on the form attached and both parties hereto agree to be bound by the neutral's decision. No other decision or opinion shall issue, and the decision of the neutral shall not be used or cited as precedent in any future cases. If the neutral's decision upholds the Union's grievance, an amount of money, computed by using the adjusted rate, including premium payments (such as overtime and holiday allowance if appropriate) of the employees on layoff, and the number of hours of work contracted which would otherwise have been performed by employees who have been laid off as a current and direct result of the contracting, or who are on layoff with recall rights in that RCA/FAA and who were available to do the contracted work, shall be distributed among those individuals as determined by the parties.

The compensation and expenses of the neutral third party and the general administrative expenses of the meeting with the neutral shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives.

No less than one (1) such meeting shall be held in each calendar quarter and the selected neutral shall hear all grievances which have been appealed to this dispute resolution process at least seven (7) days prior to the selection of the neutral.

These procedures shall be the sole and exclusive means by which contracting grievances unresolved after the exhaustion of the procedures set forth in Article G7 may be addressed.

Decision of neutral third party

- (1) Did the contracting involved in the grievance currently and directly result in the layoff or part timing of employees in the circumstances set forth in Paragraph 2 of this Article? (If this answer is "yes", then the union's case is sustained.)

Yes

No

Was a surplus of employees, declared and in effect at the time the contracting took place and in the RCA/FAA in which the contracting took place?

Yes

No

Were employees in the RCA/FAA in which the contracting took place on layoff with recall rights and available to do the work which was contracted?

Yes

No

If yes to (a) or (b), did the Company have no other reasonable alternative but to contract?

ARTICLE G24 - TRANSFERS, TRAVEL ALLOWANCES, AND MOVING EXPENSES

1 Transfers, Assignments or Reassignments

The Company may transfer, assign or reassign, temporarily or permanently, employees from one job title to another, from one job assignment to another within the same job title, and/or from one physical reference point to another in accordance with the following:

- (a) The Company shall designate a physical reference point for each employee. A Physical Reference Point (PRP) is a location designated as the permanent reporting location for an employee or employees.

2 Temporary Transfers Within RCA

- (a) When the Company temporarily transfers, assigns or reassigns an employee within a Reasonable Commuting Area (RCA), the following procedures shall apply:

- (1) The Company will seek volunteers from among those employees who possess the necessary skills to perform the assignment. The transfer, assignment or reassignment will be made from among the volunteers in descending order of seniority. In the event there are no volunteers, the Company will transfer, assign or reassign the least senior employee from the physical reference point from which the transfer, assignment or reassignment is to be made.
- (2) Notwithstanding Paragraph 2(a)(1), above, employees in the titles set forth in the Technical Titles in Article T1 may be transferred, assigned or reassigned for a period not to exceed three (3) calendar days (excluding Saturdays and Sundays) during which time the Company will seek volunteers prior to making a transfer, assignment or reassignment pursuant to Paragraph 2(a)(1), above.

3 Temporary Transfers Outside RCA

- (a) When the Company temporarily transfers, assigns or reassigns an employee outside of an RCA, the following procedures shall apply:
 - (1) The Company will seek volunteers from among those employees who possess the necessary skills to perform the assignment. The transfer, assignment or reassignment will be made from among those volunteers in descending order of seniority. If there are no volunteers, the Company will transfer, assign or reassign the least senior employee from the physical reference point from which the assignment is to be made who possesses the necessary skills to perform the assignment.

- (2) Notwithstanding the provisions of Paragraph 3(a)(1), above, when on a case-by-case basis the Company and the Union agree that the anticipated duration of the assignment is such that an assigned employee may suffer a hardship or serious inconvenience, the Company and the Union may mutually agree to modify the provisions of Paragraph 3(a)(1), above.

4 Temporary Work Locations

The normal tour and the conditions of work for an employee temporarily transferred, assigned or reassigned to a physical reference point other than the employee's permanent physical reference point shall be the normal tour and the conditions of work specified for the temporary physical reference point.

5 Permanent Transfers

When the Company finds it necessary or appropriate to permanently transfer, assign or reassign employees from one physical reference point to another, the procedures described below will be applied.

- (a) Employees shall be offered vacancies on a voluntary basis. Volunteers who have the necessary skills to fill the vacant positions shall be assigned to the vacancies in descending order of seniority.
- (b) In the event that the vacancies are not completely filled or in the event that the Company finds that an insufficient number of volunteers possess the necessary skills to fill all the vacancies, qualified employees shall be assigned to fill the vacancies in inverse order of seniority.
- (c) Any employee who declines an involuntary transfer, assignment or reassignment from one RCA to another, that would have required the employee to relocate his or her residence shall be paid a termination payment pursuant to Article G25 (Termination Payments).
- (d) An employee who declines an involuntary reassignment that would not require the employee to relocate his or her residence shall be considered to have resigned and will not be eligible to a termination payment pursuant to Article G25 (Termination Payments).

6 Expense Payments - Temporary Transfers, Assignments or Reassignments Within Commuting Distance

An employee temporarily transferred, assigned or reassigned to a physical reference point within commuting distance of the employee's permanent physical reference point (whether or not it is within the employee's RCA) who is not otherwise reimbursed for expenses associated with the transfer, assignment or reassignment shall be paid an allowance for every day worked at the temporary physical reference point in accordance with the following schedule, provided all of the following conditions are met:

- (a) Travel to and from the employee's reassigned physical reference point occurs outside of the employee's scheduled tour, and

- (b) The employee does not travel via Company provided transportation, and
- (c) The transfer, assignment or reassignment results in either a longer commuting distance for the employee or an increase in commuting expense to the employee:

DISTANCE IN MILES FROM THE PERMANENT PHYSICAL REFERENCE POINT TO THE TEMPORARY PHYSICAL REFERENCE POINT	DAILY ALLOWANCE
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Over 5 miles, but not over 15	\$18.00
Over 15 miles, but not over 25	\$22.00
Over 25 miles, but not over 35	\$29.00
Over 35 miles, but not over 50	\$37.00

7 Expense Payments - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance

- (a) If an employee is temporarily transferred, assigned or reassigned to a temporary physical reference point more than fifty (50) road miles from the employee's permanent physical reference point, the Company shall provide for or shall reimburse the employee for reasonable expenses incurred, including board and lodging and additional travel expenses. Time spent traveling under the provisions of this Paragraph will be considered time worked at the beginning and end of the temporary assignment. This will not include time spent traveling to and from the temporary living quarters to the temporary work location.
- (b) Except in the case of an employee attending a Company school at which the employee is required to live and remain, if the temporary work location is more than fifty (50) road miles from the employee's regular reporting location, an employee may elect to receive an allowance of sixty five dollars (\$65.00) per day in lieu of the provisions of Paragraph 7(a), above, for each day of the temporary assignment.
- (c) An employee may elect to receive a per diem of forty dollars (\$40.00) per day for meals with no receipts required. All lodging and additional travel expenses shall be provided per Paragraph (a) above.

8 Interim Return Home

- (a) If the temporary physical reference point is more than fifty (50) road miles from the employee's permanent physical reference point, the Company may authorize reimbursement, for reasonable travel expenses incurred, to return the employee to his or her home for two (2) consecutive non-scheduled days at least every third week. Time spent traveling under the provisions of this Paragraph shall not be considered work time.
- (b) When an employee is attending a Company school at which he or she is required to live and remain, the employee shall be eligible to periodically return to his or her home, as the requirements of the school may permit, but not to exceed the provisions of Paragraph 8(a).
- (c) When an employee leaves the temporary physical reference point under the provisions of Paragraphs 8(a) or 8(b), the employee will release his or her room and make a reservation for the date of return. The Company shall not be required to pay lodging not actually used or meal expenses not incurred at the temporary physical reference point.

9 Transportation to Temporary Assignments

- (a) The Company will provide and determine the mode of transportation to temporary assignments.
- (b) Should the employee request and be granted permission to use other means of transportation than the preferred Company mode of transportation, reimbursement will be made as follows:
 - (1) Time for travel will be based on the portal to portal duration had the employee used the Company preferred mode of transportation.
 - (2) Personal vehicle usage will be reimbursed at the IRS allowable rate in effect at the time plus related transportation expenses up to the amount of the fare of the preferred Company mode of transportation.
 - (3) No reimbursement for meals or lodging will be made over what would have been reimbursed had the preferred Company mode of transportation been used.

10 Travel Expenses During Work Time

Employees required to travel after the start of or before the end of their tours will be provided transportation by the Company or reimbursed for travel-related out-of-pocket expenses and/or authorized use of their personal automobiles in connection with such travel. Employees who travel by public transportation will be reimbursed for their actual out-of-pocket, travel-related expenses. Employees who are authorized to use their personal automobiles for such travel will be reimbursed at the IRS allowable rate in effect at the time, plus actual out-of-pocket, travel-related expenses.

11 Moving Expense

- (a) An employee, who at the initiative of the Company, is permanently transferred, assigned or reassigned to a physical reference point outside the RCA according to the provisions of Paragraph 5(a) or 5(b) and whose new physical reference point is more than thirty-five (35) road miles distant from the employee's old physical reference point, will be provided a lump sum payment of fifteen thousand dollars (\$15,000.00) or the amount of termination allowance the employee would receive if the employee were laid off, whichever is less; provided however, that in no case shall such a relocating employee be paid a lump sum payment of less than six thousand five hundred dollars (\$6,500.00).
- (1) The lump sum payment will be subject to the withholding of appropriate taxes.
 - (2) Appropriate change-of-residence documentation will be provided to management within forty-five (45) days of the change of residence.
 - (3) Change of residence must be completed within one (1) year of the date of transfer.
- (b) An employee entitled to moving expenses under the provisions of Paragraph 11 may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of two thousand one hundred dollars (\$2,100.00) in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.

ARTICLE G25 - TERMINATION PAYMENTS

- 1 A termination payment plus compensation for any vacation to which the employee is entitled at the time of leaving the Company service,
- (a) shall be paid to a regular employee who is laid off.
 - (b) may be offered by the Company as an inducement to terminate an employee's service in case there is a definite program for a reduction in force; or
 - (c) shall be paid at the discretion of the Company to an employee whose services are terminated for other reasons, including unadaptability or inability to perform properly the duties of the job assigned; or
 - (d) is eligible under the provisions of Article G26 (Technological Displacement).

- 2 Termination payments shall be computed in accordance with the following schedule, as appropriate:

The applicable number of weeks termination pay shall be paid at the employee's Adjusted Rate, plus any applicable Night Work Bonus.

<u>Term of Employment</u>	<u>Amount of Payment</u>
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
12 years but less than 13 years	28 weeks' pay
13 years but less than 14 years	32 weeks' pay
14 years but less than 15 years	36 weeks' pay
15 years but less than 16 years	40 weeks' pay
16 years but less than 17 years	44 weeks' pay
17 years but less than 18 years	48 weeks' pay
18 years but less than 19 years	52 weeks' pay
19 years but less than 20 years	56 weeks' pay
20 years but less than 21 years	60 weeks' pay
21 years but less than 22 years	64 weeks' pay
22 years but less than 23 years	68 weeks' pay
23 years but less than 24 years	72 weeks' pay
24 years but less than 25 years	76 weeks' pay
25 years but less than 26 years	80 weeks' pay
26 years but less than 27 years	84 weeks' pay
27 years but less than 28 years	88 weeks' pay
28 years but less than 29 years	92 weeks' pay
29 years but less than 30 years	96 weeks' pay
30 years but less than 31 years	100 weeks' pay
31 years or more	104 weeks' pay

The maximum number of weeks payable as termination payments shall in no event exceed 104 weeks of pay.

- 3 The provisions of Paragraph 1 do not apply in the case of:
- An employee leaving the service voluntarily without inducement by the Company to terminate such employee's services;
 - An employee on a leave of absence;

- (c) An employee transferred within the Company, its affiliates or subsidiaries, or their affiliates or subsidiaries;
- (d) An employee who is dismissed for misconduct;
- (e) A term employee whose assignment is completed.

4 Methods of Payment and Reimbursement

- (a) The termination allowance shall, at the option of the employee, be paid in a lump sum, less applicable deductions, or as income continuation in periodic installments, subject to the limitations in subsections 4(a)(1) and 4(a)(2) below. If an employee elects to receive income continuation periodic installments, each installment will be equal to one (1) week at the Adjusted Rate, less applicable deductions, and will be paid weekly. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:
 - (1) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
 - (2) The employee is recalled or rehired as a regular employee by the company or any of its affiliates, subsidiaries or entities.
- (b) Employees who have received or elect to receive a termination allowance in a lump sum shall, as a condition precedent to being recalled or rehired as regular employees of the company or any of its affiliate, subsidiaries or entities, repay the portion of the termination allowance they received that is equal to their adjusted rate multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of the company or any of its affiliates, subsidiaries or entities. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph 4(b) based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.
- (c) The amount of termination allowance for an individual (1) who has been previously laid off or terminated by the company or any of its affiliates, subsidiaries or entities; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:

The number of weeks used to compute the termination allowance net of repayment pursuant to this Paragraph 4(c) shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.

ARTICLE G26 - TECHNOLOGICAL DISPLACEMENT

- 1 If during the term of this Agreement, the Company notifies the Union in writing that technological change (defined as changes in equipment or methods of operation) has or will create a surplus in any job title in a work location which will necessitate reassignments of regular employees to different job titles involving a reduction in pay or to locations requiring a change in residence, or if a force surplus necessitating any of the above actions exists for reasons other than the technological change and the Company deems it appropriate, any regular employee:
 - (a) Who is in the affected job titles and work locations; and
 - (b) Who is not eligible for a service pension may elect not to accept such reassignment to a job title involving a reduction in pay or to a location requiring a change in residence and shall be paid a termination allowance. Any such regular employee who refuses to accept a transfer to a job title having the same or greater rate of pay and which does not require a change in residence shall not be paid a termination allowance.

ARTICLE G27 - EMPLOYEES IN MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING

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.

Article G26

- 1 **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 Company 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 Avaya pay in effect at the time of the employee's reinstatement.

- 2 **It is the policy of Avaya to pay a Military Differential Pay to regular employees (not temporary, term or occasional) who receive and provide the Company with a 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 Avaya pay over military pay received by an eligible employee while on a Military Leave of Absence.

Avaya 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:

If the leave of absence and duration are...	And the date the leave begins the employee's net credited service is...	Then the duration of Military Differential Pay is...
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 maximum of 20 scheduled work days (including holidays) in each military fiscal year (October 1 - September 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 maximum of 13 scheduled work days (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 13 scheduled workdays, pay treatment for additional time must be approved by the Avaya 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 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 Avaya 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.

- 3 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.

ARTICLE A1 - TITLES

1 The title covered in this section is:

Reports Clerk

ARTICLE A2 - WEEKLY WORK SCHEDULES AND HOURS OF WORK

1 Weekly Work Schedules

- (a) Weekly schedules and tours of duty will be arranged to fit the needs of the business.
- (b) Five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, shall constitute the normal workweek.
- (c) The total normal hours worked for full-time employees per week shall be based upon the specific occupational and/or administrative unit.
- (d) **Minimum Scheduling - Part-Time**
 - (1) Part-time employees shall be scheduled to work not fewer than twenty (20) hours in each workweek.
 - (2) Part-time employees shall be scheduled to work not fewer than three (3) hours on any day on which such employees are scheduled to work.
 - (3) Nothing herein contained in 1(d)(1) or 1(d)(2) above, however, shall prevent the scheduling of fewer than twenty (20) hours in any work week or three (3) hours on any day when the employee volunteers or requests to work fewer than twenty (20) hours per week or three (3) hours on any day.

2 Hours of Work

- (a) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 p.m. of the preceding week. In work groups where it is practical to do so, however, schedules for more than one (1) week may be established.
- (b) Except as provided in Article G12 (Classification and Treatment of Part-time Employees), when it is necessary to change an employee's schedule after Wednesday, 5:00 P.M. of the week immediately preceding the change, the employee shall be paid for all hours worked outside of the employee's established schedule at the overtime rate.
- (c) **Tour Selection**

Employees shall have a choice of tours based on their seniority, within their work groups, provided they have the ability to perform the job.

3 Relief Periods

- (a) The scheduling of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be scheduled for each employee working a tour of three (3) to fewer than six (6) hours. Two (2) relief periods and a meal period of not less than thirty (30) minutes will normally be scheduled for each employee working a tour of six (6) or more hours.
- (b) Relief periods normally shall not begin less than one (1) hour after the start or before the end of a tour or return from a meal period.

4 Work by Supervisors

- (a) Management Employees at the first level or above who are in the direct line of supervision of employees in Article A1 (Titles) will not do work of the type *ordinarily performed by employees under their supervision*, except in emergent circumstances. Supervisors should normally devote their full time to management functions.
- (b) Other Management Employees shall ordinarily not concern themselves with work of the type or nature that is regularly assigned to employees in the bargaining unit. Occasionally, conditions may arise that require management employees to perform the type of work required if all reasonable means of meeting the conditions have been exhausted.

ARTICLE A3 - DIFFERENTIALS AND OTHER PAYMENTS

1 Night Work Bonus

Except as provided for in Article G12 (Classification and Treatment of Part-Time Employees), regular full-time employees whose weekly work schedule consists of regularly scheduled night tours shall receive a night differential in the amount of ten percent (10%) of their daily-adjusted rate for each night tour so worked.

2 Call-In Payments

Except as provided for in Article G12 (Classification and Treatment of Part-Time Employees), an employee called at home and required to immediately report to work outside their normal working hours (before or after a scheduled daily tour, on a non-scheduled day, or on an excused holiday) shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the applicable overtime rate. The time thus paid, including travel time, shall not be less than the equivalent of four (4) hours at the applicable overtime rate.

- (a) For such work performed during an employee's excused scheduled daily tour on a holiday, the employee shall be compensated as set forth above, in addition to any holiday allowance to which the employee is entitled.

- (b) For such work performed outside the period of the employee's excused scheduled daily tour on a holiday, the employee shall be paid as set forth above, except that the Double Time and One-Half (2 1/2) Overtime Rate shall be substituted for the employee's overtime rate.
- (c) In addition to the above appropriate compensation, the employee shall be eligible to receive reimbursement for usage of his or her personal automobile. Such reimbursement shall be made for all miles actually driven while traveling to and from home and among assignments during the Call-In period. Reimbursement shall be made at the applicable IRS mileage rate in effect, plus actual out-of-pocket, travel-related expenses.
- (d) This call-in provision does not apply if such time worked is continuous with the employee's scheduled daily tour. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

ARTICLE M1 - TITLES

1 The title covered in this section is:

Customer Care Specialist

ARTICLE M2 - WEEKLY WORK SCHEDULES AND HOURS OF WORK

1 Weekly Work Schedules

- (a) Weekly schedules and tours of duty will be arranged to fit the needs of the business.
- (b) Five (5) tours Monday through Saturday, inclusive, in a calendar week shall constitute the normal workweek in all Company organizations.
- (c) The total normal hours worked for full-time employees per week shall be based upon the specific occupational and/or administrative unit.
- (d) **Minimum Scheduling - Part-Time**
 - (1) Part-time employees shall be scheduled to work not fewer than twenty (20) hours in each workweek.
 - (2) Part-time employees shall be scheduled to work not fewer than three (3) hours on any day on which such employees are scheduled to work.
 - (3) Nothing herein contained in 1(d)(1) or 1(d)(2) above, however, shall prevent the scheduling of fewer than twenty (20) hours in any work week or three (3) hours on any day when the employee volunteers or requests to work fewer than twenty (20) hours per week or three (3) hours on any day.

2 Hours of Work

- (a) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 p.m. of the preceding week. In work groups where it is practicable to do so, however, schedules for more than one (1) week may be established.
- (b) Except as provided in Article G12 (Classification and Treatment of Part-Time Employees), when it is necessary to change an employee's schedule after Wednesday, 5:00 p.m. of the week immediately preceding the change, the employee shall be paid for all hours worked outside of the employee's established schedule at the overtime rate.
- (c) **Tour Selection**

Employees shall have a choice of tours based on their seniority, within their work groups, provided they have the ability to perform the job.

3 Relief/Meal Periods

- (a) The scheduling of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be scheduled for each employee working a tour of three (3) to fewer than six (6) hours. Two (2) relief periods and a meal period of not less than thirty (30) minutes will normally be scheduled for each employee working a tour of six (6) or more hours.
- (b) Relief periods normally shall not begin less than one (1) hour after the start or before the end of a tour or return from a meal period.

4 Work by Supervisors

Managers at the first level of supervision or above who are in the direct line of supervision of employees in the M1 titles will not do work of the type ordinarily performed by employees under their supervision, except in emergent circumstances and in cases of service or equipment restoration where no qualified employee is available. Supervisors should devote their full time to management functions.

Other management employees shall ordinarily not concern themselves with work of the type or nature that is regularly assigned to employees in the bargaining unit. Occasionally, conditions may arise that require management employees to perform the type of work required if all reasonable means of meeting the conditions have been exhausted.

ARTICLE M3 - DIFFERENTIALS AND OTHER PAYMENTS

1 Night Differential

Except as provided for in Article G12 (Classification and Treatment of Part-Time Employees), regular full-time employees whose weekly work schedule consists of regularly scheduled night tours shall receive a night differential in the amount of ten percent (10%) of their daily adjusted rate for each night tour so worked.

2 Call-In Payments

Except as provided in Article G12 (Classification and Treatment of Part-Time Employees), an employee called at home and required to immediately report to work outside their normal working hours (before or after a scheduled daily tour, on a non-scheduled day, or on an excused holiday) shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the applicable overtime rate. The time thus paid, including travel time, shall not be less than the equivalent of four (4) hours at the employee's applicable overtime rate.

