

**AT&T Internet Services
And
Communications Workers of America**

Table of Contents

<u>Agreement</u>	<u>Page</u>
Article 1 Recognition	3
Article 2 Company-Union Relations	5
Article 3 Union Security and Payroll Deductions	9
Article 4 No Strike/No Lockout	11
Article 5 Bulletin Boards	13
Article 6 Nondiscrimination/Affirmative Action/ Federal and State Laws	15
Article 7 Classification of Employees	17
Article 8 Seniority	19
Article 9 Time Off	21
Article 10 Working Conditions	27
Article 11 Compensation	33
Article 12 Team Award	35
Article 13 Employee Discount Program	37
Article 14 Force Adjustment	39
Article 15 Benefit Plans	41
Article 16 Problem Resolution Process	43
Article 17 Conclusion	57
<i>Appendix A Wages</i>	<i>59</i>
<i>MOA Memoranda of Agreement</i>	<i>69</i>

Memoranda of Agreement

Table of Contents

<u>Memoranda of Ageement</u>	<u>Page</u>
National Internet Contract	69
Benefits	70
Four-Ten Work Weeks	80
Savings and Security Plan	82
Subcontracting	85
Subsidiary Movement	86
Tier 1 DSL Support—Customer Assistant	87
Uniform Services Leave of Absence	97
Union Orientation	98
Vacation Portability	99
Wage Credit	101
Work/Family Funding	102
Working Relations Committee	103

AGREEMENT

This agreement is made and entered into as of **July 22, 2007** by and between COMMUNICATIONS WORKERS OF AMERICA (hereinafter called the "Union") and **AT&T** Internet Services (hereinafter called the "Company"). The Company and the Union agree as follows:

ARTICLE 1 RECOGNITION

Section 1.01 The Company hereby recognizes the Union as the exclusive collective bargaining representative for the employees having the job titles listed in Section 1.02 below.

Section 1.02 Applicable job titles:

Billing Coordinator
Circuit Coordinator
Connectivity Specialist I
Connectivity Specialist II
Customer Assistant
Customer Billing Representative
Dispatcher
Internet Assistant
NCG Representative
Network Specialist
Provisioning Administrator I
Provisioning Administrator II
Provisioning Administrator III
Support Administrator I
Support Administrator II
Surveillance Administrator
Surveillance Technician
Technical Support Representative I
Technical Support Representative II

Section 1.03 The Company recognizes the Union as having sole power to execute agreements with the Company in regard to wages, hours of employment and other conditions of employment affecting the represented employees described above.

ARTICLE 2

COMPANY-UNION RELATIONS

Section 2.01 The Company and the Union recognize that it is in the best interest of both parties, the employees, the customers of the Company and the public that all dealings between them continue to be characterized by mutual responsibility and respect. To ensure that this relationship continues and improves the Company and the Union and their respective representatives at all levels will apply the terms of this Contract fairly in accord with its intent and meaning and consistent with the Union's status as the exclusive bargaining representative of all employees covered by this Contract.

Section 2.02 The Union agrees to furnish the Company with a list of the names of authorized Union representatives and their Union titles and provide updates to the list as changes are made.

Section 2.03 Unpaid Union Time

Union representatives shall be excused from their work assignments without pay to perform Union activities subject to the following:

- A. The Union recognizes that service requirements, as determined by the Company, must be taken into consideration in excusing Union representatives from work to perform Union activities.
- B. Except for unusual circumstances, Union representatives shall give at least one (1) week notice, prior to the requested time off for Union activities.
- C. Time off for Union activities will be limited to two hundred **fifty (250)** hours per calendar year, per Union representative, except that up to **ten (10)** Union representatives may have time off for Union activities limited to 560 hours per calendar year. Time off to engage in formal negotiations for subsequent collective bargaining agreements shall not be included in determining the amount of time off for the purpose of this section.

- D. Time off for Union activities shall not be deducted from the employee's seniority.