Article M3

- (a) For such work performed during an employee's excused scheduled daily tour on a holiday, the employee shall be compensated as set forth above, in addition to any holiday allowance to which the employee is entitled.
- (b) For such work performed outside the period of the employee's excused scheduled daily tour on a holiday, the employee shall be paid as set forth above, except that the Double Time and One-Half (2 1/2) Overtime Rate shall be substituted for the employee's overtime rate.
- (c) In addition to the above appropriate compensation, the employee shall be eligible to receive reimbursement for usage of his or her personal automobile. Such reimbursement shall be made for all miles actually driven while traveling to and from home and among assignments during the Call-In period. Reimbursement shall be made at the applicable IRS mileage allowance rate in effect plus actual out-of-pocket, travel-related expenses.
- (d) This Call-in provision does not apply if such time worked is continuous with the employee's scheduled daily tour. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

3 Customer Premise Visit Differential

Employees covered by this Article, except Marketing Support Specialist, are not premises sales employees. However, it may become necessary, on an occasional basis, for a covered employee to be directed to go to a customer's premise. When a covered employee is directed to make such a visit to the customer's premise, the employee shall be paid a differential of twelve dollars (\$12.00) for each tour in which one or more of such visits take place.

ARTICLE S1 - TITLES

1 The titles covered in this section are:

- Head Supplies Attendant
- Light Supplies Delivery Driver
- Supplies Coordinator

ARTICLE S2 - WEEKLY WORK SCHEDULES AND HOURS OF WORK

1 **Weekly Work Schedules**

- (a) Weekly schedules and tours of duty will be arranged to fit the needs of the business.
- (b) Five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, shall constitute the normal Work Week.
- (c) The total normal hours worked for full-time employees per week shall be based upon the specific occupational and/or administrative unit.
- (d) Minimum Scheduling - Part-Time
 - (1) Part-time employees shall be scheduled to work not fewer than twenty (20) hours in each workweek.
 - (2) Part-time employees shall be scheduled to work not fewer than three (3) hours on any day on which such employees are scheduled to work.
 - (3) Nothing herein contained in 1(d)(1) or 1(d)(2) above, however, shall prevent the scheduling of fewer than twenty (20) hours in any workweek or three (3) hours on any day when the employee volunteers or requests to work fewer than twenty (20) hours per week or three (3) hours on any day.

2 **Hours of Work**

- (a) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 p.m. of the preceding week. In work groups where it is practical to do so, however, schedules for more than one (1) week may be established.
- (b) Except as provided in Article G12 (Classification and Treatment of Part-time Employees), when it is necessary to change an employee's schedule after Wednesday, 5:00 P.M. of the week immediately preceding the change, the employee shall be paid for all hours worked outside of the employee's established schedule at the overtime rate.
- (c) Tour Selection

Employees shall have a choice of tours based on their seniority, within their work groups, provided they have the ability to perform the job.

3 Relief Periods

- (a) The scheduling of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be scheduled for each employee working a tour of three (3) to fewer than six (6) hours. Two (2) relief periods will normally be scheduled for each employee working a tour of six (6) or more hours.
- (b) Relief periods normally shall not begin less than one (1) hour after the start or before the end of a tour or return from a meal period.

4 Work by Supervisors

Management Employees at the first level or above who are in the direct line of supervision of employees in the Technical Titles set forth in Articles T1 (Titles) and Supplies Titles set forth in Article S1 (Titles) will not do work of the type ordinarily performed by employees under their supervision, except in emergent circumstances and in cases of service or equipment restoration where no qualified Technical employee is available. Supervisors should normally devote their full time to management functions.

Other management employees shall ordinarily not concern themselves with work of the type or nature that is regularly assigned to employees in the bargaining unit. Occasionally, conditions may arise that require management employees, to perform the type of work required if all reasonable means of meeting the conditions have been exhausted.

ARTICLE S3 - DIFFERENTIALS AND OTHER PAYMENTS

1 On-Call Payments

- (a) Employees with necessary skills may be required to remain in contact with the Company outside of scheduled daily tours by use of a beeper or other communications device. The requirement to remain in contact with the Company will be rotated among all employees having the necessary skills in the work group. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company may assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call on either a daily or weekly basis. Employees who perform an on-call assignment for a full seven (7) consecutive day period shall be paid a total of fourteen (14) hours pay at their Hourly Adjusted Rate. Employees who perform an on-call assignment on a daily basis shall be paid two (2) hours pay at their Hourly Adjusted Rate for each such day. Employees called-up will be eligible for call-up treatment as provided for in Article G15 (Overtime and Other Payments), Paragraph 8. Employees actually called in will be eligible for call-in payment as provided for in Paragraph 2(b).

- (b) 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 one-seventh of the amount to which they would be entitled if on call for each day of substitution. The amount paid to the employee originally assigned on-call responsibility will be reduced by one-seventh for each day of absence.

2 Call-In Payments

An employee called at home and required to immediately report to work outside their normal working hours (before or after a scheduled tour, on a non-scheduled day, or on an excused holiday) shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the applicable overtime rate. The time thus paid, including travel time, shall not be less than the equivalent of four (4) hours at the employee's applicable overtime rate.

- (a) For such work performed during an employee's excused scheduled daily tour on a holiday, the employee shall be compensated as set forth above, in addition to any holiday allowance to which the employee is entitled.
- (b) For such work performed outside the period of the employee's excused scheduled daily tour on a holiday, the employee shall be paid as set forth above, except that Double Time and One-Half (2 1/2) Overtime Rate shall be substituted for the employee's overtime rate.
- (c) In addition to the above appropriate compensation, the employee shall be eligible to receive reimbursement for usage of his or her personal automobile. Such reimbursement shall be made for all miles actually driven while traveling to and from home and among assignments during the call-in period. Reimbursement shall be made at the applicable IRS mileage rate in effect, plus actual out-of-pocket, travel-related expenses.
- (d) This call-in provision does not apply if such time worked is continuous with the employee's scheduled daily tour. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

3 Recuperation Time - Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New Jersey, Illinois and Indiana

- (a) When an employee is required to actually work sixteen (16) or more hours in a twenty-four (24) hour period following his normal starting time, the employee will be excused with pay at the hourly adjusted rate during the employee's assigned hours, if any, beginning at the expiration of this twenty-four (24) hour period. Such excused time with pay shall not exceed eight (8) hours. When hours worked are continuous to the normal start time, the twenty-four (24) hour period shall begin at the start of such hours.

Article S3

- (b) An employee who is called from home during the night and works at least four (4) hours and completes his assignment not later than 6:30 A.M. shall be granted a period up to six (6) hours (excluding travel time to and from home) for recuperation purposes. That portion, if any, of this recuperation period which extends beyond the starting hour of his or her regularly assigned tour shall be classified as "excused" time and payment for such time shall be allowed. When the employee completes his assignment after 6:30 A.M., the time between 6:30 A.M. and the start time of his regular assigned tour will be considered as time spent on the emergency assignment.

When the time spent on an emergency work assignment extends to the start of the employee's regularly assigned tour, the employee may be excused with pay for the remainder of the tour when the total time spent on the emergency job and the regularly assigned tour equals twelve (12) hours. In its application in this Section only, "excused" time shall be counted toward the forty (40) hour week.

- (c) Notwithstanding the terms of Paragraph 3(b), if an employee is required to actually work sixteen (16) or more hours in a twenty-four (24) hour period following his normal starting time, the terms of Paragraph 3(a), only, will apply to such employee.

4 Night Work Bonus

- (a) Except as provided for in Article G12 (Classification and Treatment of Part-Time Employees), regular full-time employees whose weekly work schedule consists of regularly scheduled night tours shall receive a Night Work Bonus in the amount of ten percent (10%) of their daily adjusted rate for each night tour so worked

ARTICLE T1 - TITLES

- 1 In addition to the titles set forth in Article T5, the titles covered in this section are:

TECHNICAL SUPPORT

- Project Coordinator
- Service Center Clerk
- Senior Software Associate
- Software Associate
- Managers Clerk

TECHNICAL

- Customer Systems Engineer
- Senior Technician

ARTICLE T2 - WEEKLY WORK SCHEDULES AND HOURS OF WORK

1 Weekly Work Schedules

- (a) Weekly schedules and tours of duty will be arranged to fit the needs of the business.
- (b) Five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, shall constitute the normal workweek.
- (c) The total normal hours worked for full-time employees per week shall be based upon the specific occupational and/or administrative unit.

2 Hours of Work

- (a) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 p.m. of the preceding week. In work groups where it is practical to do so, however, schedules for more than one (1) week may be established.
- (b) Except as provided in Article G12 (Classification and Treatment of Part-Time Employees), when it is necessary to change an employee's schedule after Wednesday, 5:00 P.M. of the week immediately preceding the change, the employee shall be paid for all hours worked outside of the employee's established schedule at the overtime rate.
- (c) Tour Selection
Employees shall have a choice of tours based on their seniority, within their work groups, provided they have the ability to perform the job.

Article T2

3 Relief Periods

- (a) The scheduling of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be scheduled for each employee working a tour of four (4) to fewer than six (6) hours. Two (2) relief periods will normally be scheduled for each employee working a tour of six (6) or more hours.
- (b) Relief periods normally shall not begin less than one (1) hour after the start or before the end of a tour or return from a meal period.

4 Work by Supervisors

Management employees at the first level of supervision or above who are in the direct line of supervision of employees in the Technical Titles set forth in Articles T1 (Titles) and Supplies Titles set forth in Article S1 (Titles) will not do work of the type ordinarily performed by employees under their supervision, except in the emergent circumstances and in cases of service or equipment restoration where no qualified Technical employee is available. Supervisors should normally devote their full time to management functions.

Other management employees shall ordinarily not concern themselves with work of the type or nature that is regularly assigned to employees in the bargaining unit. Occasionally conditions may arise that require the performance by management employees to perform the type of work required if all reasonable means of meeting the conditions have been exhausted.

ARTICLE T3 - DIFFERENTIALS AND OTHER PAYMENTS

1 On-Call Payments

- (a) Employees with necessary skills may be required to remain in contact with the Company outside of scheduled daily tours by use of a beeper or other communications device. The requirement to remain in contact with the Company will be rotated among all employees having the necessary skills in the work group. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company may assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call on either a daily or weekly basis. Employees who perform an on-call assignment for a full seven (7) consecutive day period shall be paid a total of fourteen (14) hours pay at their Hourly Adjusted Rate. Employees who perform an on-call assignment on a daily basis shall be paid two (2) hours pay at their Hourly Adjusted Rate for each such day. Employees called-up will be eligible for call-up treatment as provided for in Article G15 (Overtime and Other Payments), Paragraph 8. Employees actually called in will be eligible for call-in payment as provided for in Paragraph 2(b).

- (b) 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 one-seventh of the amount to which they would be entitled if on call for each day of substitution. The amount paid to the employee originally assigned on-call responsibility will be reduced by one-seventh for each day of absence.

2 Call-In Payments

An employee called at home and required to immediately report to work outside their normal working hours (before or after a scheduled daily tour, on a non-scheduled day, or on an excused holiday) shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the applicable overtime rate. The time thus paid, including travel time, shall not be less than the equivalent of four (4) hours at the employee's applicable overtime rate.

- (a) For such work performed during an employee's excused scheduled daily tour on a holiday, the employee shall be compensated as set forth above, in addition to any holiday allowance to which the employee is entitled.
- (b) For such work performed outside the period of the employee's excused scheduled daily tour on a holiday, the employee shall be paid as set forth above, except that the Double Time and One-Half (2 1/2) Overtime Rate shall be substituted for the employee's overtime rate.
- (c) In addition to the above appropriate compensation, the employee shall be eligible to receive reimbursement for usage of his or her personal automobile. Such reimbursement shall be made for all miles actually driven while traveling to and from home and among assignments during the call-in period. Reimbursement shall be made at the applicable IRS mileage rate in effect plus actual out-of-pocket, travel-related expenses.
- (d) This call-in provision does not apply if such time worked is continuous with the employee's scheduled daily tour. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

3 Recuperation Time - Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New Jersey, Illinois and Indiana

- (a) When an employee is required to actually work sixteen (16) or more hours in a twenty-four (24) hour period following his normal starting time, the employee will be excused with pay at the hourly adjusted rate during the employee's assigned hours, if any, beginning at the expiration of this twenty-four (24) hour period. Such excused time with pay shall not exceed eight (8) hours. When hours worked are continuous to the normal start time, the twenty-four (24) hour period shall begin at the start of such hours.

Article T3

- (b) An employee who is called from home during the night and works at least four (4) hours and completes his assignment not later than 6:30 A.M. shall be granted a period up to six (6) hours (excluding travel time to and from home) for recuperation purposes. That portion, if any, of this recuperation period which extends beyond the starting hour of his or her regularly assigned tour shall be classified as "excused" time and payment for such time shall be allowed. When the employee completes his assignment after 6:30 A.M., the time between 6:30 A.M. and the start time of his regular assigned tour will be considered as time spent on the emergency assignment.

When the time spent on an emergency work assignment extends to the start of the employee's regularly assigned tour, the employee may be excused with pay for the remainder of the tour when the total time spent on the emergency job and the regularly assigned tour equals twelve (12) hours. In its application in this Section only, "excused" time shall be counted toward the forty (40) hour week.

- (c) Notwithstanding the terms of Paragraph 3(b), if an employee is required to actually work sixteen (16) or more hours in a twenty-four (24) hour period following his normal starting time, the terms of Paragraph 3(a), only, will apply to such employee.

4 Night Work Bonus

- (a) Except as provided for in Article G12 (Classification and Treatment of Part-Time Employees), regular full-time employees whose weekly work schedule consists of regularly scheduled night tours, shall receive a Night Work Bonus in the amount of ten percent (10%) of their daily adjusted rate for each night tour so worked.

ARTICLE T4 - MOTOR VEHICLE USAGE PROGRAM

- 1 There will be established in the Company a Motor Vehicle Usage Program to provide, in those administrative work units where implemented, that employees who participate will be assigned a motor vehicle for use in their work and for traveling between their work locations and places of residence or other designated places for the vehicle storage.
- 2 The Motor Vehicle Usage Program will be implemented only within administrative work units where some or all of the employees normally use a Company provided motor vehicle in order to perform their work. The decision to implement and to continue the program within any such administrative work unit will be within management's discretion.

- 3 When the Motor Vehicle Usage Program is introduced within an administrative work unit, all employees within that unit who normally use a Company provided motor vehicle in the performance of their work assignment will be eligible to participate. Participation by any such employees will be on a voluntary basis. If an employee elects not to participate, management will determine where the motor vehicle assigned to that employee is to be stored and that location will become the employee's work reporting location.
- 4 Employees who participate in the Program will be expected to provide normally secure and legal storage for the vehicle at their places of residence. If the vehicle cannot be properly stored at an employee's place of residence, the Company may arrange for appropriate storage at its expense.
- 5 The Company will make arrangements for maintenance of the vehicle; however, it will be the responsibility of the employee to whom the vehicle is assigned to assure that the vehicle is properly maintained.
- 6 For employees who participate in the Motor Vehicle Usage Program, a work reporting area will be established on a local basis before implementation. Such work reporting area will be designed so as to serve the interests of the customer, reasonably accommodate the employee, and be satisfactory to management and the Union. The work reporting area normally will be a circular geographic area. In large congested metropolitan locations or where natural barriers render a circular work reporting area impractical, other suitable parameters will be established.
- 7 Each participating employee will be expected to begin and end the work tour at any assigned location within the established work reporting area. Prior to implementation of the Program, the Company and Union will determine a *method of compensation for employees who begin or end a work tour outside an established work reporting area.*

ARTICLE T5 - LOCAL UNION 134

1 General

In addition to the other provisions of this Agreement, the titles and provisions in this Article shall be applicable only within the geographical boundaries of Cook County, Illinois and apply only to employees represented by Local Union 134, engaged in the installation and maintenance of premises communication products and services provided by the Company.

2 Represented Management

- (a) Employees in titles set forth in Paragraph 3 shall report to supervisors who are members in good standing in Local 134.
- (b) The provisions of this Agreement shall not apply to management employees except as set forth below:

Article T5

- (1) The Company may appoint to the title of General Foreman only employees in the title of Foreman who are members of Local Union 134.
- (2) The Company may promote Journeymen, without regard to seniority, to the title of Foreman. Should the Company determine that there are no qualified Journeymen to assume the Foreman position, the Company reserves the right to assign a manager who is not currently a member of Local 134 to the Foreman position after agreement with the Union.
- (3) Management employees represented by Local 134 in the titles of Foreman and General Foreman may be declared surplus without regard to seniority. However, such employees, who were previously promoted to the title of Foreman or General Foreman from the title of Journeyman, may exercise the right to return to a Journeyman position and assume a seniority position as a Journeyman in the bargaining unit at the time the surplus is declared.
- (4) Foremen assigned to weekly out-of-hour duty coverage shall make whatever arrangements are necessary which will permit them to be reached by telephone. They will be paid eight (8) hours at the Foreman's hourly base rate for the week's assignment, provided that it is not feasible to grant an equivalent amount of time off with pay within a reasonable period.

3 Titles and Wages

- (a) The following titles are included in the Journeyman classification and the applicable wage schedule in Appendix 4 shall apply.
 - Senior Technician - Journeyman
 - Building Cable Technician - Journeyman
 - Dedicated Customer Engineer - Journeyman
 - Customer Systems Engineer - Journeyman
 - Systems Engineer - Journeyman
 - Customer Engineer III - Journeyman
- (b) The following titles are included in the Apprentice classification and the applicable Local 134 Apprentice wage schedule in Appendix 4 shall apply.
 - Technician's Assistant - Apprentice
 - Building Cable Technician's Assistant - Apprentice
 - Customer Engineer - Apprentice

- (c) Employees hired into an Apprentice classification may be classified as temporary employees for the first twelve (12) months of employment and term employees for the second twelve (12) months of employment and may be discharged at any time during the first twenty four (24) months of employment without regard to their length of service and without entitlement to receive voluntary or involuntary termination allowances. Any apprentice who remains employed beyond the twenty fourth month shall continue to progress on the Apprentice wage schedule and be reclassified from a term employee to a regular employee. An apprentice may be reclassified from temporary to term to regular at any time during the first twenty four (24) months of employment.

4 Apprentice to Journeyman Ratios

The number of employees in the title of Technician's Assistant/Customer Engineer - Apprentice, shall not exceed the ratio of three (3) such employees for each employee in the combined Journeyman titles of Building Cable Technician, Senior Technician, Dedicated Customer Engineer, Customer Systems Engineer, Customer Engineer III and Systems Engineer. The foregoing ratio shall apply on any given job assignment where installation work is being performed. Apprentices may perform maintenance work for which they are qualified, while working alone and shall not be subject to the above ratios on the job. This ratio may be modified on a specific job with concurrence of the business representative.

5 Contract Work

When the Company deems it necessary to contract work or obtain additional employees through a contractor, such contracting shall not be arranged without the involvement of the General Foreman and shall be arranged through a contractor whose employees are represented by Local Union 134.

6 Reporting Area and Travel Payments

- (a) Building Cable Technician - Journeyman, Senior Technicians - Journeyman, Dedicated Customer Engineer - Journeyman, Customer Systems Engineer - Journeyman, and Systems Engineer - Journeyman, will be assigned regular reporting areas in one of three (3) Work Reporting Areas (WRAs) in Cook County, Illinois as follows:
- (1) The area bounded by Lake Michigan on the East, Halsted Street on the West, Division Street on the North and Roosevelt Road on the South (the Walking Area).
 - (2) The area bounded by Cook County line on the North, the Eisenhower Expressway on the South, the Cook County line on the West, and Halsted Street or Lake Michigan on the East (excluding the Walking Area).

- (3) The area bounded by Eisenhower Expressway on the North, the Cook County line on the South, the Cook County line on the West, and Halsted Street or Lake Michigan on the East (excluding the Walking Area.)
- (b) Employees may be assigned to begin or end their tour anywhere within their permanently assigned WRA.
- (c) Employees whose work detail requires their tour to begin in another WRA will receive travel time based on the closest of the two:
time between the nearest point of the permanent WRA boundary and the temporary job assignment, or time between the employee's residence and the temporary job assignment.
- (d) Employees using their personal vehicle who are assigned to a new job location, may, upon mutual agreement between management and the employee, transport their basic tools and/or minor material, and receive the following allowance:
- \$10.00 for any day in which a new job location occurs
 - mileage reimbursement for personal vehicle per language contained in Article G24 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 10
- (e) No payments under Article G24 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 6 will apply to assignments within Cook County, Illinois.
- (f) Technician Assistant - Apprentices and Building Cable Technician - Apprentices may be assigned to begin tours anywhere within Cook County.
- (g) Reassignments between WRAs will be administered by the General Foreman.

Reporting Area and Travel Payments for Computer Services -
Technical

- (h) The Work Reporting Area (WRA) for Customer Engineer III - Journeyman and Customer Engineer - Apprentice shall be Cook County, Illinois.

7 Force Adjustment Area (FAA)

For the purposes of Article G20 (Force Adjustment), Cook County, Illinois shall be considered one Force Adjustment Area (FAA).

8 Seniority Groups

Within the geographical areas stated below, seniority groups will be established for the purposes of force adjustment under Article G20 (Force Adjustment).

- (a) All Senior Technician - Journeyman, Systems Technician - Journeyman, Building Cable Technician - Journeyman, Dedicated Customer Engineer - Journeyman, Systems Engineer - Journeyman, Customer Systems Engineer - Journeyman and Customer Engineer III - Journeyman, within the boundaries of Cook County, Illinois.
- (b) All Technician's Assistant - Apprentices, Building Cable Technician - Apprentices, Customer Engineer - Apprentice within the boundaries of Cook County, Illinois.
- (c) Force adjustments may be declared separately in each seniority group above.