Section 2.04 Paid Union Time

If attendance at any meeting or the performance of any Union activity is at the Company's request, the time involved shall be excused with pay at the straight time rate, subject to the following provisions:

- A. Pay shall be allowed only if the employee has been excused from duty in advance by the employee's supervisor to attend the meeting or perform the Union activity.
- B. The meeting pertains to matters relating to employees of the Company represented by the Communications Workers of America.
- C. Paid time is limited to the actual meeting time, and will be paid at the straight time, not to exceed eight (8) hours of pay.
- D. Under no circumstance, will an overtime rate be paid to employees as a result of attending a meeting with management or performing Union activities under this Section.
- E. *The Company will compensate up to two (2) authorized representatives of the Union, who are active employees covered by this Contract, for attending meetings with Management for the purpose of negotiating a written Contract during triennial bargaining. This compensation will be at the employee's basic straight time wage rate for scheduled workdays only and will not include any differential payments. The total days paid by the Company for each employee will not exceed fifteen (15). The expenses of all Union representatives will be borne by the Union.***

**Section 2.05 Union Activities On
The Company's Premises**

- A. Authorized representatives of the Union may be granted access to the Company's premises where employees covered by this contract are located upon application to the appropriate Company representative, subject to the

Company's practices and the requirements of Government regulations.

- B. The Union, or employees acting as its officers or agents, may conduct Union activities and distribute Union literature, on Company premises with notification to the appropriate Company Representative. Activities shall only be permitted on Company premises when both the employees performing the activity and the employees to whom the activity is directed are on non-work time (such as lunch periods, rest periods and before or after an employee's work time). Distribution of Union literature may take place only in areas where work is not performed and on the employee's non-work time. Union literature shall not contain anything controversial or anything derogatory to the Company or any of its employees. Should the Union distribute any Union literature that, in the judgment of the Company, is at variance with the spirit and intent of this Section, such literature shall be immediately collected by the Union upon notification by the Company.
- C. Union activities involving the solicitation of members on the Company's premises shall be carried on only in accordance with the following:
 - 1. Solicitation of employees shall only be made during periods when neither the Union representatives nor the employees being solicited are on Company time, excluding paid rest periods and lunch periods.
 - 2. Such solicitation shall not be carried on in space where the Company's operations or administrative work is being performed.
 - 3. Such solicitation shall be limited to small groups of employees (not to exceed four (4)), unless authorization for a larger group is obtained in advance from the appropriate Company representative.
 - 4. Such solicitation shall not interfere with the operations of the Company or the use of the space for the purposes for which the space was intended.

ARTICLE 3
UNION SECURITY AND PAYROLL
DEDUCTIONS OF UNION DUES

Section 3.01 *Employees shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members within thirty (30) calendar days after they enter the bargaining unit.*

Section 3.02 The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee but shall reapply to such employee on the thirtieth (30th) calendar day following the employee's return to the bargaining unit. The term formal separation includes transfers and assignments out of the bargaining unit, removal from the payroll of the Company and leaves of absence of more than thirty (30) calendar days duration.

Section 3.03 *Section 3.01 and 3.02 above shall apply in all states allowed by law on the effective date of this contract. If during the term of this Contract the Union shall become duly authorized under the laws of another state to enter into this type of union security agreement, the effective date of this Section as to employees in that state shall be thirty (30) calendar days after the Company receives proper written evidence from the Union that it is fully qualified to enter into such an agreement in that state.*

Section 3.04 The Company agrees to collect Union dues monthly and on a designated pay period through payroll deduction from the employee's pay check, upon receipt of a written authorization form signed by the employee and delivered to the Company. *This authorization shall continue in effect until cancelled, by written notice and sent by certified or registered mail, return receipt requested, to the Company and postmarked during the fourteen (14) day period prior to each contract anniversary date.*

Section 3.05 Dues or their equivalent deductions shall be in an amount, which is provided to the Company in writing by the Union as being the regular monthly membership dues.