9 Working Foreman

- (a) Journeymen may be temporarily assigned to a specific project or groups of projects, to direct, supervise, oversee and/or assign the work of other Journeymen assigned to the job. Normal duties will be limited to those of the projects, but may include job bidding and pre-survey activities in assistance of the foreman.
- (b) Employees so assigned will be paid differentials of (1) one dollar and fifty cents (\$1.50) per hour for each hour worked during their normal tour; (2) two dollars and twenty-five cents (\$2.25) per hour for each hour worked during overtime work compensated at the overtime rate; and (3) three dollars (\$3.00) per hour for each hour worked during overtime compensated at the double time rate.
- (c) Selection of the working foreman will be the most senior, qualified journeyman volunteer assigned to the work center. Assignments will be *under the direction of the General Foreman and will be for a minimum of one month or length of the project, and limited to a period of six months. Extension beyond the six month period must be discussed with and agreed to by the union.*
- (d) The provisions of 9(a) above are not to be used in place of or in addition to the provisions for management relief in Article G15 (Overtime and Other Payments) Paragraph 4.

10 Building and Construction Trades

While the Union recognizes that it will be required to work on projects with non-Union workers involving the installation and/or maintenance of Company-provided products and services, the Company agrees not to require members of Local 134 to work with non-Union workers who are performing work ordinarily performed by building trades and construction Union workers.

11 Overtime Distribution

Overtime will be assigned as evenly as possible within work groups.

12 Work Schedules

In addition to scheduling provisions in Article T2 (Weekly Schedules and Hours of Work), Paragraph 2, the following schedules shall be applicable to Journeymen and Apprentices assigned to installation functions.

- (a) The normal tour will consist of eight (8) hours between 8:00 AM and 5:00 PM, Monday through Friday. However, due to job site requirements or planned projects day tours may begin as early as 7:00 AM or end as late as 6:00 PM with the concurrence of the General Foremen.
- (b) An evening tour will consist of eight (8) hours between 4:00 PM and 1:00 AM Monday through Friday.
- (c) A night tour will consist of eight (8) hours between 12:00 AM and 8:00 AM Monday through Friday.
- (d) Employees assigned to evening or night tours pursuant to 12(b) or 12(c) above shall be paid a differential in the amount of ten percent (10%) of their weekly basic wage rate.

13 Per Diem Reimbursement

Employees in those titles outlined in Paragraphs 3(a) and 3(b) who are required to remain away from their home locations while on temporary assignment shall be paid a per diem expense reimbursement as follows:

**Schedule of Per Diem Expense Reimbursement
When Overnight Stay is Required**

Lodging Provided 1-5 Days	Lodging Provided Beginning 6th Day	Meals & Lodging Provided 1-5 Days	Meals & Lodging Provided Beginning 6th Day
\$35.00	\$40.00	\$3.00	\$5.00

- (1) The per diem expense reimbursement paid when lodging only is provided covers meals, laundry, local transportation, gratuities and other expenses which the employee may incur.
- (2) The per diem expense reimbursement paid when meals and lodging are both provided, covers laundry, local transportation, gratuities and other expenses which the employee may incur.
- (3) No other expense reimbursement will be paid on days when a per diem is allowed.

APPENDIX 1

AVAYA INC. BUSINESS GROUPS AND DIVISION

Global Services Organization

Corporate Center

Converged Systems and Applications

APPENDIX 2

1 SPECIAL CITY ALLOWANCE

An employee whose assigned reporting location on a particular day is within the area of one of the cities listed below, will be paid a Special City Allowance for each day the employee works after reporting at such assigned reporting locations. The amount of the allowance at each is shown below.

The Special City Allowance will enter into computation of overtime pay as part of the overtime adjustment formula required by law but will not be part of the standard rate or adjusted rate nor enter into the computation of any payments under the Avaya Pension Plan and the Company's Sickness and Accident Disability Benefit Plan or any other fringe benefits or differentials.

Not more than one full daily allowance will be paid to an employee on any one day regardless of the number of times the employee reports to a qualified location during that day.

<u>LOCALITY</u>	<u>DAILY ALLOWANCE</u>
Boston, MA	\$1.40
Chicago, IL	\$1.40

Boston Massachusetts

The following designated boundaries qualify, subject to the above provision, for the Special City Allowance:

- Central Boston Exchange
- South Boston Exchange
- Dorchester Exchange
- Roxbury Exchange

Chicago, Illinois

An employee whose assigned reporting location on a particular day is within the city limits of Chicago or the following exchanges will be paid a Special City Allowance:

Arlington Heights	Lisle
Bellwood	Mayford
Berwyn	Naperville
Blue Island	Oak Lawn (Hickory Hills)
Brookfield	Oak Park
Calumet City	Riverdale
Chicago Heights	River Grove
Cicero	Riverside
Evanston	Rolling Meadows
Forest (Forest Park-River Forest)	Skokie (Morton Grove)
Franklin Park	Summit
Harvey	Thornton
Homewood	Tinley Park
La Grange	West Chicago
Lansing	Willow Springs

**APPENDIX 3
RECOGNITION**

THE GEOGRAPHIC AREAS IN WHICH LOCAL UNIONS REPRESENT EMPLOYEES IN THE BARGAINING UNIT IN THE TITLES SHOWN AND CONTAINED IN APPENDIX 4 ARE SET FORTH BELOW:*

1 Local Union 134 - Cook County Illinois

Building Cable Technician - Apprentice
Building Cable Technician - Journeyman
Customer Engineer - Apprentice
Customer Engineer III - Journeyman
Customer Systems Engineer - Journeyman
Dedicated Customer Engineer - Journeyman
Foreman
General Foreman
Senior Technician - Journeyman
Systems Engineer - Journeyman
Technicians Assistant - Apprentice

2 Local Union 21-Entire State of Illinois except Cook County plus Indiana Counties Lake and Porter

Customer Systems Engineer*
Light Supplies Delivery Driver
Manager's Clerk
Project Coordinator
Reports Clerk*
Senior Technician*
Senior Software Associate
Software Associate

* Those titles which are marked with an asterisk (*) are titles common to employees represented by different Unions.

3 Local Union 827 - Entire State of New Jersey

Customer Care Specialist
Customer Software Administrator
Customer Systems Engineer
Senior Technician
Service Center Clerk
Senior Software Associate
Software Associate
Supplies Coordinator

4 Local Union 2213 - Upstate New York all territory north of the Westchester County Line

Reports Clerk*

5 Local Union 2222 - Massachusetts - Boston and surrounding Metropolitan Area

Customer Software Administrator
Customer Systems Engineer
Head Supplies Attendant
Manager's Clerk
Project Coordinator
Reports Clerk*
Senior Technician
Senior Software Associate
Software Associate

6 Local Union 2313 - Massachusetts - Dartmouth

Reports Clerk*

7 Local Union 2320 - Entire State of New Hampshire

Customer Systems Engineer
Head Supplies Attendant
Manager's Clerk
Project Coordinator
Reports Clerk*
Senior Technician
Senior Software Associate
Software Associate

Appendix 3

8 Local Union 2321 - North East Massachusetts

Customer Systems Engineer
Head Supplies Attendant
Project Coordinator
Reports Clerk*
Senior Technician
Senior Software Associate
Software Associate

9 Local Union 2322 - South East Massachusetts

Customer Systems Engineer
Head Supplies Attendant
Project Coordinator
Senior Technician
Senior Software Associate
Software Associate
Supplies Attendant

10 Local Union 2323 - Entire State of Rhode Island and Northern Connecticut

Customer Systems Engineer
Head Supplies Attendant
Project Coordinator
Senior Technician
Senior Software Associate
Software Associate

11 Local Union 2324 - Western Massachusetts and the rest of Connecticut

Customer Systems Engineer
Head Supplies Attendant
Manager's Clerk
Project Coordinator
Reports Clerk*
Senior Clerk
Senior Technician
Senior Software Associate
Software Associate

12 Local Union 2325 - Central Massachusetts

Customer Systems Engineer
Head Supplies Attendant
Manager's Clerk
Project Coordinator
Senior Technician
Senior Software Associate
Software Associate

13 Local Union 2326 - Entire State of Vermont

Customer Systems Engineer
Head Supplies Attendant
Project Coordinator
Senior Technician
Software Associate

14 Local Union 2327 - Entire State of Maine

Customer Systems Engineer
Head Supplies Attendant
Project Coordinator
Reports Clerk*
Senior Technician
Senior Software Associate
Software Associate

NOTE: Those titles listed in Paragraphs 1 through 14 above are titles applicable to employees represented by another union within (or potentially within) the same geographic areas set forth for each of the Local Unions. The Union does not claim to represent employees in those titles who are represented by another union. Those titles which are marked with an asterisk (*) are titles common to employees represented by different unions.

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**APPENDIX 4
TABLE OF CONTENTS**

Titles.....	Section 1
Localities and Wage Areas.....	Section 2
Wage Schedule Tables.....	Section 3

Instructions:

1. In Section 1 locate the "Title" and find the associated "Wage Schedule Table" number.
2. In Section 2 locate the work "Locality" and find the associated "Wage Area".
3. In Section 3 locate the "Wage Schedule Table" as determined in Section 1. Within that Table locate the "Wage Area" as determined in Section 2. The appropriate schedule is located under the "Wage Area".

* Not all "Wage Areas" are authorized in each "Wage Schedule Table"

** The Titles of, Customer Systems Engineers, Senior Technicians, Software Associates and Senior Software Associates in New Jersey are Wage Area A1.

Appendix 4
Section 1

TITLES

TITLE	SAP JOB CODE	SAP GRADE	CORP EQUIV LEG	WAGE SCHED TABLE
Account Support Representative	106002	AR	06	4
Administrative Clerk	106004	SS2	06	1
Building Cable Technician - Apprentice (Local 134)	101018	TEC	06	10
Building Cable Technician - Journeyman (Local 134)	101102	TEC	06	10
Customer Care Specialist	100038	AR	05	4
Customer Engineer - Apprentice	101012	TEC	06	10
Customer Engineer - Apprentice (Local 134)	101019	TEC	06	10
Customer Engineer III - Journeyman (Local 134)	109871	TEC	06	10
Customer Software Administrator	109977	TG6	04	13
Customer Systems Engineer	109906	TEC	06	5
Customer Systems Engineer- Journeyman (Local 134)	109917	TEC	06	10
Dedicated Customer Engineer- Journeyman (Local 134)	109918	TEC	06	10
Head Supplies Attendant	101626	H S A	04	7
Light Supplies Delivery Driver	102017	LSD	04	8
Manager's Clerk (CT, MA, NH)	100127	SS2	03	1
Manager's Clerk (IL)	100127	S-2	04	2
Project Coordinator	109919	SS2	03	1
Reports Clerk (IL Only)	102983	SS1	02	12
Reports Clerk (NY Only)	102983	SS2	03	1
Senior Technician	105203	SRT	06	6
Senior Technician-Journeyman (Local 134)	109834	SRT	06	11
Service Center Clerk	104608	SCC	04	3
Software Associate	109920	TEC	06	6
Sr. Software Associate	109925	SRT	06	6
Supplies Coordinator	103532	SUP	04	9
Systems Engineer - Journeyman (Local 134)	109915	TEC	06	10
Technicians Assistant - Apprentice (Local 134)	101025	TEC	06	10

LOCALITIES AND WAGE AREAS

LOCALITY	WAGE AREA
CONNECTICUT	A1
ILLINOIS	J1
INDIANA	H1
MAINE	A1
MASSACHUSETTS	A1
NEW HAMPSHIRE	A1
NEW JERSEY**	D1
NEW YORK	
Albany	C4
Amherst	C3
Buffalo	C3
Clay	C4
Colonie	C4
Dewitt	C4
Horseheads	C3
Johnson City	C4
Kingston	C4
Liverpool	C4
Niagara Falls	C4
Poughkeepsie	C4
Rochester	C3
Schenectady	C4
Syracuse	C4
W. Seneca	C3
RHODE ISLAND	A1
VERMONT	A1

WAGE SCHEDULE TABLES

Table 1
Level SS-2

		Wage Area - A1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$6.99	\$7.20	\$7.42
	2	\$7.97	\$8.21	\$8.46
	3	\$9.09	\$9.36	\$9.64
	4	\$10.36	\$10.67	\$11.00
	5	\$11.81	\$12.17	\$12.54
	6	\$13.47	\$13.87	\$14.29
	7	\$15.35	\$15.82	\$16.29
	8	\$17.51	\$18.03	\$18.58
Maximum	9	\$19.96	\$20.56	\$21.18
Pension Band		108	108	108

		Wage Area - C4		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.29	\$7.55	\$7.81
	2	\$8.28	\$8.58	\$8.87
	3	\$9.41	\$9.75	\$10.08
	4	\$10.69	\$11.07	\$11.46
	5	\$12.15	\$12.58	\$13.02
	6	\$13.81	\$14.29	\$14.79
	7	\$15.69	\$16.24	\$16.80
	8	\$17.82	\$18.45	\$19.09
Maximum	9	\$20.25	\$20.96	\$21.69
Pension Band		108	108	108

		Wage Area - H1, J1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.88	\$8.12	\$8.36
	2	\$8.88	\$9.15	\$9.42
	3	\$10.00	\$10.31	\$10.61
	4	\$11.27	\$11.61	\$11.96
	5	\$12.70	\$13.08	\$13.47
	6	\$14.31	\$14.74	\$15.18
	7	\$16.12	\$16.61	\$17.10
	8	\$18.17	\$18.71	\$19.27
Maximum	9	\$20.47	\$21.08	\$21.71
Pension Band		109	109	109

Table 2
Level S-2

		Wage Area – H1, J1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.88	\$8.12	\$8.36
	2	\$8.93	\$9.21	\$9.48
	3	\$10.13	\$10.44	\$10.75
	4	\$11.49	\$11.83	\$12.19
	5	\$13.02	\$13.42	\$13.82
	6	\$14.76	\$15.21	\$15.67
	7	\$16.74	\$17.25	\$17.77
	8	\$18.98	\$19.55	\$20.14
Maximum	9	\$21.52	\$22.17	\$22.84
Pension Band		111	111	111

Table 3
Level SVCCC

		Wage Area - D1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.46	\$7.68	\$7.91
	2	\$8.53	\$8.78	\$9.04
	3	\$9.75	\$10.04	\$10.34
	4	\$11.15	\$11.48	\$11.82
	5	\$12.74	\$13.12	\$13.51
	6	\$14.57	\$15.00	\$15.45
	7	\$16.66	\$17.15	\$17.66
	8	\$19.04	\$19.61	\$20.20
Maximum	9	\$21.77	\$22.42	\$23.09
Pension Band		111	111	111

Table 4
Level AR

		Wage Area - D1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.80	\$8.03	\$8.27
	2	\$8.94	\$9.21	\$9.48
	3	\$10.25	\$10.55	\$10.87
	4	\$11.75	\$12.10	\$12.46
	5	\$13.47	\$13.87	\$14.29
	6	\$15.44	\$15.90	\$16.38
	7	\$17.70	\$18.23	\$18.78
	8	\$20.29	\$20.90	\$21.53
Maximum	9	\$23.26	\$23.96	\$24.68
Pension Band		113	113	113

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Table 5
Level TECH

		Wage Area - A1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$8.53	\$8.79	\$9.05
	2	\$9.63	\$9.93	\$10.22
	3	\$10.88	\$11.21	\$11.54
	4	\$12.28	\$12.66	\$13.03
	5	\$13.87	\$14.29	\$14.72
	6	\$15.67	\$16.14	\$16.62
	7	\$17.69	\$18.22	\$18.77
	8	\$19.98	\$20.58	\$21.19
	9	\$22.56	\$23.24	\$23.93
	10	\$25.48	\$26.24	\$27.03
Maximum	11	\$28.77	\$29.63	\$30.52
Pension Band		122	122	122

		Wage Area - D1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$8.22	\$8.47	\$8.72
	2	\$9.31	\$9.59	\$9.87
	3	\$10.54	\$10.85	\$11.18
	4	\$11.93	\$12.29	\$12.65
	5	\$13.50	\$13.91	\$14.32
	6	\$15.29	\$15.75	\$16.22
	7	\$17.31	\$17.83	\$18.36
	8	\$19.59	\$20.18	\$20.79
	9	\$22.18	\$22.85	\$23.53
	10	\$25.11	\$25.86	\$26.64
Maximum	11	\$28.43	\$29.28	\$30.16
Pension Band		122	122	122

		Wage Area - H1, J1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.98	\$8.22	\$8.47
	2	\$9.06	\$9.33	\$9.62
	3	\$10.29	\$10.60	\$10.92
	4	\$11.69	\$12.04	\$12.40
	5	\$13.27	\$13.67	\$14.08
	6	\$15.07	\$15.52	\$15.99
	7	\$17.11	\$17.63	\$18.16
	8	\$19.43	\$20.02	\$20.62
	9	\$22.07	\$22.73	\$23.41
	10	\$25.06	\$25.81	\$26.59
Maximum	11	\$28.46	\$29.31	\$30.19
Pension Band		122	122	122

Table 6
Level SRTECH

		Wage Area - A1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$8.53	\$8.79	\$9.05
	2	\$9.68	\$9.97	\$10.27
	3	\$10.98	\$11.32	\$11.65
	4	\$12.46	\$12.84	\$13.22
	5	\$14.14	\$14.57	\$15.00
	6	\$16.05	\$16.53	\$17.03
	7	\$18.21	\$18.76	\$19.32
	8	\$20.66	\$21.29	\$21.92
	9	\$23.45	\$24.15	\$24.88
	10	\$26.61	\$27.41	\$28.23
Maximum	11	\$30.19	\$31.10	\$32.03
Pension Band		124	124	124

		Wage Area - D1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$8.22	\$8.47	\$8.72
	2	\$9.35	\$9.64	\$9.92
	3	\$10.64	\$10.96	\$11.29
	4	\$12.10	\$12.47	\$12.84
	5	\$13.77	\$14.19	\$14.61
	6	\$15.66	\$16.14	\$16.62
	7	\$17.82	\$18.36	\$18.91
	8	\$20.27	\$20.89	\$21.51
	9	\$23.06	\$23.76	\$24.47
	10	\$26.24	\$27.03	\$27.84
Maximum	11	\$29.85	\$30.75	\$31.67
Pension Band		124	124	124

		Wage Area - H1, J1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.98	\$8.22	\$8.47
	2	\$9.11	\$9.38	\$9.67
	3	\$10.39	\$10.71	\$11.03
	4	\$11.86	\$12.22	\$12.59
	5	\$13.54	\$13.94	\$14.36
	6	\$15.45	\$15.91	\$16.39
	7	\$17.63	\$18.16	\$18.70
	8	\$20.12	\$20.72	\$21.35
	9	\$22.96	\$23.65	\$24.36
	10	\$26.20	\$26.99	\$27.80
Maximum	11	\$29.90	\$30.80	\$31.72
Pension Band		124	124	124

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Table 7
Level HSA

		Wage Area - A1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$9.06	\$9.33	\$9.61
	2	\$10.17	\$10.47	\$10.79
	3	\$11.41	\$11.75	\$12.10
	4	\$12.81	\$13.19	\$13.59
	5	\$14.38	\$14.80	\$15.25
	6	\$16.13	\$16.62	\$17.11
	7	\$18.11	\$18.65	\$19.20
	8	\$20.32	\$20.93	\$21.55
Maximum	9	\$22.81	\$23.49	\$24.19
Pension Band		113	113	113

Table 8
Level LSDD

		Wage Area - J1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.75	\$7.98	\$8.22
	2	\$8.89	\$9.15	\$9.43
	3	\$10.20	\$10.50	\$10.81
	4	\$11.69	\$12.04	\$12.40
	5	\$13.41	\$13.81	\$14.23
	6	\$15.38	\$15.84	\$16.32
	7	\$17.64	\$18.17	\$18.72
	8	\$20.24	\$20.85	\$21.47
Maximum	9	\$23.21	\$23.91	\$24.63
Pension Band		113	113	113

Table 9
Level SUPPC

		Wage Area - D1		
	Step	Effective 06/01/2003	Effective 05/30/2004	Effective 05/29/2005
Minimum	1	\$7.46	\$7.68	\$7.91
	2	\$8.67	\$8.92	\$9.19
	3	\$10.07	\$10.37	\$10.68
	4	\$11.69	\$12.04	\$12.40
	5	\$13.59	\$13.99	\$14.41
	6	\$15.78	\$16.25	\$16.74
	7	\$18.33	\$18.88	\$19.44
	8	\$21.30	\$21.93	\$22.59
Maximum	9	\$24.74	\$25.48	\$26.24
Pension Band		116	116	116

Table 10
Level TECH
[Local 134 ONLY]

		Wage Area – J1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$10.85	\$11.18	\$11.52
	2	\$11.95	\$12.31	\$12.69
	3	\$13.16	\$13.56	\$13.97
	4	\$14.49	\$14.93	\$15.38
	5	\$15.98	\$16.44	\$16.94
	6	\$17.57	\$18.10	\$18.65
	7	\$19.35	\$19.93	\$20.54
	8	\$21.31	\$21.95	\$22.61
	9	\$23.47	\$24.17	\$24.90
	10	\$25.84	\$26.62	\$27.42
Maximum	11	\$28.46	\$29.31	\$30.19
Pension Band		122	122	122

Table 11
Level SRTECH
[Local 134 ONLY]

		Wage Area – J1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.98	\$8.22	\$8.47
	2	\$9.41	\$9.70	\$9.99
	3	\$11.10	\$11.44	\$11.78
	4	\$13.10	\$13.49	\$13.90
	5	\$15.45	\$15.91	\$16.39
	6	\$18.22	\$18.77	\$19.33
	7	\$21.49	\$22.14	\$22.80
	8	\$25.35	\$26.11	\$26.89
Maximum	9	\$29.90	\$30.80	\$31.72
Pension Band		124	124	124

Table 12
Level SS-1

		Wage Area – J1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.44	\$7.66	\$7.89
	2	\$8.42	\$8.67	\$8.93
	3	\$9.53	\$9.82	\$10.11
	4	\$10.79	\$11.11	\$11.45
	5	\$12.22	\$12.58	\$12.96
	6	\$13.83	\$14.24	\$14.67
	7	\$15.65	\$16.12	\$16.61
	8	\$17.72	\$18.25	\$18.80
Maximum	9	\$20.06	\$20.66	\$21.28
Pension Band		108	108	108

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Table 13
Level TG-6

		Wage Area - A1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.44	\$7.66	\$7.89
	2	\$8.50	\$8.75	\$9.01
	3	\$9.71	\$10.00	\$10.30
	4	\$11.09	\$11.42	\$11.76
	5	\$12.67	\$13.05	\$13.44
	6	\$14.47	\$14.90	\$15.35
	7	\$16.53	\$17.03	\$17.54
	8	\$18.88	\$19.45	\$20.04
Maximum	9	\$21.57	\$22.22	\$22.89
Pension Band		111	111	111

		Wage Area - D1		
		Effective	Effective	Effective
	Step	06/01/2003	05/30/2004	05/29/2005
Minimum	1	\$7.52	\$7.75	\$7.98
	2	\$8.60	\$8.87	\$9.13
	3	\$9.84	\$10.14	\$10.44
	4	\$11.26	\$11.60	\$11.95
	5	\$12.88	\$13.27	\$13.67
	6	\$14.74	\$15.18	\$15.64
	7	\$16.86	\$17.37	\$17.89
	8	\$19.29	\$19.87	\$20.46
Maximum	9	\$22.07	\$22.73	\$23.41
Pension Band		111	111	111

**2003 CWA/IBEW/AVAYA NATIONAL
MEMORANDUM OF UNDERSTANDING**

This Memorandum is executed by the Communications Workers of America (hereinafter "CWA"), the International Brotherhood of Electrical Workers System Council T-3 on behalf of Local Unions 21, 134, 827, 1614, 1974, 2213, 2222, 2320, 2321, 2322, 2323, 2324, 2326 and 2327 (hereinafter "IBEW") and Avaya Inc. (hereinafter "Avaya" or "the Company") in the bargaining units listed on Attachment A, to set forth the understandings reached as to wages, hours, terms and conditions of employment that have application to all such bargaining units.

This Memorandum binds the CWA and its local labor unions, the IBEW and its affiliated local unions, and Avaya 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.

The understandings set forth herein shall become effective as to CWA or IBEW System Council T-3 (as applicable) only if ratified by the CWA membership or the IBEW System Council T-3 membership (as the case may be) employed in the bargaining units listed on Attachment A on or before 11:59 PM on July 25, 2003.

The amended collective bargaining agreements between the parties shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday, May 27, 2006.

Attachment A

IBEW AND CWA BARGAINING UNITS

CWA Operations

IBEW Operations

IBEW Omaha P + M

IBEW Clerical

This 2003 National Memorandum of Understanding is agreed to this 1st day of June, 2003.

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/ Richie Meringolo
CWA Local 1101

/s/ Phil Pennington
CWA Local 4320

/s/ Art Frindt
CWA Local 4340

/s/ John Jackson
CWA Local 7777

APPROVED:

/s/ Morton Bahr
President, CWA

National Memorandum

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

/s/ Dennis Slaman
Chairman, System Council T-3

/s/ Martha Pultar
International Representative

APPROVED:

/s/ Edwin D. Hill
International President, IBEW

Subcommittee Members:

/s/ Robert Morrison
Vice-Chairman, System Council T-3

/s/ Michael Cleaves
Local 2222

/s/ Bernard Stopak
President, Local 1974

/s/ Cory Aesoph-Mangiaruca
President, Local 1614

/s/ C. J. King
District 11 Representative

/s/ Dave Rehberg
Business Representative, Local 134

AVAYA INC.

/s/ Thomas C. Burk
Vice President Labor Relations

/s/ William G. Ligon
Labor Relations Director

/s/ Martha Tirrell
Senior Manager Labor Relations

/s/ Susan White
Manager Labor Relations

GENERAL WAGE INCREASES

1 Wage Schedule Increases

(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) Initial Wage Increase

(1) Effective June 1, 2003, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 31, 2003

(c) Retroactive Pay Equivalent Payment

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

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

The amount of the employee's hourly rate increase resulting from the initial wage increase;

Multiplied by a factor of the number of hours in the employee's Scheduled Weekly Tour for each week of employment in the period beginning June 1, 2003, and ending with the effective date of the initial wage increase;

Plus the actual number of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time And One-Half, Double Time or Double Time And One-Half, as applicable);

Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;

Plus all the actual Differentials, Allowances and payments that are paid as hours during that period including On-Call, Call-In, Call-Up, Sunday Payments, Saturday Differential, Shifted Tour Differential, and Minimum Interval Differential.

(3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's Standard Rate during the period beginning June 1, 2003 and ending with the effective date of the initial wage increase, the employees' payment records for the period will be reviewed to ensure that the employees' Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.

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

National Memorandum

- (4) An eligible Part-Time employee shall receive a proportionate amount of the applicable Full-Time Retroactive Pay Equivalent Payment based on the Part-Time employee's Part-Time Equivalent Work Week as of the effective date of the initial wage increase.
 - (5) In the event an employee has left the active roll during the period beginning June 1, 2003 and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
 - (i) In such case, the percentage increase as specified in Paragraph (1) (b) (1) shall be applied to the employee's Standard Rate effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
 - (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 26, 2003 provided the Company has been notified that the 2003 National Memorandum of Understanding (which includes all local contracts) have been ratified no later than 11:59 p.m. July 25, 2003.
 - (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
 - (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (i) The Avaya Stock Purchase Plan
 - (ii) The Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on June 1, 2003, rounded to nearest whole number, times the employee's weekly Savings Plan Allotment
 - (iii) Union dues as specified by the union
 - (9) The Retroactive Pay Equivalent Payment will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall it enter into the standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.
- (d) **Second Wage Increase**
- Effective May 30, 2004, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect May 29, 2004

(e) **Third Wage Increase**

Effective May 29, 2005, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 28, 2005.

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

ESCALATION ADJUSTMENT

- 1 Effective May 29, 2005, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 2004 and March 2005.
 - (a) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second and third GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the third scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 28, 2005.
 - (b) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- 2 In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- 3 In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the dates referred to in paragraph 1, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- 4 No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2004 and March 2005.
- 5 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 2003, which was 180.3 (1982-1984=100).
- 6 It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.

WAGE PROGRESSION SCHEDULES

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

AVAYA AWARD FOR REPRESENTED EMPLOYEES

1 Overview

- (a) Avaya is committed to delivering superior, sustained increases in shareholder value. To achieve our goal, every member of the Avaya 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 amount of Avaya Awards if earned, is based on the performance results of Avaya against business goals which are established at the beginning of each Performance Cycle.
- (d) When the Company exceeds the business goals, there is an opportunity for even greater awards.
- (e) Performance Awards will be based on two (2) six month performance cycles during the Avaya fiscal year, referred to as "Performance Cycles."

2 Avaya Performance Award

- (a) The Avaya Award for eligible Represented Employees will be based on overall Avaya-wide performance against fiscal business goals.
- (b) The performance measure(s) for the Avaya Award will be the same measure(s) used for the Avaya Award covering U. S. based Salaried Employees.
- (c) Eligible employees will receive two (2) lump sum payments in each calendar year (one in the month of June and one in the month of December) as follows:

Performance Cycle	Minimum Amount	Amount at Target
2003 - 2 nd half	\$270	\$583
2004 - Cycle 1	\$270	\$595
- Cycle 2	\$270	\$595
2005 - Cycle 1	\$270	\$607
- Cycle 2	\$270	\$607
2006 - Cycle 1	\$270	\$619
- Cycle 2	\$270	\$619

- (d) Such amount will be increased if the Company's performance exceeds the target(s) or decreased if the Company's performance does not meet the target(s) at the same rate of increase or decrease as applied to U.S. based salaried employees covered under the Avaya Short Term Incentive Plan for Salaried (formerly Management) Employees.
- (e) There will be no limitation on the maximum payouts.

3 Performance Metrics

- (a) The plan will be based on three (3) components. The components will be revenue growth, return on sales and operating cash flow.
- (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

4 Eligibility and Proration

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

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 Family Care Leave	Absence period attributable to actual disability (if applicable) plus a 30-day grace period
Family Medical Leave	Absence period attributable if required by Law.

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- (e) Employees who are involuntarily separated from the Company during a Performance Cycle will be entitled to receive the same full award payment as active employees for the applicable Performance Cycle.
 - (1) Employees who leave under a force management plan during the Performance Cycle will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Cycle.
- (f) Employees who resign or are terminated for cause during the Performance Cycle are not eligible to receive any award.
- (g) Employees who are assigned as Salaried (formerly Management) employees for a portion of the Performance Cycle shall receive a proportionate amount of the applicable awards under this Plan based upon the number of days the employee was assigned as a represented 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 Cycle.

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) The Avaya Performance Award target amount 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 Avaya Performance Awards:
 - (1) Avaya Stock Purchase Plan
 - (2) The Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on June 1, 2003, rounded to nearest whole number, times the employee's weekly Savings Plan Allotment.
 - (3) Union dues as specified by the union
- (e) The Awards will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall they enter into the computation of any payments made under any other pension or benefits plan, fringe benefit, allowance or differential.

6 General

- (a) Awards will be paid no later than 75 days after the end of the Performance Cycle and will be subject to applicable taxes.
- (b) The Union may present grievances related to matters covered by the Plan. Any such grievance shall be filed at the final step of the grievance procedure provided for in the applicable local contract.
- (c) Arbitration of grievances relative to the matters covered by the Plan shall be limited to whether or not the administration of the 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 except that an arbitration demand must be filed within ten (10) business days following receipt of the Company's answer in the final step in the grievance procedure.
- (d) Avaya reserves the right to adjust payment levels upward or downward to offset the effects of significant and unusual events such as the purchase or sale of a Group, etc.

WAGE & COMPENSATION PRACTICES

1 Joint Payroll Issues Committee

- (a) A committee to be appointed by the bargaining chairs shall be identified to continue to review wage and compensation issues as well as payroll maintenance and delivery issues.
- (b) The committee shall consist of 2 representatives from the unions: 1 from CWA and 1 from IBEW, and 2 representatives from the Company.
- (c) The committee shall meet at the request of the members to discuss problems or other issues identified by the parties, to seek solutions to said problems, and, where appropriate, make recommendations to the bargaining chairs.
- (d) In addition, the committee shall oversee the successful implementation and delivery of items covered by this agreement on Wage & Compensation Practices and to communicate its findings to the bargaining chairs.

SIGNING BONUS

- 1 Effective on June 1, 2003, all eligible regular represented employees will be granted a Signing Bonus of \$400.00 in the form of a cash payment in accordance with the provisions specified herein.
 - (a) Payment of the Signing Bonus is subject to ratification of the National Memorandum and all local agreements by July 25, 2003. Payment of the Signing Bonus shall be made no later than four (4) weeks following such date unless ratification has not occurred by July 25, 2003. In such case, payment of the Signing Bonus shall be made no later than four (4) weeks following ratification of the National Memorandum, and all local agreements, whichever is the later date.

- 2 Eligibility Criteria for Signing Bonus
 - (a) Regular employees on the active roll on the date of notice to the Company that ratification of the National Memorandum and all local agreements 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 part-time Equivalent Work Week as of June 1, 2003.
 - (c) Employees receiving the Extended Compensation Option of the Avaya Career Transition Option Program (ACTOP) as of June 1, 2003, shall receive a Signing Bonus of one hundred dollars (\$100)
 - (d) Variable Workforce employees on roll as of June 1, 2003, shall receive a Signing Bonus of two-hundred dollars (\$200).

- 3 The Signing Bonus shall be subject to federal, state and local tax and FICA withholding and allotments for the following shall be deducted from the Signing Bonus:
 - (a) Union dues as specified by the Union
 - (b) 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 benefits plan, fringe benefit, allowance or differential.

NEW RECOGNITION AWARD PROGRAMS

June 1, 2003

Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: New Recognition Award Programs

The parties recognize that it may be in their mutual interest to negotiate new recognition award programs during the period of the 2003 National Memorandum. Accordingly, the parties agree that, should the Company or the Union seek to negotiate new programs during the period of the 2003 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 and Union leaders 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.

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

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

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

PENSION BAND INCREASES

The Avaya Inc. Pension Plan shall be amended effective July 1, 2003, to revise the Monthly Benefit Table (Section 4.2 (c)(ii)).

For employees who retire on or after July 1, 2003, the applicable Monthly Benefit Table shall be as set forth in Attachment A.

For employees who retire on or after July 1, 2004, the applicable Monthly Benefit Table shall be as set forth in Attachment B.

For employees who retire on or after July 1, 2005, the applicable Monthly Benefit Table shall be as set forth in Attachment C.

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Attachment A

Effective July 1, 2003, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2003:

Pension Band	For Retirements on or after July 1, 2003
103	32.97
104	34.24
105	35.52
106	36.82
107	38.13
108	39.39
109	40.69
110	41.96
111	43.25
112	44.52
113	45.82
114	47.07
115	48.37
116	49.66
117	50.93
118	52.21
119	53.51
120	54.78
121	56.06
122	57.35
123	58.62
124	59.89
125	61.20
126	62.44
127	63.75
128	65.02
129	66.33
130	67.59
131	68.90
132	70.15
133	71.44
134	72.77
135	74.00

Attachment B

Effective July 1, 2004, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2004:

Pension Band	For Retirements on or after July 1, 2004
103	33.96
104	35.26
105	36.59
106	37.93
107	39.27
108	40.57
109	41.91
110	43.22
111	44.55
112	45.85
113	47.20
114	48.48
115	49.82
116	51.15
117	52.46
118	53.78
119	55.11
120	56.42
121	57.74
122	59.07
123	60.38
124	61.69
125	63.04
126	64.31
127	65.66
128	66.97
129	68.32
130	69.62
131	70.96
132	72.26
133	73.58
134	74.95
135	76.22

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Attachment C

Effective July 1, 2005 the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2005:

Pension Band	For Retirements on or after July 1, 2005
103	34.98
104	36.32
105	37.69
106	39.06
107	40.45
108	41.79
109	43.16
110	44.52
111	45.88
112	47.23
113	48.62
114	49.94
115	51.31
116	52.68
117	54.04
118	55.39
119	56.77
120	58.11
121	59.48
122	60.84
123	62.19
124	63.54
125	64.93
126	66.24
127	67.63
128	68.98
129	70.37
130	71.70
131	73.09
132	74.43
133	75.79
134	77.20
135	78.50

AVAYA INC. PENSION PLAN

ELIMINATION OF PENSION BAND 102

Effective July 1, 2003, pension band 102 is eliminated. Any employee currently in pension band 102 and who retires on or after July 1, 2003, shall have his or her pension calculated using pension band 103.

SERVICE BRIDGING RULES

The Avaya 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 the termination of an absence in order for the employee's pre-absence service to be counted as part of the employee's Term of Employment. Provided however, that an employee who has received a mandatory minimum distribution must repay such distribution in accordance with the Plan terms in order for his or her service to be bridged.

Such amendment shall be effective on January 1, 2004, so that any employee who has completed two years of post absence consecutive service as of January 1, 2004 shall have his or her former service bridged as of that date.

PENSION ASSET TRANSFER

The Company may continue to transfer excess pension assets from the Avaya Inc. Pension Plan ("Plan") to a separate account that 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 represented employees (and their spouses and eligible dependents).

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

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

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

SPECIAL SOCIAL SECURITY SUPPLEMENT

Effective June 1, 2003, Social Security Supplement payments, under the Avaya 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 1998 Memorandum of Understanding shall continue to be made available for the term of the 2003 Memorandum of Understanding.

MEDICAL AND DENTAL BENEFITS

Medical and dental benefits for represented employees under the Avaya Inc. Medical Plan (the "Medical Plan") and the Avaya Inc. Dental Plan (the "Dental Plan") will continue with such changes described below and effective as of the dates set forth below. The Medical and Dental Plans will be amended to reflect such changes.

Overview

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

Medical Plan

1 Point-of-Service (POS) Option Co-payments.

Effective January 1, 2004, the following POS co-payments will apply:

POS In-Network Office Visit	\$15
POS Out-of-Network Hospital Admission	\$200
POS Emergency Room Visit (if non-admission)	\$50

2 Traditional Indemnity Option Deductibles.

Effective January 1, 2004, the following annual deductibles will apply to the Traditional Indemnity Option

Individual coverage	\$250
Two-person coverage	\$500
Family coverage	\$750

3 Prescription Drug Program.

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

Effective January 1, 2004, Prescription drug program benefits for represented employees will continue as before, except as modified below:

(a) Co-payments

(1) Brand

(i) Retail (up to a 34-day supply)	\$20
(ii) Home-Delivery (up to a 90-day supply)	\$35

(2) Generic

(i) Retail (up to a 34-day supply)	\$8
(ii) Home-Delivery (up to a 90-day supply)	\$14

- (b) **Mandatory Home-Delivery.** After three fills at the retail level, maintenance drugs will only be covered by mail order.
 - (c) **Dose Optimization Program.** The Medical Plan shall utilize the Dose Optimization Program, for as long as that Program is available, as follows:
 - (1) Implementation of the Notification Option, effective July 1, 2003.
 - (2) Implementation of the Coverage Option, effective January 1, 2005.
 - (d) **Select Network.** The Select Prescription Drug Network will replace the Broad Prescription Drug Network.
 - (e) **Smart Prior Authorization Clinical Management Program.** The following programs will be implemented:
 - (1) H2 Antagonists and PPIs (Proton Pump Inhibitors)
 - (2) COX-2 Inhibitors
 - (3) Antihistamines
 - (4) Impotence Management
 - (5) Migraine Management
 - (f) **Traditional Prior Authorization Clinical Management Program.** The following programs will be implemented:
 - (1) Anti-Obesity Agents
 - (2) Central Nervous System Stimulants
 - (3) Miscellaneous Dermatologicals – Accutane
 - (4) Tamoxifen
- 4 **Mental Health and Chemical Dependency Coverage.** Effective January 1, 2004, there shall be no co-payments for the first five In-Network visits. Each subsequent visit will be subject to a doctor's office co-payment. Referral can be made by an Employee Assistance Program Counselor or Primary Care Physician.
- 5 **Coverage Opt-Out.** Eligible employees who opt-out of Medical Plan coverage will receive a payment of \$55 per month. This is not available if the employee can be covered as a dependent of another Avaya Inc. employee or retiree.
- 6 **Health Education Initiatives.** The Company and the Unions, through the Joint Health Care Committee, shall continue current health education initiatives while jointly considering and subsequently implementing additional education initiatives.

DENTAL PLAN

7 **Schedule of Allowances.** Effective January 1, 2004, schedule of allowances for the following Type B procedures shall be increased by 10%:

- 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 surfaces, posterior – permanent
- 2387 Resin – three or more surfaces, posterior - permanent
- 4211 Gingivectomy or gingivoplasty
- 4341 Periodontal scaling and root planing
- 7110 Single tooth
- 7120 Each additional tooth
- 7210 Extraction of tooth, erupted
- 7220 Extraction of tooth, partial bony impaction
- 7230 Impaction that requires incision of overlying
- 7240 Impaction/Comp Bony
- 9220 General
- 9240 Intravenous sedation

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 Avaya'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 Plan with respect to members of the bargaining units covered by the 2003 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 (two (2) from the CWA and two (2) from the IBEW) 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 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 Plan. To accomplish these objectives the JHCC will:

- review and comment on bid specifications for the Managed Care Programs of the Medical Plan, provide input on who should be invited to bid, meet with various vendors as they make clarifying presentations on their programs and capabilities, attend briefings on the outcome of the bid analysis, and make recommendations on the selection of the carrier to senior management. In addition, the JHCC will have access to the Master Contracts between Avaya Inc. and the carriers which administer the POS networks covering the represented employees. Such access is contingent upon each JHCC member executing a confidentiality agreement. It is understood that such access will encompass all information that Avaya 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 POS 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 a represented plan network area operation is materially deficient and that such deficiencies will not likely be resolved in a reasonable period of time with a reasonable effort by the network administrator, the JHCC may then evaluate other Company-sponsored POS managed care operations in the same geographic area and their administrative performance, whether or not represented employees participate in such other arrangements on the same matters as the evaluation of represented plan network area operations was based.

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- Based on any such review and evaluation, the JHCC may recommend to the Company to change an existing represented 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 Plan. 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 bargainèrs on policies and procedures to improve the plans and programs.
- recommend administrative guidelines to support methods of interventions to reduce risk factors associated with chronic disease. Monitor and evaluate the success of such interventions. All information and records of a personal and confidential nature related to these administrative guidelines and procedures shall be kept confidential by those responsible for the guidelines and shall not be shared with anyone other than those with a need to know for a purpose related to the administration of the guidelines and related procedures.
- recommend strategies to improve the delivery, quality of care and service provided bargaining unit employees under the Managed Care Programs.
- develop a consumer information strategy to include POS networks and HMO's under the Medical Plan.
- develop strategies and recommendations for expanding POS network services under the Medical Plan; 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.

- discuss effective means of sponsoring a wellness network for represented employees.
- discuss effective means of encouraging Congress to pass legislation regarding health care issues.