Section 3.06 The Company agrees to remit the amount of Union dues deducted to the designated representative of the Union on a monthly basis, along with a list of the names of those employees represented by the Union and the amount of dues deducted. The content and form of other employee information to be furnished to the Union shall be as agreed upon by the parties from time to time.

Section 3.07 The Company assumes no responsibility to the employee or the Union for any failure to make or any errors made in making such deductions, but will make efforts, as it considers appropriate, to correct any errors or omissions.

Section 3.08 It is agreed that the payroll deduction of Union dues shall be in lieu of the Union's collection of dues, assessments and contributions on the Company's premises where work operations are being performed and while Union representatives and/or the employees involved are on Company time.

Section 3.09 The Union shall indemnify and hold the Company harmless against any and all claims, demands, suits, or other forms of liability that may arise out of or by reason of action taken or not taken by the Company for the purpose of complying with the provisions of this Article, or in reliance on any dues deduction card furnished under the provisions of this Article or on any certification by the Union.

ARTICLE 4
NO STRIKE/NO LOCKOUT

Section 4.01 During the life of this agreement, the Union agrees that it will not call, encourage or condone any strike, slow down or work stoppage against the Company.

Section 4.02 The Company agrees that there will be no lockout of employees during the duration of this agreement.

Section 4.03 The Company and the Union agree that any work stoppage or delay and/or failure to reach a new collective bargaining agreement will not result in a work stoppage between the Union and any other **AT&T** Company or in any way impact the other collective bargaining agreements and/or relationships between the Union and any other **AT&T** Company.

The Company and the Union further agree that any work stoppage or delay and/or failure to reach a new collective bargaining agreement in any other **AT&T** Company will not result in a work stoppage between the Union and the Company or in any way impact the collective bargaining agreement and/or relationship between the Union and the Company.

Section 4.04 In the event of a work stoppage in an **AT&T** Company that is an occupant in the same building as the Company, the Company and the Union agree that a separate entrance will be established for the exclusive use of the employees of the Company.

ARTICLE 5

BULLETIN BOARDS

Section 5.01 Upon written request from the Union, the Company agrees to install or move bulletin boards for the exclusive use of the Union. The number and location of the bulletin boards shall be determined jointly by the Company and the Union, with due regard to visibility and accessibility to employees.

Section 5.02 Unless agreed upon in advance by the Company, the Union agrees not to post Union material any place on the Company's premises other than on Union bulletin boards. Material posted on bulletin boards shall not contain anything controversial or anything derogatory to the Company or any of its employees. The Union assumes responsibility for compliance with the provisions contained herein. Should the Union post material that, in the judgment of the Company, is at variance with the spirit and intent of this section, such material shall be immediately removed by the Union upon notification by the Company.

Section 5.03 If the Union violates any provision of this Article, the Company, after giving due notice of such violation, may deny the right of the Union to use any or all bulletin boards on the Company's premises and may remove any or all bulletin boards.

ARTICLE 6
NONDISCRIMINATION
AFFIRMATIVE ACTION
FEDERAL AND STATE LAWS

Section 6.01 In a desire to restate their respective positions, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, sex, age, national origin, marital status, sexual orientation, or because the person is a qualified individual with a disability as defined by the Americans With Disabilities Act (ADA), a disabled veteran, or a veteran of the Vietnam era.

Section 6.02 In the event that any Federal or State law, regulation, governmental order, or the final decision of any court or board of competent jurisdiction affects any one or more provisions of this contract, the provision or provisions so affected shall be made to comply with the requirements of such law, regulation, governmental order, or decision for the localities within the jurisdiction, and otherwise the contract shall continue in full force and effect.

Section 6.03 The Company and the Union recognize that potential conflicts may arise between obligations under the ADA and the terms of the Contract. In order to minimize disputes due to any such potential conflicts and to ensure timely resolution, the parties agree that all issues regarding actions which the Company believes to be consistent with the ADA and the Union believes to be in conflict with the Contract, will be referred to and addressed by the Human Resources Director, Human Resources Manager and one (1) Union representative (the "ADA Committee").