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 Avaya's health costs.

Network Coordinators

The Company agrees to continue to fund for the period of the 2003 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 Plan.

POSTRETIREMENT MEDICAL AND DENTAL BENEFITS

Postretirement medical benefits for retired represented employees under the Avaya Inc. Retiree Medical Plan (the "Retiree Medical Plan") and the Avaya Inc. Retiree Dental Plan (the "Retiree Dental Plan") will continue with such changes described below and effective as of the dates set forth below. The Retiree Medical and Dental Plans will be amended to reflect such changes.

RETIREE MEDICAL PLAN

1 Point-of-Service (POS) Option Co-payments.

Effective January 1, 2004, the following POS co-payments will apply:

POS In-Network Office Visit	\$15
POS Out-of-Network Hospital Admission	\$200
POS Emergency Room Visit (if non-admission)	\$50

2 Traditional Indemnity Option Deductibles.

Effective January 1, 2004, the following annual deductibles will apply to the Traditional Indemnity Option:

Individual coverage	\$250
Two-person coverage	\$500
Family coverage	\$750

3 Prescription Drug Program.

Effective January 1, 2004, prescription drug benefits for retired represented employees will continue as before, except as modified below:

(a) Co-payments

(1) Brand

- (i) Retail (up to a 34-day supply) \$20
- (ii) Home-Delivery (up to a 90-day supply) \$35

(2) Generic

- (i) Retail (up to a 34-day supply) \$8
- (ii) Home-Delivery (up to a 90-day supply) \$14

(b) **Mandatory Home-Delivery.** After three fills at the retail level, maintenance drugs will only be covered by Home-Delivery.

(c) **Dose Optimization Program.** The Retiree Medical Plan shall utilize the Dose Optimization Program as follows:

- (1) Implementation of the Notification Option, effective July 1, 2003.
- (2) Implementation of the Coverage Option, effective January 1, 2005.

- (d) **Select Network.** The Select Prescription Drug Network will replace the Broad Prescription Drug Network.
 - (e) **Smart Prior Authorization Clinical Management Program.** The following programs will be implemented:
 - (1) H2 Antagonists and PPIs (Proton Pump Inhibitors)
 - (2) COX-2 Inhibitors
 - (3) Antihistamines
 - (4) Impotence Management
 - (5) Migraine Management
 - (f) **Traditional Prior Authorization Clinical Management Program.** The following programs will be implemented:
 - (1) Anti-Obesity Agents
 - (2) Central Nervous System Stimulants
 - (3) Miscellaneous Dermatologicals – Accutane
 - (4) Tamoxifen
- 4 **Mental Health and Chemical Dependency Coverage.** Effective January 1, 2004, there shall be no co-payments for the first five In-Network visits. Each subsequent visit will be subject to a \$15 co-payment. Referral can be made by an Employee Assistance Program Counselor or Primary Care Physician.
- 5 **Coverage Opt-Out.** Eligible retirees who opt-out of Retiree Medical Plan coverage will receive a payment of \$55 per month. This is not available if the retiree can be covered as a dependent of another Avaya Inc. retiree or employee.
- 6 **Health Education Initiatives.** The Company and the Unions, through the Joint Health Care Committee, shall continue current health education initiatives while jointly considering and subsequently implementing additional education initiatives.

RETIREE DENTAL PLAN

7 **Service Fees.** Effective January 1, 2004, service fees for the following Type B procedures shall be increased by 10%

•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 surfaces, posterior – permanent
•2387	Resin – three or more surfaces, posterior - permanent
•4211	Gingivectomy or gingivoplasty
•4341	Periodontal scaling and root planing
•7110	Single tooth
•7120	Each additional tooth
•7210	Extraction of tooth, erupted
•7220	Extraction of tooth, partial bony impaction
•7230	Impaction that requires incision of overlying
•7240	Impaction/Comp Bony
•9220	General
•9240	Intravenous sedation

RETIREE MEDICAL AND DENTAL CAPS

Effective January 1, 2004, the amount of Company contributions toward coverage shall be determined in the same manner as immediately prior to this 2003 National Memorandum.

The caps on the Company contributions to provide the combination of medical and dental coverage for the term of this 2003 National Memorandum shall be as follows:

2003

- Under age 65 - individual coverage: \$4,488
- Under age 65 – two-person coverage: \$8,496
- Under age 65 - family coverage: \$12,948
- Age 65 and over - individual coverage: \$2,412
- Age 65 and over – two-person coverage: \$4,536
- Age 65 and over - family coverage: \$8,988

2004

- Under age 65 - individual coverage: \$4,668
- Under age 65 – two-person coverage: \$8,836
- Under age 65 - family coverage: \$13,466
- Age 65 and over - individual coverage: \$2,508
- Age 65 and over – two-person coverage: \$4,717
- Age 65 and over - family coverage: \$9,348

2005

- Under age 65 - individual coverage: \$4,854
- Under age 65 – two-person coverage: \$9,189
- Under age 65 - family coverage: \$14,005
- Age 65 and over - individual coverage: \$2,609
- Age 65 and over – two-person coverage: \$4,906
- Age 65 and over - family coverage: \$9,721

2006

- Under age 65 - individual coverage: \$5,048
- Under age 65 – two-person coverage: \$9,557
- Under age 65 - family coverage: \$14,565
- Age 65 and over - individual coverage: \$2,713
- Age 65 and over – two-person coverage: \$5,102
- Age 65 and over - family coverage: \$10,110

No retired employee shall be required to contribute towards the cost of postretirement medical and dental coverage for the duration of this 2003 National Memorandum. It is anticipated that the combined medical and dental cap will not be exceeded during the term of the 2003 National Memorandum.

Calculation of Required Retired Employee Contribution

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

1. Determine the actual aggregate cost of all incurred claims (including the cost of administration) for the second preceding calendar year prior to the year for which premiums are being set for (1) retired employees with individual coverage under 65; (2) retired employees with two-person coverage under 65; (3) retired employees with family coverage under 65; (4) retired employees 65 and over with individual coverage; (5) retired employees 65 and over with two-person coverage; and (6) retired employees 65 and over with family coverage.

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2. Based upon such actual aggregate costs, determine the average cost (including dependent costs) for such year per retired employee in each group.
3. Adjust the six average amounts determined in item 2 by an amount to be determined by the Special Research Group, as described below.
4. Calculate the difference between the amounts determined in item 3 and the applicable Company contribution limits and subtract the average claim for each group from the applicable cap for the group, and determine whether the cap has been exceeded. If no cap for any group has been exceeded, then no retiree contributions are required. If one or more caps are exceeded then all caps are aggregated, on a weighted basis. If the result is a positive number, then retiree premiums are due from each group that has exceeded the caps. If the result is a negative number then retiree premiums are not due from any group.

Medical and Dental Inflation and Projected Costs

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

Adjustment to Retired Employee Contribution

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

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

**COVERAGE FOR OTHER COVERED CHARGES (OCC) UNDER
TRADITIONAL INDEMNITY OPTION**

The Retiree Medical Plan shall be amended, effective January 1, 2004, to provide an opportunity for Traditional Indemnity Option participants to elect to purchase or increase OCC coverage as follows:

1. Participants may elect to purchase or increase coverage, effective January 1, 2004, during the 2004 Annual Enrollment Period.
2. Participants may elect to purchase or increase OCC coverage at retirement.
3. Participants may elect to purchase or increase OCC coverage upon attainment of eligibility for the Traditional Indemnity Option.

RETIREE BENEFITS ISSUES

June 1, 2003

Mr. R. V. Maly, Vice President, CWA

Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Retiree Benefits Issues

In recognition of the Company and Unions' mutual concerns regarding the rising cost of health care for retirees, the parties agree that it is in the best interest to establish, for the duration of the 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 quarterly with the first meeting to be held in October, 2003. The Committee shall discuss such issues as retiree benefits, the feasibility of an ad hoc pension increase, legislation regarding prescription drug coverage for Medicare beneficiaries; as well as other legislation pertaining to retiree health care on which they share common interests. The Committee may adopt such rules of procedures for its meetings and operations as it deems reasonable and appropriate.

Sincerely,

/s/ Thomas C. Burk

Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

FUTURE NEGOTIATION OF RETIREE MEDICAL CAPS

June 1, 2003

Mr. Ralph Maly, Vice President, CWA

Mr. Dennis Slaman, Chairman, System Council T-3, IBEW

Re: Future Negotiation of Retiree Medical Caps

This letter will confirm that, prior to expiration of each future collective bargaining agreement between Avaya and the unions, Avaya will negotiate the level of health care caps and Company contributions for active employees' medical coverage, and vehicles for providing such contributions, for those employees who retire under subsequent collective bargaining agreements.

/s/ Thomas C. Burk

Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

AVAYA INC. SAVINGS PLAN

Effective January 1, 2004, the Avaya Inc. Savings Plan ("Savings Plan") shall be amended as follows:

- 1 **Eligibility.** Regular full-time or part-time employees shall be eligible to participate in the Savings Plan upon commencement of employment.
- 2 **Vesting.** Participants shall be fully vested in the Company matching contributions and their earnings upon completion of three years of Vesting Service, as defined under the Savings Plan. All other vesting rules, including Event Vesting rules, shall remain unchanged.
- 3 **Contributions.**
 - (a) Participants may contribute one to twenty-five percent of their eligible weekly compensation, in one-percent increments.
 - (b) **Company Match.**
 - (1) **Eligibility.** Participants who complete six months of service shall be eligible to receive Company matching contributions.
 - (2) **Amount.** The Company will contribute 66 2/3 cents for every \$1 of matched contribution that a participant contributes up to 6% of eligible compensation.
 - (c) **Roll-In.** The Savings Plan shall accept roll-in contributions from qualified Section 457 and 403(b) plans.
 - (d) **Catch-Up.** Participants may make catch-up contributions as provided in Internal Revenue Code Section 414(v).
- 4 **Distributions.**
 - (a) **Termination.** Automatic distributions at termination of employment shall be made using the then current limit for automatic distributions under Internal Revenue Code Section 411(a)(11).
 - (b) **Minimum Required Distribution.** The Minimum Required Distribution at age 70½ will be calculated using the Uniform Life Expectancy Table.
- 5 **Investments.**
 - (a) **Fund Exchanges.** Participants must make fund exchanges in one percent increments instead of 5% increments.
 - (b) **Future Investment.** Allocation of future investment options must be in one percent increments instead of 10% increments.

6 Loans

- (a) **Residential Loans.** The Savings Plan shall offer Participants a residential loan feature, which Participants may utilize for the purchase of a primary residence. Residential loans must be repaid within 175 months of distribution. All other Savings Plan loan provisions shall apply to residential loans.
 - (b) **EFT Repayment.** Participants may repay any outstanding loans following termination through Electronic Funds Transfer or coupon payment.
- 7 Hardship Withdrawal Suspension.** Contributions following a hardship withdrawal shall be suspended for six months instead of 12 months.

National Memorandum

EMPLOYEE STOCK PURCHASE PLAN

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Avaya Employee Stock Purchase Plan

Gentlemen:

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

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

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

BENEFIT PLANS AND PROGRAMS

The following listed Avaya 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:

Employee Stock Purchase Plan

Anticipated Disability Program

Child/Elder Care Reimbursement Account Plan

Dental Plan

Life Insurance Programs

1. Basic Life
2. Basic Accidental Death and Dismemberment
3. Supplemental Life
4. Supplemental Accidental Death and Dismemberment
5. Dependent Life
6. Dependent Accidental Death and Dismemberment

Health Care Reimbursement Account Plan

Long-Term Care Plan

Long-Term Disability Plan

Savings Plan

Medical Plan

Group Legal Services Plan

Pension Plan

Sickness and Accident Disability Benefit Plan

Vision Care Plan

Work and Family Program

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Company agrees to continue for the duration of the 2003 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 workplace environment and of the services offered by EAP.

Avaya and the Unions agree to maintain, for the duration of the 2003 National Memorandum of Understanding, a national advisory committee to be known as the EAP Joint National Oversight Committee, to foster continued cooperation between Avaya and the Unions in the provision of assistance to those experiencing medical and/or behavioral problems. The Committee shall consist of four (4) Avaya 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.

Effective January 1, 2004, the number of visits to an in-network Employee Assistance Program Counselor is increased from three (3) to five (5).

WORK & FAMILY PROGRAMS

The Company and the Unions agree to continue the following Family Care Programs formerly covered under the 1998 Memorandum except as modified below:

1 Family Resource Programs:

- Child Care Resource & Referral
- Elder Care Consultation and Referral
- Education Consultation and Referral
- Adoption Consultation and Referral
- Disability Consultation & Referral Service
- Caring for Yourself Consultation and Referral

2 Financial Support Programs:

- Dependent Care Reimbursement Accounts

For the Plan Years 2004 through 2006, the Avaya Inc. Child/Elder Care Reimbursement Account Plan shall be amended to provide for a Company matching contribution equal to twenty-five percent of employee contributions. Total Plan contributions (the sum of employee contributions and Company matching contributions) for each employee may not exceed \$5,000 per year.

3 Reimbursement Accounts

Effective January 1, 2004, the Avaya Inc. Health Care Reimbursement Account and Child/Elder Care Reimbursement Account Plans shall be amended to provide that participants must contribute a minimum of \$200 per year for each Reimbursement Account enrolled in.

4 Family Care Development Fund:

Effective June 1, 2003, the Care of Newborn Child Leave is consolidated with the Family Care Leave program. Family Care Leave may be taken for up to twelve months once every 12 month period for:

- Care of a family member who has a serious illness or injury, or requires major surgery; or,
- Care of a newborn or newly adopted child.

All other provisions of the Family Care Leave program shall remain the same.

As set forth in Attachment A, The Family Care Development Fund is suspended for the duration of the 2003 National Memorandum of Understanding.

SUSPENSION OF FAMILY CARE DEVELOPMENT FUND

June 1, 2003

Mr. R. V. Maly, Vice-President, CWA
Mr. Dennis Slaman, Chairman, System Council T-3

Re: Suspension of Family Care Development Fund

This will confirm that the Family Care Development Fund will be suspended for the duration of the 2003 National Memorandum of Understanding. The Company agrees to continue funding projects approved prior to May 31, 2003.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

MILITARY DIFFERENTIAL PAY

Effective June 1, 2003, the Military Differential Pay Program will be amended to provide that an employee on an approved Military Leave of Absence for the purpose of military training, initial active duty for training, or emergency service will receive Military Differential Pay for up to twenty days, provided she/he provides satisfactory documentation supporting the number of days requested.

OPTIONAL PROPERTY AND CASUALTY INSURANCE

The Company shall offer active employees the opportunity to purchase, through after-tax payroll deductions, Property and Casualty Insurance.

LONG-TERM DISABILITY PLAN

The Avaya Inc. Long-Term Disability Plan ("LTD Plan") shall be amended, effective January 1, 2004, to provide active employees an option to purchase, through pre-tax payroll deductions, additional LTD Plan coverage equal to ten percent of Eligible Base Pay, as defined under the LTD Plan.

AVAYA INC. LIFE INSURANCE PLAN

Effective January 1, 2004, the Avaya Inc. Life Insurance Plan (Life Insurance Plan) shall be amended as follows:

Total Annual Pay (TAP). TAP is equal to Base Pay plus Annual Avaya Performance Award Target Payment Amount as of September 10 of the prior Plan Year, rounded to the next higher \$1,000.

Non-Tobacco User Discount. Non-tobacco users will be eligible for a ten percent discount on Supplemental Life Insurance premiums. Tobacco Use is defined as use of any tobacco product, including cigarettes, cigars, pipes, chewing tobacco and snuff within the prior twelve months.

Supplemental Life. Supplemental Life Insurance will be provided on a Group Universal Life basis, subject to the Insurers terms and conditions as stipulated by the insurer.

THE ALLIANCE

Avaya Inc., the Communications Workers of America, and the International Brotherhood of Electrical Workers agree to continue to utilize the services of the Alliance for Employee Growth and Development (The Alliance). The services provided by the Alliance and the eligibility for participation in Alliance programs are described in Attachment A.

For the period June 1, 2003 through May 27, 2006, inclusive, Avaya agrees to fund the Alliance on the basis of \$2,200,000 annually. Funds will be made available each month for the Alliance on the basis of one-twelfth (1/12th) of the annual funding level. Avaya shall credit these funds to an account designated for the Alliance and its activities within fifteen (15) days of the end of each month.

Avaya Inc. and the Unions agree that the funds made available to the Alliance will be exclusively used to cover the cost and delivery of training programs for Avaya employees who are represented by the CWA or the IBEW Systems Council T-3 excluding IBEW Locals 1614 and 1974.

ATTACHMENT A

THE ALLIANCE FOR EMPLOYEE GROWTH AND DEVELOPMENT

- 1 Avaya Inc. and the Communications Workers of America (CWA) mutually acknowledge their pride in the talents, abilities, creativity and commitment of Avaya'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 Avaya's productivity and competitiveness. It is anticipated that this level of employee commitment will contribute significantly to marketplace success for Avaya 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 represented and work group skills; provide opportunities for personal and career development; stimulate and sustain their contributions to Avaya'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 Avaya 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 Avaya's existing job-specific training, nor does it limit the right of the parties to 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 Avaya will seek to identify those types of represented jobs in each of Avaya'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 Avaya, or to find alternative employment outside of Avaya.
 - (a) Where appropriate, successful completion of Personal/Career Development or Job Displacement curricula which are relevant to a job will be considered by Avaya 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 Avaya 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.

National Memorandum

- (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 Paragraph 2, ARTICLE 25, TERMINATION ALLOWANCES, 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.
 - (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, Avaya, 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 Avaya employees, the number of participants who received such training, the funds expended and the manner in which funds were utilized.

ETOP

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

For the period June 1, 2003 through May 27, 2006, inclusive, Avaya agrees to fund ETOP on the basis of \$312,000 annually. Funds will be made available each month for ETOP on the basis of one-twelfth (1/12th) of the annual funding level. Avaya shall credit these funds to an account designated for ETOP and its activities within fifteen (15) days of the end of each month.

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

ATTACHMENT A

ENHANCED TRAINING OPPORTUNITIES PROGRAM (ETOP)

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

Personal/Career Development Curriculum

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

Job Displacement Curriculum

- 3 Avaya will seek to identify those types of represented jobs in each of Avaya's major organizational units in which growth or decline are anticipated. On the basis of such information, and other related information the administrators will recommend, arrange and deliver courses of study designed to assist

employees affected by force reductions to acquire skills necessary to compete for new positions within Avaya, or to find alternative employment outside Avaya.

Curricula Development, Implementation and Delivery

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

Eligibility for Participation in ETOP Activities

- 5 Regular full-time employees will be eligible to participate in ETOP activities. In addition, employees who are on LAYOFF will be eligible to participate in ETOP activities provided they commence such participation within six months of LAYOFF. A LAID OFF employee will continue to be eligible to participate in ETOP activities for a period extending one year beyond the number of weeks' Termination Allowance the employee is entitled to receive in accordance with Paragraph 2, ARTICLE G25, TERMINATION ALLOWANCES, or until the employee finds employment outside Avaya, whichever occurs first.
 - (a) Participation in any ETOP activities will be voluntary and will be made available at convenient times and locations, such as after hours at the work site, local community colleges or union offices. Time spent by employees in such activities will be outside scheduled working hours, and not paid or considered time worked. In selected instances, Avaya, at its discretion, may permit active employees to receive such training during working hours.

Reports

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

**LABOR EDUCATION AND DEVELOPMENT FOR THE 21ST CENTURY
(LEAD 21)**

To prepare Avaya Inc. and its employees to compete in a constantly changing global environment, the Company and the Unions will continue an educational, training and academic program for employees, their children and their communities. This program previously labeled "LEAD 21" is renamed Labor Education and Development for the 21st Century (LEAD 21). The program, which includes the following features, will continue except as modified below:

- 1 A minimum of 40 hours of skill based or job related training each calendar year for all employees
 - Regular full-time (not temps or term) employees will be provided the opportunity for a minimum of forty (40) hours of education and training that is skill based or job related in the calendar year. The forty (40) hour minimum will be prorated for part-time employees, mid year hires, and employees who work less than a full year.

2 Training on Environmental Health and Ergonomic Awareness

- Rename the program (which was formerly known as "Training on VDT Usage and Ergonomic Awareness") and update materials accordingly.

3 Time off for literacy or bilingual training volunteers

The number of hours of paid time off to regular full time employees who actively perform certified volunteer work as a literacy or bilingual training volunteer will be up to eight (8) hours per month not to exceed a maximum of 78 hours for up to one (1) continuous year for such volunteer service

4 ConSern: Loans for Education

5 Tuition Assistance

6 Transition to Teaching Program - eliminated

7 The Avaya/CWA/IBEW Academic Award

Establish 10 scholarships of up to \$6500 per year (renewal for up to four years) to be awarded to children of represented Avaya Inc. employees, for the 2004-05, 2005-06 and 2006-07 academic years

Continue a Joint Academic Award Program Steering Committee consisting of two (2) Avaya representatives and two (2) Union representatives one (1) appointed by CWA and one (1) appointed by IBEW, who will provide administrative guidance for the program.

ACADEMIC AWARDS

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Academic Awards

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

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

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

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

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

TUITION ASSISTANCE

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Tuition Assistance

The Company and the Unions agree that tuition assistance to represented employees is an integral and important aspect of the overall Avaya Inc. employee developmental process.

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

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

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

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

ATP LETTER

June 1, 2003

Mr. R. V. Maly, Vice President, CWA

Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Avaya Transfer Plan (ATP)

This will confirm the discussions and agreement reached during 2003 Bargaining by the Unions and the Company concerning improvements to the Avaya Transfer Program. The Company and Unions agree that the Joint ATP Review Board is authorized to:

- Reestablish a task force to study, resolve problems and implement a process for staffing through the ATP positions requiring a security clearance.
- Remind Business Groups of the impacts and expenses of canceled job requisitions.

Sincerely,

/s/ Thomas C. Burk

Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

AVAYA TRANSFER PROGRAM (ATP)

The parties agree to the following in respect to the Avaya Transfer Program (ATP) during the life of the 2003 Agreement.

1 PURPOSE

- (a) The ATP provides Eligible Represented 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 Avaya. Temporary employees and non-payroll workers are excluded from the program. All employee movement under the ATP 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 ATP 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 an Avaya 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 ATP satisfies the company's recall obligation.
- (d) The ATP does not replace any contractual internal movement of personnel procedures contained in applicable collective bargaining agreements. As to those bargaining units, the ATP 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 ATP job brief.

(b) **Career Placement**

The placement of an eligible represented employee who is seeking a career change.

(c) **Career Rehire Placement**

The placement through the ATP of a former regular full-time or regular part-time represented 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.

National Memorandum

(e) Eligible Employees

Regular full-time and part-time represented employees and full-time and part-time term employees assigned to work locations in the U.S. and covered by this Agreement.

(f) Force Freeze

A temporary limit or prohibition of represented movement through the ATP.

(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 ATP.

(i) Placement Request

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

(j) Promotion

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

(k) Recall Candidate

Former regular employees who held the advertised job title (or its successor title or a title of equivalent status for which they qualify) within the hiring organization and the GC/VRCA in which the open position exists.

(l) Surplus Placement

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

(m) Surplus Rehire Placement

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

(n) Time-in-Location

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

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

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

3 ELIGIBILITY

(a) **Active Eligible Represented Employees**

- (1) After local movement of personnel procedures have been applied, the ATP provides the means by which active Eligible Employees may request consideration for transfer to represented positions within and between the bargaining units which are covered by this Agreement.
- (2) Temporary and term positions are not filled through the ATP. However, a term employee is eligible to participate in Career Placement within the ATP.
- (3) The ATP does not preclude the Company from making Company initiated transfers, force adjustments, reassignments or rearrangements. Nor shall anything in the ATP preclude the Company from applying a Force Freeze if the Company determines that excessive movement from any organization or work group would impair the operation of the business. A Force Freeze will not exceed sixty (60) days under the ATP. 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 ATP 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 ATP, the employee must have fulfilled both Time-in-Title and Grade and Time-in-Location requirements as specified on the ATP 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 Unit/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 ATP 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 ATP Job Brief for the employee's current title and grade.
 - (ii) An employee who is Surplus will have his/her Time-in-Title and Grade and Time-in-Location requirements waived for both Career and Surplus Placement.

(b) Rehire Candidates

- (1) Former employees who were laid off by the Company with recall rights, or who left under a Facility Closing Program (FCP), or employees who left the Company because of an authorized hardship or an Avaya 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 represented 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 ATP for current open positions expire thirty (30) calendar days after receipt of a candidate list or upon the selection of a candidate for the ATP vacancy, whichever occurs first.
- (4) The employee has two (2) work days, not including the day of the offer, to accept or reject a job offer.
- (5) The hiring organization may reject any candidate, surplus or career, who has received a disciplinary suspension for conduct or performance within the six (6) months prior to the job advertisement end date.

- (6) The hiring organization may reject any surplus candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's final disciplinary step prior to dismissal because of attendance. The hiring organization may reject any career candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's disciplinary step which is two (2) steps or fewer from dismissal because of attendance; in the case of a three (3) step attendance program, the hiring organization may reject a career candidate whose chargeable attendance record would result in the employee being placed on step two (2) or greater of the attendance program in the hiring organization.

(b) Career Placements

- (1) Qualified eligible represented employees seeking Career Placement can request to be considered for current open positions or file for future ATP 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 ATP eligibility criteria,
 - (ii) the employee is placed into another job via the ATP, a local voluntary intra-business unit lateral transfer, or any other Avaya voluntary job placement process,
 - (iii) the employee withdraws the request(s),
 - (iv) the employee leaves the Avaya payroll, or
 - (v) the employee is no longer a regular full-time, or regular part-time represented employee, including term.
- (5) If an employee seeking Career Placement refuses a job offer which matches a request he/she has made, then that request is canceled; and it, or any other request for the same title and grade/wage level and location, may not be resubmitted for a period of four (4) months from the date of refusal.

- (6) When an employee accepts a job offer made under the ATP, 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 ATP 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 ATP, all other requests on file shall be canceled and the employee may not submit any ATP 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 ATP 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 ATP.
- (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 ATP if any of the following occurs:
 - (i) the employee is no longer surplus,

- (ii) the employee is placed into another job via the ATP 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 Avaya payroll, or
 - (v) the employee is no longer a regular full-time or regular part-time represented employee.
- (5) A Surplus Employee may refuse without penalty one (1) position for which he/she requested Surplus Placement consideration through the ATP. 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 ATP. However, if the employee meets the Career Placement eligibility criteria, he/she may participate in that portion of the ATP as long as the employee is on the Avaya payroll.
- (6) If an employee is no longer eligible for Surplus Placement as per paragraph 4(d)(4) or 4(d)(5) above, all Surplus Placement Requests are canceled; they are not automatically converted to ATP Career Placement Requests.
- (7) A Surplus Employee shall have a minimum of 60 days surplus status within the ATP.
- (8) When a Surplus Employee accepts a job offer made under the ATP, 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 ATP 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 ATP, 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 ATP, 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 ATP without meeting Time-in-Title and Grade or Time-in-Location criteria, if approved by the Company. However they are subject to all other ATP eligibility criteria.

(b) Retreat from Promotion

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

6 ORDER OF CONSIDERATION AND SELECTION CRITERIA**(a) Order of Consideration**

Represented vacancies covered by the ATP 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 ATP Surplus Candidates within the same LPA or Recall (Operations only)
- (2) Voluntary ATP Surplus Candidates outside the local LPA
- (3) Voluntary ATP Regular Career Candidates
- (4) Voluntary ATP Career Rehire Candidates
- (5) Voluntary ATP Term Employee Candidates
- (6) New Hires

(b) Selection Criteria

- (1) The senior basically qualified Surplus Placement or Recall (Operations only) 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 recall (Operations only) 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 ATP Career candidates have requested a specific job vacancy and all surplus and recall (Operations only) obligations have been met, the Company shall have the option to promote from within the immediate work group of the Senior 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, represented employees, including former employees, not test qualified for positions being sought via the ATP 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 Avaya Transfer Program within and between bargaining units:

- (a) Wage Treatment: An employee's new Standard Rate will be determined as follows:
 - (1) Employees who move within or between collective bargaining agreements and within the same wage table to another location where a different wage area is applicable shall have their Standard Rate adjusted to conform to the schedule in the new locality.
 - (2) Employees who move to a different wage schedule with fixed periodic steps:
 - (i) Promotion - move from present Standard Rate to a whole step above the nearest step on the new schedule
 - (ii) Lateral - move from present Standard Rate to nearest step on new schedule insuring no loss in pay
 - (iii) Demotion - move from present Standard Rate to the nearest step on new schedule insuring no gain in pay
 - (3) Employees who move to a wage schedule with no fixed periodic steps shall be placed in the new wage range at the same Standard Rate as their old schedule.
 - (4) In no event shall an employee's new Standard Rate be above the maximum rate of the new schedule.
 - (5) Local collective bargaining agreements may have specific wage treatment provisions affecting the rate of an employee moving from one collective bargaining agreement to a title in another collective bargaining agreement.

(b) Wage Protection Allowance

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

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

8 RELOCATION EXPENSES

- (a) Represented employees, shall bear any costs and expenses associated with relocation under the Career Placement features of the ATP, unless the employee is surplus at the time the Career Placement job offer is accepted.
- (b) A former represented employee shall bear any costs and expenses associated with relocation under Career Rehire Placement features of the ATP.
- (c) A Surplus Employee who accepts a position within his/her current LPA shall bear any costs and expenses associated with relocation under the ATP.

National Memorandum

- (d) A former represented employee who accepts a position within his/her current LPA under the Surplus Rehire Placement features of the ATP shall bear any costs and expenses associated with relocation under the ATP.
- (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 ATP Surplus or Career Placement Program, meet the ATP 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 Avaya provided relocation compensation program.

9 OVERSIGHT AND REVIEW BOARD

- (a) The Company and the Unions will establish a Joint ATP Oversight and Review Board. This Board will be comprised of one (1) CWA representative, one (1) IBEW representative and one (1) representative from the Company. The responsibilities of the Board will include:
 - (1) monitoring the ongoing operation of the ATP,

- (2) analyzing overall ATP results, and
 - (3) addressing concerns raised as to the staffing of positions through the ATP.
- (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 ATP Board Coordinator whose duties shall include assisting the Union members of the ATP 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 ATP 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 ATP Oversight and Review Board for final and binding resolution. Issues concerning the Company's decision involving the placement of ATP Rehire candidates may be presented directly to the Joint ATP Oversight and Review Board which shall have the sole responsibility for final and binding resolution. Neither the ATP, nor its administration shall be subject to arbitration.

National Memorandum

Attachment A

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

Level / Grade / Title	Level Equalization Group	Time In- Title/Grade	Time In Loc
AR	5	24	12
CCA-1	2	12	12
E-3	2	12	12
HSA	4	18	12
LSDD	4	9	9
MS	6	36	12
MSLFA	2	9	9
MSLFB	1	9	9
PL1	2	12	12
PL2	3	24	12
PL2A	4	24	12
PL3	4	36	12
PL4	5	36	12
PL5	6	36	12
S-1	3	18	12
S-2	4	18	12
SCC	6	36	12
SR-C	5	24	12
SRTECH	6	36	12
SS-1	2	15	12
SS-2	3	15	12
SUPPC	4	18	12
SVCD4	3	15	12
SVCTG3	4	18	12
TD1 (Trades Group 1)	5	36	12
TD2 (Trades Group 2)	6	36	12
TD2A	6	36	12
TECH	6	36	12
TG-3	1	9	9
TG-4	2	12	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

AVAYA CAREER TRANSITION OPTION PROGRAM (ACTOP)

The parties agree to the following in respect to the Avaya Career Transition Option Program (ACTOP) during the life of the 2003 National Memorandum.

Regular full-time and part-time represented employees covered by this 2003 National Memorandum are eligible for the provisions of ACTOP. The provisions of ACTOP 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 represented 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 represented 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.

National Memorandum

- (d) Eligible employees may elect SLP during the applicable SLP enrollment window, provided the election precedes the employee's off payroll date and such election shall be in lieu of termination pay. Employees who choose not to return to work at the conclusion of the SLP will not be granted termination payments. Employees shall be guaranteed reinstatement at the end of the leave to a job of like status and pay. However, employees on SLP who, but for the leave, would have been laid off and who complete the leave and return to the payroll at the end of the leave will be terminated and receive termination pay upon their return to the payroll. Employees declared surplus upon returning to the active payroll will be given normal surplus treatment.
- (e) Service credit for the period of the SLP shall be granted to those individuals who return to the Company payroll at the end of the leave, except that such credit shall not be granted or recognized for force adjustment purposes and pension purposes (including eligibility, benefit accrual and calculation); however, the period of the leave shall be counted in the years of service to determine termination pay that the employee may receive thereafter.
- (f) Except as indicated below, while on the SLP, an employee shall be covered, pursuant to the same conditions and to the same extent as a comparable employee active on the payroll, by the following benefit plans and programs:
- Death Benefits - Company continues coverage for the period of the leave,
 - Basic Group Life Insurance - Company pays the premium for the period of the leave,
 - Medical Expense/Managed Care - Company provides coverage for the period of the leave,
 - HMO - Company pays premium up to the same amount it pays for company medical plan,
 - Dental/DMO - Company provides coverage for the period of the leave,
 - Vision - Company provides coverage for the period of the leave,
 - Legal - Company pays premium for period of the leave,
 - Child/Elder Referral - Company provides service for the period of the leave,
 - Supplementary Group Life Insurance - Available at the employee's expense,
 - Dependent Group Life Insurance - Available at the employee's expense,
 - Savings Plan participation is suspended during the leave. Employee obligation under the loan provision continues,

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

- (g) While on SLP, an employee cannot be employed by or render services to Avaya 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 represented 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 on the termination payment schedule computed in accordance with the appropriate collective bargaining agreement not to exceed \$42,500.
- (c) Under no circumstances will the Optional Termination Pay be greater than \$42,500, including any night differential. 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 represented 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 Avaya 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 not to exceed \$42,500.

National Memorandum

- (c) Extended Compensation Payments shall be based on the methods used to compute termination allowance as determined by the applicable Collective Bargaining Agreement for the position held by the employee immediately prior to reassignment to the JMC. Such payments are subject to deduction of appropriate taxes and Union dues as applicable.
- (d) As long as the participants remain eligible for Extended Compensation Payments, the Company agrees to render weekly compensation for a period of time not to exceed the number of weeks provided for in the termination schedule of their former position's collective bargaining agreement or the Optional Termination Pay schedule not to exceed \$42,500.
- (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 Avaya Inc., 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 Avaya Inc., 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 Avaya Inc. or an Interchange Company in which the employee is eligible for portability of service.
- (f) Employees electing this option will be active employees while eligible for Extended Compensation payments and may, if eligible, participate in ATP. At risk employees with surplus status in ATP, 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 [Avaya 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 Avaya Inc. terminates participation in the Extended Compensation Option.
- (k) **JMC Review Board**
 - (1) Temporary assignments of Avaya Inc. 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 representative and one (1) representative 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 Avaya Inc. 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.

- (i) 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 an Avaya Inc. 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 an Avaya Inc. 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 Avaya Inc. 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 Avaya Inc. Pension Plan and if not otherwise service pension eligible, is as follows:

AGE	NCS
any age	29 years
49	24 years
54	19 years
64	9 years

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

- (d) A TLA shall not exceed one (1) year from the date the leave starts (i.e., leave expires on the calendar date anniversary of the Company specified separation date), but in any case, will end on the earliest of:
 - (1) the date the eligible employee returns to work for the Company, a Participating Company, an Avaya Controlled Group entity, or any other Avaya Subsidiary or the eligible employee becomes employed by an Interchange Company in which the employee is eligible for portability of service,
 - (2) the date the employee attains required age and/or service to become service pension eligible, or
 - (3) death of the employee.

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

5 Involuntary Termination Due To Layoff

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

EXTENDED COMPENSATION PARTICIPANT IN ALLIANCE OR ETOP

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Extended Compensation Participant in Alliance or ETOP

This is to confirm our mutual understanding that an eligible represented employee who has chosen to participate in the Extended Compensation Option of the Avaya Career Transition Option Program and is available for temporary assignments through the Avaya Job Match Center, and who is also a participant in an Alliance and/or 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 Avaya Job Match Center that foster a reasonable approach to unanticipated personal situations beyond the control of the employee which result in the declination of a Job Match Center temporary assignment.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

EMPLOYEE RESOURCE CENTERS

Purpose

- 1 Avaya, the Communications Workers of America (CWA), 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.
 - (a) In an effort to achieve this objective, Avaya and the Unions have agreed to continue to support and fund Employee Resource Centers during the term of the 2003 Agreement.
 - (b) Each Employee Resource Center will continue to represent strong physical evidence of the joint concern that Avaya 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 Avaya 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 Avaya Transfer Program and the Facility Closing Program;
 - assistance and referral concerning benefit programs;
 - other services and counseling deemed to be appropriate by the local Joint Labor Management Oversight Committee.
- (a) It is recognized that certain services provided in the Center are provided for at the location by the Alliance for Employee Growth and Development (Alliance), the Enhanced Training Opportunities Program (ETOP) or Avaya. 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.

National Memorandum

- (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 "Avaya/(CWA", 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 UNION appointees. The selection of Employee Resource Center personnel is a Union responsibility
 - (a) Represented employees appointed to work in the Center will retain the Job Classification and wages they were receiving immediately prior to the assignment. For those coordinators within the Operations Job Classification who are assigned to the ATP/Operations ERC Coordinator title, the pay will be \$62,400 (GWI will apply) and a pension band of 126 for the time in which they remain in the ATP/Operations ERC Coordinator title.
 - (1) If such an employee subsequently accepts a promotion to another 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 Job Classification and wages which would have been applicable on the 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 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 Avaya and the Unions will continue to include one representative each from the IBEW SC T-3 and the CWA, and two Avaya representatives. The members of this Committee shall be appointed by the Chairpersons of the National Bargaining Committees for the CWA, IBEW SC T-3 and Avaya.
- (a) The Joint National Steering Committee will continue to be responsible for the implementation, coordination and review of Employee Resource Center activities. 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;
 - managing available funds including authorizing the distribution of such funds to cover applicable costs at locations with Employee Resource Centers;
 - overseeing the services and activities provided by the individual Employee Resource Centers.
- (b) At each location having an Employee Resource Center, a local Joint Labor- Management Oversight Committee comprised of an equal number of COMPANY and UNION members will be established. 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) For the period June 1, 2003, through May 27, 2006, inclusive, Avaya 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 T-3, and CWA Operations represented employees on the payroll of the applicable facilities/organizations as of December 31, 2002, by \$3.00 for all organizations. 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. Avaya 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.*

National Memorandum

- (b) 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. The wages and expenses of the Managed Health Care Coordinators will also be reimbursed from this account.
- (c) At the end of calendar years 2003, 2004 and 2005 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.
- (d) If, at the expiration of the 2003 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.

ERC COORDINATOR AND ETOP COORDINATORS AT OMAHA

June 1, 2003

Mr. Dennis Slaman, Chairman, System Council T-3, IBEW

Re: ERC Coordinator and ETOP Coordinators at Omaha

This will confirm our understanding that for the life of the 2003 Agreement, the Company will fund one (1) ERC Coordinator and two (2) ETOP Coordinators at Omaha. The wages and expenses of the ERC Coordinator will be reimbursed from the ERC Fund. The ETOP Coordinators will be paid in the same manner as paid previously.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

OPERATIONS ERC/ATP COORDINATORS AND MANAGED CARE PROGRAM COORDINATORS

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Operations ERC/ATP Coordinators and Managed Care Program Coordinators

This will confirm our discussions and agreement reached in 2003 Bargaining, that effective upon ratification, a new title of Operations ERC/ATP Coordinator will be created. This position will encompass the duties and responsibilities of the former ERC Coordinator and ATP Coordinator in the Operations Agreements. There will be three (3) Operations ERC/ATP Coordinator positions during the life of this agreement, two (2) CWA and one (1) IBEW.

There will be two (2) Managed Care Program Coordinator positions during the life of this agreement. The CWA and IBEW will each select one person to fill the Managed Care Coordinator position.

Job duties and responsibilities for the Operations ERC/ATP Coordinator and the Managed Care Program Coordinator are outlined in Attachments A and B.

Other terms and conditions associated with these positions are as follows:

- eligibility for these titles is limited to Avaya 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 Avaya Transfer Program or the article(s) or any applicable collective bargaining agreement,
- employees will be temporarily assigned to these titles,
- time spent in these titles will count towards time-in-title/grade and time-in-location in the title from which the employee was temporarily assigned,
- if a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to his/her regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the appropriate Coordinator title,

- Coordinators will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in ATP. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of a Labor Relations Senior Manager or his/her designee,
- Coordinators will be paid at the annual rate of \$62,400 (\$30.00/hr) with a 126 pension band. Standard General Wage Increase formula will apply.
- Coordinators will be eligible for applicable Represented Avaya Award for Represented Employees.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

Attachment A

OPERATIONS ERC/ATP COORDINATOR

The incumbent will be responsible for contributing to the successful operation of the Avaya Transfer Program (ATP) and the effective participation of eligible Avaya employees represented by the CWA or the IBEW in ATP. Additionally, the incumbent may provide support for other aspects of Avaya Inc. Career Transition Programs for eligible Avaya represented employees represented by the CWA or the IBEW. The incumbent will also act as the Employee Resource Center Coordinator supporting employees covered under the Operations agreements.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Monitor the on-going operation of the ATP.
- Review ATP performance, policies and procedures in order to assist the ATP Review Board in assessing the effectiveness and efficiency of the program.
- Address concerns raised as to the staffing of positions through the ATP.
- Interface with local and national union officials, employees represented by the CWA or the IBEW, staffing and/or testing personnel, and Labor Relations in connection with ATP problems and resolutions.
- Provide ATP program and system information and assistance to union officials and employees represented by the CWA or the IBEW.
- Participate in ATP Review Board and other ATP meetings when appropriate.
- Participate on implementation and/or process improvement teams in connection with the ATP and other career transition programs.
- May provide Avaya Career Transition Option Program (ACTOP) assistance to local and national union officials and eligible employees represented by the CWA or the IBEW.
- Review ATP and ACTOP employee information packages in order to assist in improving and/or assuring its effectiveness and ease of use for employees.
- Provide Job Match Center administrative support
- May act as a liaison between Labor Relations and the Unions on ATP and ACTOP issues.
- Education and training;
 - o career and personal counseling;
 - o resource data for local area jobs and skills requires;
 - o interface with Avaya Transfer Program and the Facility Closing Program;
 - o assistance and referral concerning benefit programs;
 - o other services and counseling deemed to be appropriate by the local Joint Labor-Management Oversight Committee.