- A. The ADA Committee is empowered to resolve any issues or problems regarding a potential conflict between obligations under the ADA and the terms of this Contract.
- B. Agreements made by the ADA Committee will not prejudice the position of either party and will not be cited in any other proceeding. Such agreements will not be subject to the grievance and arbitration process.

- C. Unresolved issues or problems regarding potential conflicts will not delay or defer the Company's actions. If the ADA Committee is unable to resolve a dispute, the issue(s) regarding appropriate actions under the ADA and the Contract may then be addressed under the arbitration provisions of the Contract. To ensure timely resolution of such disputes, the grievance procedure shall be bypassed and the matter submitted directly to arbitration.
- D. The Union representative participating in the ADA Committee, if an employee of the Company, will be paid for attending ADA Committee meetings in accordance with Article 2, Section 2.04.

ARTICLE 7
CLASSIFICATION OF EMPLOYEES

Section 7.01 For the purposes of this agreement, all employees hired after the effective date of this agreement, unless otherwise specified by management, will be probationary. Employees will remain probationary for twelve (12) months. Probationary employees may be terminated at any time for any reason during the twelve (12) month period.

Section 7.02 *Part-time*

Part-time employees are employees who are normally scheduled to work less hours per average month than a comparable full-time employee.

ARTICLE 8

SENIORITY

Section 8.01 Seniority as used in this agreement shall mean Net Credited Service (NCS) with the Company as determined by the Benefit Plan Committee.

Section 8.02 If more than one (1) employee has the same Seniority date, the employee whose last four (4) Social Security Number digits comprise the larger number will be treated as if he/she were more senior. If two (2) employees with the same NCS date, also have the same last four (4) Social Security Number digits, revert to the middle two (2) digits of the Social Security Number to determine the most senior employee, with the higher number treated as most senior.

ARTICLE 9

TIME OFF

Section 9.01 Paid Holidays

Seven (7) paid holidays shall be observed as follows:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Holidays that fall on a Sunday will be observed on the following Monday. When a holiday falls on a Saturday, employees will be given another day off in a subsequent week or a preceding week as determined by the Company.

Section 9.02 Working On A Holiday

Employees who work on a holiday, will not be given a day off to be taken at a later date. Employees who work on a holiday will be paid eight (8) hours at straight time for the holiday and at time and one half (1-1/2) for each hour worked on the holiday.

Section 9.03 Holidays During A Vacation Week

When a holiday falls during a week in which an employee is on vacation, the day will be treated as a holiday, not as a day of vacation.

Section 9.04 Vacation Year

The year in which vacation and Personal Days off may be taken shall be known as the "vacation year." The vacation year is defined as a period of time beginning December 31st and ending on December 30th of the following year. Employees must be active on the payroll (not on a leave of absence or on disability) and must physically report to work for at least one (1) day in the vacation year to be eligible for vacation and Personal Days Off.

However, an employee may be granted vacation for which they are otherwise eligible in a vacation year without performing any work for the Company in that year provided they are not on a leave of absence or disability and such vacation is contiguous to and continues with their vacation for the preceding year; or such vacation begins during the first seven (7) days of the vacation year.

Section 9.05 Vacation Eligibility

Employees shall be eligible for vacation, based on their Net Credited Service (NCS) with the Company, as follows:

- A. One (1) week of vacation upon completion of six (6) months of service.
- B. Two (2) weeks of vacation upon completion of twelve (12) months of service. This provision cannot be combined with the above to result in more than two (2) weeks of vacation entitlement in the same vacation year.
- C. Three (3) weeks of vacation to any employee who could complete seven (7) years of service or more but less than fifteen (15) years of service within the vacation year.
- D. Four (4) weeks of vacation to any employee who could complete fifteen (15) years of service or more but less than twenty-five (25) years of service within the vacation year.
- E. Five (5) weeks of vacation to any employee who could complete twenty-five (25) years of service or more within the vacation year.