ATTACHMENT B

MANAGED CARE PROGRAM COORDINATOR

The incumbent will be responsible to assist the Joint Health Care Committee (JHCC) in the introduction and on-going maintenance of the Managed Health Programs for Avaya employees represented by the CWA or the IBEW.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Develop and maintain a working knowledge of the represented Managed Health Programs and related provisions under the 2003 National Memorandum of Understanding.
- Assist JHCC members in reviewing quality related communications to represented employees regarding Managed Health Programs.
- At the direction of the JHCC, participate in meetings to communicate features of the Managed Health Programs.
- Collect general information on network operations and provide feedback to the JHCC on specific areas of network performance.
- Assist JHCC members in evaluating network expansions for represented employees represented by the CWA or the IBEW.
- Assist in monitoring ongoing network performance.
- Identify and recommend areas for review by the JHCC that may improve the quality, efficiency and effectiveness of the Managed Health Programs for active represented employees represented by the CWA or the IBEW.
- At the direction of the JHCC, participate in various ad hoc sub-committees to provide perspective and input into issues confronting the JHCC.
- At the direction of the JHCC, acts as a liaison between the JHCC, local networks and represented employees represented by the CWA or the IBEW during network implementations and expansions.

National Memorandum

EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Extension of Constructive Relationship Trials

The Company and the Unions agree that for the life of the 2003 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/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

**MEMORANDUM OF UNDERSTANDING REGARDING
NEUTRALITY AND CONSENT ELECTION**

This agreement between CWA, IBEW and Avaya Inc. addresses Union organizing and consent elections in those job titles and occupations in Avaya organizations that are not covered by the 1986 Union-Management Relations Agreement, separately attached hereto.

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 Avaya 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 Avaya 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.

National Memorandum

- (b) Management will not advocate that employees should vote against Union representation.
- (c) The Union(s) will be afforded reasonable opportunities for access to communicate with employees.
- (d) Management may respond to individual employee questions, and may correct inaccurate or misunderstood information by employees.
- (e) The Union(s) will be referred to by name and will not be characterized as a "third party" or "outsider".
- (f) Any written information distributed to employees by either party relative to the organizing campaign will be simultaneously shared with the other. The parties' communications with employees will be in accordance with this agreement.
- (g) Neither party will hire or seek the assistance of consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked, by name or by descriptive reference, in campaign literature or discussions.
- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct "captive" audience meetings.

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

3 Election Procedures

The procedures to be followed are listed below:

- (a) The Union must show that a majority of employees in a unit appropriate for collective bargaining have signed show of interest cards indicating their desire for a representation election. The cards must be dated within three months of the date they are presented to the Third Party Neutral (TPN). Cards signed by persons who are no longer employed by Avaya 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 Avaya and request a list of names, job titles and work addresses. The Company will furnish the list within three business days. The applicable Union will also be furnished with the list. The "show of interest" cards will clearly state their purpose and that a secret ballot consent election will be conducted to determine the will of the unit. If the TPN determines that the Union(s) has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.
- (b) The election process will be supervised by a mutually selected TPN, whose role it is to ensure the integrity of the process itself, and will be conducted within two (2) weeks of the submission of the Union's show of interest to the TPN. Employees will be asked to express their individual preference in a secret ballot election. The TPN will count the votes and advise the parties of the outcome. Consistent with Paragraph 3(c) of this agreement, a majority of those who vote will control. Each party may have an observer present when the TPN counts the ballots.
- (c) In all cases, the election process shall take place within 14 days of receipt and verification of the Union's show of interest cards by the TPN. In those cases in which there is no dispute about the composition of the unit, the election process will be held within seven days. The election may be held at the Company location or at a neutral site as agreed by the parties. The cost of the TPN and/or of using a neutral site will be shared equally by the parties.

If there is a dispute as to the composition of the unit, the TPN shall either decide the issue within an additional seven days or order an election as described above with the decision as to the composition of the unit to follow the election within no more than seven days.

7 Access Agreement

As soon as reasonably practicable after a request by the Union(s) for access, local management and Union representatives will meet to discuss the details related to reasonable access to the unit by Union representatives. The Union(s) will be allowed reasonable opportunities for access to Avaya 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 Avaya 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 Avaya 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 Avaya units will be looked to for guidance as to what works and is reasonable. Avaya 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 Avaya management and appropriate Union representatives. It is the intent and desire of Avaya 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 Avaya or the Union(s) can refer a question or dispute, unresolved after good faith efforts have been made to resolve the dispute locally, to the chosen TPN by providing three business days' written notice to both the other party and the TPN. The notice will provide a complete statement of the question or dispute to be addressed and a statement that the parties have attempted in good faith but have been unable to resolve the matter by and between themselves.
- (c) If the question or dispute involves a matter related to access (i.e., the nature, event, time, location, individuals involved, etc.), the TPN will fully investigate all relevant facts surrounding the question or dispute. The TPN will then call the parties together and attempt to facilitate resolution of or otherwise mediate the matter.

If, after a good faith attempt at facilitated resolution or mediation, the access question or dispute is still not resolved, the TPN will attempt to render an immediate decision, which includes a method or alternative methods of resolving the perceived access problem. However, in no event will the TPN take longer than five (5) days thereafter to render a decision. The decision of the TPN will be final and binding and the parties agree to abide by his/her decision. This process, from the time the TPN is contacted to the time his or her opinion is issued, will not take more than 15 days unless the parties agree otherwise.

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

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- (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 *exparte* contact with the TPN without the concurrence of all parties. Avaya 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.

Avaya 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 Avaya and the Union.

9 Acquisitions And Ventures

The parties recognize the rapidly changing nature and structure of the communications equipment industry. Avaya 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, Avaya 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 Avaya Vice President of Labor Relations, the President of the CWA and the President of the IBEW may review whether there has been substantial compliance with the provisions of this Agreement and, if the parties find repeated instances of violations or repeated instances of interference during the period up to the review, may implement a process for recognition based on "card check" to replace elections in all cases or, if not, this Agreement shall continue in effect for the remaining term of the Agreement.

TRIAL MAIL BALLOT

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

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 2003 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.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

National Memorandum

UNION MANAGEMENT RELATIONS

June 1, 2003

Mr. Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Union Management Relations

The attached National item that was agreed to in 1986, and continued in 1989, 1992, 1995 and 1998, will continue in effect in accordance with its original terms until the termination of the 2003 CWA/IBEW/Avaya National Memorandum of Understanding dated June 1, 2003.

It does not apply to any Avaya organization covered by the Neutrality and Consent Election procedure negotiated by the parties during 2003 bargaining.

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

UNION MANAGEMENT RELATIONS

AT&T organizations will neither help nor hinder efforts by the Union to organize and represent employees who occupy job titles or occupations in which other employees in the same AT&T organization are already represented by the Union as of the date of this Agreement; provided, however, that the Company is not precluded from responding to employees' 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.

EMPLOYEES ON UNION LEAVE OF ABSENCE - BENEFITS

The following benefits shall be available to employees on a union leave of absence as set out below:

Avaya Service Anniversary Award

Employees on a union leave of absence shall participate in the Avaya Service Anniversary Award on the same terms and conditions as active employees.

Life Insurance

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.

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 Avaya Inc. Supplementary Life Insurance plan that will be determined based on the amount of the employee's current pay.

Savings Plan

An employee on a union leave of absence shall be able to make fund exchanges among his or her accounts in the Avaya Inc. Savings Plan in the same manner and with the same frequency as participants who are active employees of the company.

UNION DUES PORTABILITY

June 1, 2003

Mr. R. V. Maly, Vice President, CWA

Mr. D. Slaman, Chairman, System Council T-3, IBEW

RE: UNION DUES PORTABILITY

As you are aware, our current labor contracts contain provisions for continuing the deduction of dues for employees who authorize deductions.

Avaya has a single payroll system for all U.S. employees and the system has been configured to ensure continuation of deductions for employees for as long as they are in jobs represented by the same union, irrespective of the individual labor contract. In addition, the Avaya Payroll has been configured to reactivate the deductions following periods of separation from their represented universe.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

COPE PAC DEDUCTIONS - IBEW

June 1, 2003

Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: COPE PAC DEDUCTIONS - IBEW

The Company will continue procedures, which became effective January 1, 1987, to permit IBEW-represented employees to contribute to the IBEW-COPE Political Action Committee ("IBEW-COPE PAC") through payroll deductions. Such procedures shall continue in effect during the term covered by this 2003 National Memorandum of Understanding.

As provided for in the regulations of the Federal Election Commission, the Union will reimburse the Company for the costs of development, implementation and administration of the payroll deduction system for IBEW-COPE PAC. The parties agree that such costs, during the term of this Memorandum of Understanding, have been projected and included, as advance reimbursement, in the amount of the economic settlement contained in this Memorandum of Understanding, as a debit to the Union and a credit to the Company.

Payroll deductions authorized pursuant to this Agreement will be transmitted to the Treasurer of IBEW-COPE PAC on a monthly basis.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

COPE DEDUCTION**IMPLEMENTATION AND ADMINISTRATION COST SUMMARY**

Union	Employees	Monthly Deductions	Annual Deductions
CWA	439	\$1,807	\$21,684
IBEW	106	\$ 234	\$ 2,808
TOTAL	545	\$2,041	\$24,492

Administrative support approximately 1 hour per month

1. 1 hour per month X 12 months = 12 hours
2. 12 hours X \$52 = \$624 annually
3. 3 years = 3 X \$624 = \$1,872

Miscellaneous expenses in manpower and supplies in connection with card data entry, problem resolutions, remittance efforts to each Union, general maintenance of processes and documentation amounts to approximately \$200 for 3 years.

Total estimated cost over life of contract:

$$\mathbf{\$1,872 + \$200 = \$2,072}$$

DRUG TESTING

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Drug Testing

This will confirm our agreement concerning drug testing of employees pursuant to current regulations of the Department of Defense (DOD) and Department of Transportation (DOT).

The Company and the Unions recognize that, during the life of the agreement, certain of the Company's employees will be or may become subject to such laws or regulations. The Company and the Unions agree that drug testing including, but not limited to, random drug testing, of bargaining unit employees may be conducted as required by law or government regulation. The Company and the Unions further recognize that current DOD and DOT regulations do not require the imposition of sanctions or disciplinary action against any employee to be found to be using drugs illegally. Accordingly, the Company further agrees that it will take no adverse action against such an employee, as a direct and immediate result of information obtained in a test applied under DOD or DOT regulation, other than to transfer the employee from a position that is subject to the regulations. In the event an employee sues the Union and/or the Company because of the enforcement or Company's compliance with such regulations, the Union shall be held harmless by the Company.

The Company further agrees to notify the Unions if it enters into a contract with the DOD which includes the "Drug-Free Work Force" clause currently prescribed by DOD regulations or has positions which are subject to regulations under the DOT, and to submit in written form its proposal regarding any testing program. Upon such notification, the Unions agree to enter into negotiations concerning the program. Should agreement not be reached within thirty days from such date of notification, the Company may implement the program only to the extent necessary to meet the requirements of the Drug-Free Work Force clause and applicable DOD/DOT regulations.

Please confirm your agreement below and return one signed copy to us.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

STANDING JOINT SUBCOMMITTEE ON TESTING

June 1, 2003

Mr. R. V. Maly, Vice President, CWA

Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Standing Joint Subcommittee on Testing

This will confirm our understanding reached during 2003 Bargaining that a CWA-IBEW-Avaya standing joint subcommittee on testing will be formed. The subcommittee, to be appointed by the bargaining chairs, will consist of two (2) representatives from the Unions, one (1) from IBEW and one (1) from CWA, and two (2) representatives from the Company.

Measurement and Selection Systems (M&SS), part of Avaya's Labor Relations 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 Avaya represented positions. M&SS is responsible to ensure that such tests meet Federal and professional standards for relevance and non-discrimination.

If the committee identifies a test currently in use which has not been authorized by M&SS, the test will be suspended pending the outcome of a review and report to the committee by M&SS.

At least thirty days prior to implementation, M&SS will notify the members of the committee of the intent to implement a new test or to revise a test or critical test score. M&SS will communicate to members of the committee the following pertinent information concerning the test:

- the purpose
- the objective
- the need for the test or change
- the title(s) for which it will be a requirement
- the business groups which will use it

After receiving the information described above, if the committee so requests, a meeting will be held to explore appropriate ways for the Company and the Unions to make available opportunities to assist employees in development of the new skills or job knowledge. The committee will also be expected to identify and recommend ways to maximize the many advantages and resources offered through the Alliance, ETOP, and ERC's in meeting the goals described above.

National Memorandum

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.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

TECHNOLOGY CHANGE COMMITTEE

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman, System Council T-3, IBEW

Re: Technology Change Committee

It is 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, Avaya subject matter experts will be consulted on such matters.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

ATTACHMENT A
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 four (4) representatives of the Company and not more than four (4) representatives of the Unions (2 CWA, 2 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 of 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 Avaya Companies or any of its affiliates, subsidiaries or entities.
 - (2) The applicability of various Company programs and agreement provisions relating to force adjustment plans and procedures, including ACTOP, 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.

**EXTENSION OF NEW CATEGORIES AND TITLES FOR FLEXIBLE
WORKFORCE MEMORANDUM OF UNDERSTANDING, AS AMENDED**

June 1, 2003

Mr. R. V. Maly, Vice President, CWA
Mr. D. Slaman, Chairman System Council – T3, IBEW

**Re: Extension of New Categories and Titles for Flexible Workforce
Memorandum of Understanding, as amended.**

INTRODUCTION

During negotiations for the 2003 Memorandum of Understanding, Avaya Inc. ("Avaya") and the Unions agreed that the respective agreements between Avaya and the IBEW and CWA, each entitled "New Categories and Titles for Flexible Workforce Memorandum of Understanding," effective September 30, 2000, as amended by the "Amendment to New Categories and Titles for Flexible Workforce Memorandum of Understanding," effective November 4, 2001 (referred to herein collectively as the "MOU"), requires further modification. While the MOU has proven effective to an extent, Avaya and the Unions agree that it requires modifications to increase its effectiveness and provide greater cost and expense flexibility in the manner in which it is implemented. Accordingly, the parties agree to amend the MOU as set forth herein (referred to herein as "MOU Extension"). To the extent that a provision in this MOU Extension conflicts with a provision in the MOU, the provisions of this MOU Extension shall govern.

DURATION

The duration of the MOU, as amended by the MOU Extension, is for a period of 18 months, commencing June 1, 2003, and concluding in its entirety effective December 1, 2004.

WATERMARK

The new watermark for the duration of the MOU, as amended by the MOU Extension, shall be the number of total core CWA and IBEW CSE's, Software Associates, Senior Software Associates and Senior Technicians on the active payroll after completion of subscription for the 2003 Voluntary Pension Enhancement has concluded, minus fifty (50).

ACTIVATION OF MOU IN GCA'S / RCA'S

To increase the cost effectiveness of the MOU, the parties agreed that it is advisable to utilize Support Customer Systems Engineers ("SCSE"), Support Customer Systems Engineers - Journeyman ("SCSE-J") or Support Software Associates ("SSA") (collectively sometimes referred to as "Variable Work Force ["VWF"] employees"), as the case may be, only in Geographic Commuting Areas ("GCA's") or Reasonable Commuting Areas ("RCA's") which have work volumes sufficient to justify their use. As a result, the parties agree that there may be GCA's / RCA's where the MOU shall remain in effect but inactive on a quarterly basis. This concept was referred to in our bargaining as the "Opt In / Opt Out" feature. The parties further agree that if Avaya determines that there is insufficient work volumes to justify activation of VWF employees in one or numerous individual GCA's / RCA's, Avaya will so notify the appropriate Union. The two parties will in good faith, considering the need for cost effectiveness and flexibility, discuss this decision and reach an understanding, by mutual agreement, on whether to de-activate the VWF employees in such GCA's / RCA's. This discussion shall be promptly held, understanding that time is a critical element in deciding in which GCA's / RCA's the VWF employees shall be utilized. Similarly, where the VWF has been de-activated in a GCA / RCA, the parties may, by mutual consent, agree to re-activate the VWF for one or more of the following quarters.

The decision whether to activate or deactivate the VWF employees in a GCA / RCA shall be made at least two (2) weeks prior to each quarter to allow the parties to understand the needs of the business and the needs of employees for a respective quarter.

PARTIAL ACTIVATION

The parties agree that there may arise a need for limited use of VWF employees in a GCA / RCA. It is the intent of the parties that limited or unplanned work requirements beyond the capacity of the core technicians would continue to be met by the use of VWF employees. In such situations, the parties may mutually agree to a limited activation for all or a portion of VWF employees for all or a limited period of time during a quarter in those locations where VWF employees may otherwise be deactivated. Such Partial Activation may be instituted during the quarter if work requirements so warrant. Any such Partial Activations will apply to the particular situation in a respective GCA / RCA and will be by mutual consent of the parties.

MINIMUM WEEKS OF WORK

The parties agree that VWF employees not in de-activated GCA's / RCA's shall work and receive pay for a minimum of three (3) work weeks per quarter. VWF employees in de-activated GCA's / RCA's shall not be eligible for such minimum work or pay during the de-activated quarter. The minimum weeks associated with a Partial Activation, as described above, will be mutually agreed upon as part of the Partial Activation.

RETENTION BONUS

Paragraph H(2) of the MOU shall be amended to provide that the Retention Bonus is 10%, replacing the prior 20% payment. All other provisions of paragraph H(2) remain in effect.

MOTOR VEHICLE USAGE

An employee who uses a personal vehicle for work shall be reimbursed for either, mileage at the rate of the then current Internal Revenue Service regulations governing per mile reimbursement for use of personal vehicles for business use or \$15.00 per day, at the employee's option.

WORK ASSIGNMENT AND EQUALIZATION

The provisions of paragraph G of the MOU concerning Work Assignments and Equalization shall be null and void. Employees will be assigned work based on seniority, which includes Net Credited Service from predecessor companies to Avaya.

QUARTERLY NOTIFICATION

All VWF employees must notify Avaya on a quarterly basis as to whether they will be available for work during each quarter.

TRANSITION PERIOD

Recognizing that the changes required by this MOU Extension require a period of time to be effective, Avaya and the Union agrees that a sixty (60) day Transition Period shall be in effect for the period June 1, 2003 through August 1, 2003. During this Transition Period, any and all agreements regarding minimum weeks of work shall not apply. Further, the provisions of paragraph G of the MOU shall not apply for the Transition Period or for the duration of this MOU Extension. Work assignments during this Transition Period will be assigned based on seniority.

The above MOU Extension is hereby agreed to by and between:

FOR THE UNION

/s/ R. V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council - T3, IBEW

FOR AVAYA INC.

/s/ Thomas C. Burk
Vice President, Labor Relations

CONSTRUCTIVE RELATIONSHIP

Over the years, the Company and the Union have developed and maintained a mutually constructive, responsible relationship characterized by trust, respect, and cooperation. Recognizing that the best interests of the Company, the Unions, employees, managers, and shareowners depend on vigorous and total commitment to product and service quality and customer satisfaction, it is the mutual goal of the parties to ensure that their relationship continues to improve in a positive, constructive manner consistent with the provisions of the collective bargaining agreement, and that such a relationship promotes superior quality and customer satisfaction.

The parties firmly believe that through a positive, constructive relationship they can best fulfill their respective responsibilities. These responsibilities include meeting the service and financial goals of all parties; improving employment security and corporate and business unit effectiveness and competitiveness; nurturing member and customer satisfaction; achieving continuous quality improvement; removing barriers to successful operations; and building involvement, commitment and motivation among both managers and employees.

To fulfill these responsibilities the Company and the Union are committed to a relationship where information is openly exchanged; problems are solved mutually and cooperatively; critical differences are accepted and accommodated; agreements are developed in good faith; commitments are honored; and day-to-day contacts at every level are stable and reliable.

During recent years profound changes have had major impacts on the operations and resources of both the Company and the Union. Such changes will continue, and it is understood that jointly anticipating and responding constructively and cooperatively to change is the key to both Union and Company vitality and prosperity.

The parties recognize that integrity, trust, respect, and cooperation in their relationship depend on action at all levels, particularly at local levels. Local union officers and managers are encouraged to identify and develop new approaches to issues which are appropriate for cooperative efforts. It is expected that progress in improving constructive relationships and taking initiative on cooperative efforts will be a primary mutual objective.

To sanction and encourage the initiation, growth, and perpetuation of cooperative activities and to sponsor the continuing exchange of useful information between the parties regarding such activities, a Constructive Relationships Council consisting of six (6) members (two Company, two CWA and two IBEW) from the bargaining committee will meet three times each year.

National Memorandum

At each meeting at least one member of the senior leadership team of the Company's business groups shall participate in a CRC meeting. At the meeting, the business leader will review with the Union's leadership the state of the business, technological developments and projected initiatives that are expected to take place. The Union will be provided the opportunity to suggest and recommend alternatives to the anticipated initiatives and to discuss the impact of these technological developments upon employees the Unions represent and the Company agrees to give serious consideration to the Unions' suggestions and recommendation. The discussions are not intended to preclude the Company from decision making but allow the parties the opportunity to conduct open and thorough dialogue in understanding both the Company's business needs and the Unions' institutional needs. The parties may agree to schedule additional meetings with individuals in business groups or organizations to discuss issues raised in the meeting.

2003 RETIREMENT INCENTIVE PROGRAM

June 1, 2003

Mr. R. V. Maly, Vice-President, CWA
Mr. Dennis Slaman, Chairman, System Council T-3

Re: 2003 Retirement Incentive Program

This will confirm the Company's agreement to amend the Avaya Inc. Pension Plan (the Plan) to provide for a one-time retirement incentive program to eligible employees. Eligible employees who volunteer to retire under this program will receive a 12% increase to the value of their pension band, in addition to the 3% increase to which all participants are entitled under the 2003 National Memorandum of Understanding.

To be eligible, an employee must:

As of August 1, 2003, either be active or on a leave of absence with guaranteed right of reinstatement;

On or before August 14, 2003, satisfy the Plan's minimum age and service requirements for a Service Based Pension;

Submit an irrevocable request to participate during the August 1, 2003 through August 14, 2003, enrollment period; and,

Retire, effective August 31, 2003, subject to extension through December 31, 2003, at the discretion of the Company.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

NO LAY OFF EXTENSION LETTER VWF

June 1, 1003

Mr. R. V. Maly, Vice-President, CWA
Mr. Dennis Slaman, Chairman, System Council T-3

Re: No Lay Off Extension Letter VWF

This will confirm our understanding during negotiations for the 2003 collective bargaining agreement that prior to the expiration of the "MOA Extension" (relating the Variable Workforce), Avaya Inc. ("Avaya") will discuss with the unions possible extension of the principle not to layoff employees in current titles in the Global Services business. The parties understand that the basis of any such discussions will be based on performance of the Global Services business unit, including, but not limited to, minimum revenue growth and strategic requirements for workload.

Sincerely,

/s/ Thomas C. Burk
Vice President Labor Relations

Concurred:

/s/ Ralph V. Maly
Vice President, CWA

/s/ Dennis Slaman
Chairman, System Council T-3, IBEW

(A) ELIMINATION OF JOB TITLES

May 31, 2003

Mr. Robert Morrison
International Brotherhood of Electrical Workers

Dear Mr. Morrison:

This is to confirm our understanding reached during the 2003 collective bargaining regarding elimination of various job titles. In the event that the Company resumes operations and utilizes job titles eliminated during the 2003 collective bargaining, the Company agrees to meet with the Union and discuss the use of such job titles.

Sincerely,

/s/ David W. Graepel
Senior Manager, Labor Relations

Other Agreements

(B) MILEAGE REIMBURSEMENT

May 31, 2003

Mr. R. F. Morrison

Gentlemen:

Subject: Mileage Reimbursement

Effective September 1, 2003, it is agreed that employees may elect to receive reimbursement for authorized use of their automobiles for Company business at the IRS allowable rate. This reimbursement rate will be put in effect 30 days after the effective date of any IRS change to the allowable rate.

Sincerely,

/s/ D. W. Graepel
Senior Manager, Labor Relations

(C) SUBCONTRACTING SUBCOMMITTEE STRUCTURE AND GUIDELINES

In an effort to reach a better understanding of the complex issue of subcontracting the parties agree that it is in their mutual interest to establish appropriate subcommittee(s) for advanced information sharing and open and thorough discussions of matters involving subcontracting.

Accordingly, on this 30th day of May, Avaya Inc. (the "Company") and IBEW Systems Council T-3 and the CWA (the "Union") have agreed to establish a Subcontracting Subcommittee during the life of the 2003 collective bargaining agreement.

During 2003 negotiations, the Company and the Unions expressed mutual concerns over the employment security of on-roll Avaya employees represented by the Unions and their desire to retain work traditionally performed by those employees. The parties also understand the Company's need to maintain flexibility in making business decisions involving subcontracting of work traditionally performed by represented employees and the potential that such decisions may have a detrimental effect on the employment security of on-roll Avaya employees.

In recognition of these mutual concerns, the parties agree that a process should be developed to address the issues. Thus, it is agreed that the Unions will be provided, in advance, pertinent information such as but not limited to, the economics, skills necessary to perform the work, and the impact such subcontracting may have on the employment security of on-roll Avaya employees. In addition, the Unions will be given an opportunity to discuss such matters relating to the Company's intentions to subcontract work traditionally performed by members of the affected bargaining unit. It is further agreed that any process cannot interfere with the Company's right to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Avaya employees.

Subcommittee Structure and Purpose

A Joint Subcontracting Subcommittee will be established consisting of up to (4) four representatives from the Union, (2) two designated by the CWA and (2) two designated by the IBEW and four (4) representatives from the Company designated by the Business Unit Vice President or appropriate mutually agreed upon group. Specific composition of this subcommittee will be jointly determined by October 31, 2003.

The purpose of the subcommittee is to give the parties the opportunity to conduct open and through discussion concerning the Company's intention and rationale on subcontract work presently performed by on-roll Avaya employees.

Subcommittee Information Sharing Guidelines

Sharing information on the Company's intention and rationale to subcontract will include the following:

Other Agreements

The establishing of subcommittees at the Services General Manager level for the purpose of sharing information in more detail. Such information will include items such as amount of hours or jobs, the names of the contractors being utilized, locations of contracted work, (more specific than a zip code level), discussions of the quality of such work, and other pertinent information pertaining to the subcontracting of traditional work that has been regularly performed by members of the bargaining unit in the geographic area.

Advance information of intention to subcontract consistent with the principles established above will be provided to local unions or GM level subcommittee union representatives as appropriate.

List of Avaya employees on re-call or the extended compensation option under the Avaya Option Plan.

Economic conditions of such subcontracting

Skills that are necessary to perform the work

Impact subcontracting may have upon on-roll Avaya employees at the affected locations(s)

Other pertinent information (e.g. time constraints, market conditions, hiring opportunities via Avaya Transfer Plan or job advertisements, flexibility, other and viable alternatives)

Identify specific areas or locations where hours of subcontracted work performed in the previous (6) month period are sufficient for the purpose of hiring new employee / employees.

Role of Labor Relations

Corporate Labor Relations will have the final responsibility to assure that the information Sharing Guidelines are followed. Any dispute that may arise as to whether the Information Sharing Guidelines have been followed shall be submitted to the Labor Relations V.P. for final resolution

(D) AGENCY TEMPORARIES

This will confirm our understanding reached in 2003 IBEW Operations Bargaining that, for the duration of the parties' 2003 Settlement Memorandum, 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.

(E) PENDING ARBITRATION

May 31, 2003

Mr. Robert F. Morrison
International Brotherhood of Electrical Workers

Dear Mr. Morrison:

This will confirm our discussions during 2003 Operations Contract Bargaining regarding a joint review of pending arbitration cases.

If the Union contacts me by October 1, 2003 to establish a mutually acceptable date(s), the Company will meet with the Union to review discipline arbitration cases pending as of the date of this letter to determine if the parties can agree to submit any such cases to Mediation. While the Company is always willing to discuss settlement in any arbitration case, the Company agrees to have a comprehensive review of all contract interpretation arbitration cases pending as of the date of this letter if contacted by the Union by October 1, 2003 to establish a mutually acceptable date(s) for such a meeting.

Sincerely,

/s/ David W. Graepel
Senior Manager, Labor Relations

Other Agreements

(F) GREEN CIRCLE TREATMENT II

Employees of the Company who were receiving "Green Circle" treatment during the 1995 and 1998 Agreement as a result of prior written Company and Union agreements will have their "Green Circle" treatment extended until the end of the 2003 Agreement whereupon they will assume the wage rate appropriate for their title

(G) TRANSFER TO LOWER PAY SCHEDULE - G24

When an employee is involuntarily assigned via Article G24 (Transfers, Travel Allowances, and Moving Expenses), to a title that has been newly created under Article G11 (New Job Titles, Classifications and Wage Rates), and that title has a lower pay schedule, the employee's current rate of pay will be green circle protected for the life of the Contract. It is understood that the terms of this agreement will result in the green circle treatment ending with the expiration of the Contract.

(H) SUBCONTRACTING - IBEW OPERATIONS

May 20, 2003

Mr. Dennis Staman, Chairman, System Council T-3, IBEW

The attached Barry letter dated May 27, 1989, concerning subcontracting was a National item that was agreed to in 1989 and continued in 1992 and 1995 and 1998 for certain bargaining units, will continue in effect in accordance with its original terms until the termination of the 2003 National Operations Memorandum of Understanding between Avaya Inc., CWA and IBEW.

/s/ Thomas C. Burk
Labor Relations, Vice President
Concurred:

/s/ Dennis Seaman
Chairman, System Council T-3,
IBEW
Attachment

Other Agreements

(H) SUBCONTRACTING - IBEW OPERATIONS

May 27, 1989

Mr. John Barry
International Brotherhood of Electrical Workers
1125 15th Street, NW
Washington, DC 20005

Dear Mr. Barry:

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 IBEW 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

(I) SUBCONTRACTING, ANNUAL REVIEW

The parties shall meet annually to review contracting which has taken place in RCAs in which a layoff was pending or in which employees were on layoff with recall rights. This meeting shall consist of representatives of the Business Groups involved, the Company's Labor Relations Vice President or his/her designee, and the Union's Vice President his/her designee. During this meeting, the participants shall review the nature and the amount of the contracting which has occurred in these circumstances and shall explore other means, such as rehire to regular positions, by which the need for such contracting may be reduced in the future.

(J) SUBCONTRACTING, INFORMATION

To avoid disputes and to work towards a more open relationship, the Company shall furnish at least quarterly to the System T3 Council Chairperson or his/her designee, for each RCA in which contracting of work of the type which has traditionally been performed by CPE Technicians in the bargaining unit, and in which RCA CPE technicians have been declared surplus or are on layoff with recall rights, a list setting forth the name of contractors who have performed work of the type traditionally performed by CPE Technicians, the RCA of the location in which the work was performed and the number of hours contracted.

(K) OVERTIME ADMINISTRATION

Overtime administration should be consistent with the needs of the business with due consideration to the desires of Bargaining Unit employees.

Our stated policy on administration of overtime, which has been communicated to the Union, is that we will attempt to equalize overtime, to the extent feasible, among qualified employees over a reasonable period of time, generally one year.

It is consistent with good Labor/Management relations that managers review with local Union representatives any necessary changes to overtime administration guidelines and be prepared to articulate conditions that demand such changes.

(L) MOTOR VEHICLE USAGE PLAN

The parties recognize that it may be in their mutual interest to negotiate new terms and conditions relating to the administration of the Motor Vehicle Usage Plan (MVUP). Accordingly, the Company and the Union agree that should the Company or the Union seek to negotiate new local plans during the life of the 2003 Agreement, the initiating party shall notify the other party in writing of its desire to open negotiations. Negotiations shall take place within ninety (90) days of such notice. Thereafter, the Company and the Union shall work together to design and negotiate a plan that meets the needs of the Company and the employees. Should the parties reach agreement, the new MVUP shall be implemented upon a mutually agreed upon date.

Other Agreements

It is the intention of the parties to jointly design a MVUP that achieves the mutual goals and objectives of the Union and the Company.

In the event that the parties are unable to reach agreement concerning adjustments, amendments and/or replacements to those agreements, those agreements (including contractual references to previous collective bargaining agreements) shall remain in full force and effect, with no change to their terms and conditions, during the term of the 2003 Agreement.

(M) LOCAL AGREEMENTS

This will confirm our agreement, reached during recent negotiations, concerning local agreements other than those that are specifically provided for in the Agreement. As we discussed, local agreements that violate the provisions of the Agreement will be null and void immediately upon the effective date of the Agreement. Other local agreements will continue in effect, unless and until either party gives forty-five (45) days written notice of their termination. During that forty-five (45) day period, either party may initiate negotiations pursuant to Article 2 (Collective Bargaining), Paragraph 2, of the 2003 Agreement. If no agreement is reached during that forty-five (45) day period, the local agreement will no longer be effective and binding upon either the Company or the Union.

(N) WALKERS ALLOWANCE BOSTON

This will confirm, that during the term of the 2003 Agreement, those Customer Service Engineers, Senior Software Associates and Senior Technicians who are not provided with a company vehicle and have a reporting location within the city of Boston, Massachusetts, will be reporting paid an allowance of fifteen dollars (\$15.00) for each day they report to a location in Boston.

(O) WALKERS ALLOWANCE - CHICAGO

This will confirm, that during the term of the 2003 Agreement, that all current titles in Local 134 who are not provided with a company vehicle and have a reporting location within the city of Chicago, Illinois will be paid an allowance of ten dollars (\$10.00) for each day they report to a location in Chicago.

(P) VACATION SELECTION FOR NEW ENGLAND

For the purpose of this Contract, it is understood by the Company, Avaya Inc. and the Union (IBEW) that the vacation selection process currently in effect within each occupational and/or administrative unit within the six (6) state area of New England will remain the same.

(Q) NEW ENGLAND OVERTIME

All employees in the six (6) State region of New England working a scheduled daily tour of seven and one-half (7 ½) hours will be paid at the Time and One-Half (1 ½) Overtime Rate for all hours worked outside the scheduled daily tour,

(R) MOTOR VEHICLE DAMAGE – NEW JERSEY

This will confirm the agreement reached during the recent collective bargaining negotiations, concerning the use of employees' personal automobiles in New Jersey under the provisions of the 2003 Agreement concerning call-in of employees.

The operation of the motor vehicle must meet all the requirements of law. The employee must possess a valid driver's license, the motor vehicle must be properly registered and inspected and must be covered by a public liability and property damage insurance. Additionally, the employee must operate the vehicle in accordance with the regulations prescribed for the operation of Company motor vehicles.

If an employee is involved in a motor vehicle accident while operation his personal car in compliance with all of the above provisions, the Company agrees to reimburse the employee for that part of the damage to his car for which he is not otherwise compensated provided he has exhausted all other reasonable means to effect collections. Such payment will be made only after a determination by the Company that the employee has complied with all of the foregoing provisions.

(S) NEW JERSEY REAL ESTATE COMMISSION

This will confirm our understanding reached during our recent collective bargaining negotiations, concerning the application of Article G24, Transfers, Travel Allowances and Moving Expenses, for employees in New Jersey.

During the term of the 2003 agreement, those employees shall remain eligible to receive reimbursement of "real estate commission up to six percent (6%) of the sale price of the (employees) old residence," as provided in Mr. Tenkamp's 1980 letter to Mr. A. Perry.

(T) NEW JERSEY RELOCATION

Certain provisions were negotiated in the 1989 Bargaining Agreement between AT&T and the International Brotherhood of Electrical Workers, System Council T3 concerning force balancing coincident with force adjustments and independent of a force adjustment.

These provisions have produced a situation where certain employees are reluctant to relocate to physical reference points where there is a need for employees, due to geographical and logistical conditions in the State of New Jersey in the jurisdiction of IBEW Local 827.

This situation is neither beneficial to the Company or the employees represented by IBEW Local 827.

The following modifications to the Bargaining Agreement will be made:

1. Under Article G20 (Force Adjustment), Paragraph 2 a Reasonable Commuting Area (RCA) and Force Adjustment Area (FAA) shall have the same boundaries as the state lines of New Jersey.
2. The restrictions for Living Expense payments, that is order to receive such expenses an employee must move between RCA's as provided for in Article G24 (transfers, travel Allowances, and Moving Expenses), Paragraph 11 shall not apply, but the 35 mile criteria will continue to apply.
3. The restrictions for Termination Payments, that in order to receive such payments for failure to accept an involuntary transfer an employee must be required to move between RCA's as provided for in Article G24 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 5(c) shall not apply, but the required move must be 35 or more miles to receive such payments.
4. It is understood that the Agreement shall be applicable only to Local 827 in the State of New Jersey and shall not apply or establish any precedent for any other Locals or employees covered by the Bargaining Agreement.
5. This Agreement shall continue to for the life of the current Bargaining Agreement unless modified or cancelled by mutual concurrence of the parties.

(U) MOTOR VEHICLE DAMAGE

The parties agree that, except in the State of New Jersey, in administering Articles G24 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 6 (Travel Expenses During Work Time); and OS3 (Differentials and Other Payments), Paragraph 2; M3 (Differentials and Other Payments), Paragraph 1(b); A3 (Differentials and Other Payments), Paragraph 1(b); T3 (Differentials and Other Payments), Paragraph 2 and CS3 (Differentials and Other Payments), Paragraph 2, the operation of an employee's motor vehicle must meet all requirements of law. The employee must possess a valid driver's license, the motor vehicle must be properly registered and inspected (as may be required by applicable State Law) and the motor vehicle must be covered by public liability and property damage insurance. Additionally, the employee must operate the motor vehicle in accordance with regulations prescribed by the Company for the operation of Company Vehicles. If an employee is involved in a motor vehicle accident while operation his personal motor vehicle in compliance with all the above provisions, the Company will reimburse the employee for that portion of the damage to his motor vehicle that is not otherwise compensated provided the employee has exhausted all other reasonable means of collection. Such payment will be made only after a determination by the Company that the employee was not at fault in the accident and has complied with all of the foregoing provisions. Further, no payment made pursuant to this agreement shall exceed the amount of the employee's comprehensive or collision damage deductible or \$500.00 whichever is less.

(V) VACATION SELECTION LOCAL 827

Local 827 IBEW, NJ requests the following procedures be placed in effect for the vacations selection process.

When practicable, the vacation selection process will begin no later than December 1 and be completed by December 31 of the year prior to the year being selected.

The selection process shall include, in addition to vacations, the selection of Floating Holidays, Vacation Holidays and Excused Workdays. For this purpose, each employee shall prepare a vacation request form indicating, where applicable, first, second and third choice selections.

To the extent permitted by work requirements, as determined by the Company, seniority based on net credited service shall be given primary consideration in the selection process.

Selection priorities at the time of vacation selection shall be in the following order:

1. All Full Weeks Vacation
2. Day At A Time Vacation Days
3. Floating Holidays
4. Vacation Holidays
5. Paid Excused Workdays
6. Unpaid Excused Workdays

Other Agreements

1. Full Weeks Vacation

By seniority, each employee shall be granted his/her first and second full week of vacation, if so entitled, or if eligible, pass on one full week which will be granted later in the scheduling process as a day at a time vacation.

Then by seniority, each employee shall be granted his/her third full week vacation, if so entitled, provided he/she has not selected the day at a time vacation option.

Then by seniority, each employee shall be granted his/her fourth full week vacation, if so entitled, provided he/she has not selected the day at a time vacation option

Then by seniority, each employee shall be granted his/her fifth full week vacation, if so entitled, provided he/she has not selected the day at a time vacation option

2. Day-At-A-Time Vacation

By seniority, each employee who selects the day-at-a-time option shall be granted his/her day-at-a-time vacation days or will select reserve time for these days.

3. Floating Holidays

By seniority, each employee shall be granted his/her Floating Holidays, if so entitled, or select reserve time for these days.

4. Vacations Holidays

By seniority, each employee shall be granted his/her Vacation Holiday(s), if so entitled, or will select reserve time for these days.

5. Paid Excused Workdays

By seniority, each employee shall be granted his/her paid Excused Workdays or will select reserve time for these days.

6. Unpaid Excused Workdays

By seniority, each employee shall be granted his/her Unpaid Excused Workday or will select reserve time for this day.

(W) TEMPORARY ASSIGNMENT TO HIGHER OCCUPATIONAL JOB CLASSIFICATION – NEW JERSEY

This will confirm our understanding reached during the 2003 bargaining negotiations, concerning employees in New Jersey, Local 827 IBEW for temporary assignments to a higher occupational job classification. During the term of the 2003 Agreement, the Company will construe Article G15 (Overtime and Other Payments), Paragraph 6, to require compensation when an employee works any part of a tour in the higher assignment.

(X) ELECTRONIC MONITORING

Sampling of service, used in the spirit of trust and respect, is a valuable tool to enhance customer service. To assure courteous treatment, accurate information and superior service, customer calls may be monitored to assist in the training and development of employees, identification of customer needs and product evaluation.

Where such sampling is conducted, it will be performed by trained observers with consistent standards established by the Business Unit Planning Council. Employees will be given prior notification the day sampling is to take place and each will have the option of remote or side-by-side monitoring. All remote monitoring will be taken from within the work area of the employee being monitored. Feedback of all calls sampled will be provided to the employee by the end of the day of the completed contact (defined as the day the employee being sampled has initiated and/or provided the service requested by the customer). The employee will be notified of exceptional service or gross customer abuse immediately. The method of notification of employees will be developed and agreed to by the Planning Council. This policy shall also apply to group sampling,

No employee shall be disciplined as a result of service sampling except for gross customer abuse, fraud, violation of privacy of communications, or when developmental efforts have not been successful.

It is agreed that all past practices and local letters of agreement which restrict the practice of service observing and monitoring are eliminated. The Company will continue to comply with any applicable laws regarding service monitoring or observation.

Other Agreements

(Y) NEW JERSEY WAGE ZONE

May 31, 2003

Mr. Dennis Slaman
International Brotherhood of Electrical Workers
Chairperson Bargaining Committee
Systems Council T-3

Dear Mr. Slaman:

This will confirm the Agreement reached during the 2003 IBEW Operations Bargaining concerning the Wage Zone upgrades for all of the titles covered by Article T1 in New Jersey RCA. The current D1 Wage Zone will convert to Wage Zone A1 and become effective fourteen (14) days after ratification of the Bargaining Agreement.

The Parties further agree to increase the diameter of all circles for those areas receiving a wage upgrade by three (3) miles and are committed to working together to redefine current circles and assignment of technician resources. The circle payment amounts will remain unchanged.

/s/ David G. Graepel
Senior Manager, Labor Relations

DURATION OF AGREEMENT

The Settlement Memorandum shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday May 27, 2006.

In Witness Whereof the parties have caused this Settlement Memorandum to be signed in their respective names by their authorized representatives duly empowered in their behalf.

COMPANY

UNION

By: /s/ David W. Graepel
Senior Manager, Labor Relations
Avaya Inc.

By: /s/ Robert F. Morrison
Chairman, Bargaining Subcommittee
Systems Council T-3

/s/ Steve E. Sentell

/s/ Michael Cleaves

/s/ David Rehberg

Approved

Approved

/s/ Thomas C. Burk
Labor Relations, Vice President
Avaya Inc.

/s/ Dennis Slaman
Chairman, Systems Council T-3
IBEW

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24	25	26	27	28	29	30

May 2006						
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	

June 2006						
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

July 2006						
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					

August 2006						
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	

September 2006						
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					

October 2006						
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				

November 2006						
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		

December 2006						
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					