Section 9.06 Carry-over Vacation

All employees are encouraged to take all of their vacation time during the vacation year. However, a maximum of one (1) week of vacation may be carried over into the next vacation year. A vacation week that is carried over must be taken by April 30th.

The Company may at its discretion place employees on vacation and require them to take vacation at a specified time. The number of weeks management may place employees on vacation is limited to not more than one (1) week in a vacation year. Should the need to place employees on vacation occur,

the Company will provide thirty (30) days notice to the affected employees.

Section 9.07 Vacation Selection

Employees may select their vacation in full weeks and on a day-at-a-time basis during the vacation selection process. Vacations shall be selected in a work group as determined by the Company, based on seniority. The Company shall determine periods available for selection and the number of employees allowed off on vacation.

Section 9.08 Personal Days Off

Employees are allowed flexibility through the use of Personal Days Off to be off work with pay, subject to approval by management.

Each employee who has completed six (6) months of service will be eligible for seven (7) paid Personal Days Off each vacation year.

The Company may at its discretion place employees on Personal Days Off and require them to take Personal Days Off at a specified time. The number of Personal Days Off that management may place employees on, is limited to not more than two (2) in each vacation year. Should the need to place employees on a Personal Day Off occur, the Company will provide thirty (30) days notice to the affected employees.

Section 9.09 Carry-Over Of Personal Days Off

All employees are encouraged to take all of their Personal Days Off during the vacation year. However, Personal Days Off may be carried over into the next vacation year. Personal Days Off that are carried over must be taken by April 30th.

Section 9.10 Selection Of Personal Days Off

All Personal Days Off shall be selected based on seniority within a workgroup as determined by the Company. Employees may be permitted to take all of their Personal Days Off in two (2) hour increments. The Company shall determine periods available for selection and the number of employees allowed off on Personal Days Off.

Section 9.11 Sequence Of Time Off

All time off earned in the previous vacation year, must be taken before any time off in the current vacation year can be taken.

Section 9.12 Civic Duty

Employees must give their supervisor advance notice when they are requested to appear for jury duty. Time off to comply with a summons for obligatory jury duty will be paid subject to court verification. The Company will grant unpaid time off for other court ordered processes. Employees are expected to notify their supervisors as soon as possible of the need for time off to comply with any court order.

Section 9.13 Death In An Employee's Immediate Family/Household

Employees will be granted up to three (3) paid days of excused time off due to a death in the employee's immediate family. Immediate family includes the employee's parents, step-parents, adoptive parents, children, stepchildren, adoptive children, brothers, stepbrothers, sisters, stepsisters, husband or wife (including domestic partner), grandparents, grandchildren, mother-in-law, father-in-law, ***or other persons living in the same household.*** If more time off is needed, an employee may request vacation time or unpaid time off, all of which is dependent on the needs of the business. In all cases, supervisory approval is required.

Section 9.14 Absence

Employees having one (1) or more years of NCS shall be paid at the basic wage rate for ***illness*** absences on scheduled workdays, up to a maximum of five (5) paid ***illness absence*** days per calendar year. ***Employees having seven (7) or more years of NCS shall be paid at the basic wage rate for illness absences on scheduled workdays, up to a maximum of six (6) paid illness absence days per calendar year.*** Employees must notify their supervisor before their scheduled start time that they will be absent from work ***due to illness.***

Section 9.15 Excused Time Required By Law

Employees will be granted other excused time off (paid or unpaid) as required by applicable State and/or Federal laws.

Section 9.16 Time Off For Part-Time Employees

All paid time off described in Article 9 will be prorated for part-time employees based on actual hours worked during the prior calendar quarter. Proration for newly hired part-time employees will be based on their normally scheduled hours until the employee has worked for a full calendar quarter.

ARTICLE 10

WORKING CONDITIONS

Section 10.01 Work Schedules

The Company will determine and post the work schedules. ***Insofar as the needs of the business and the abilities of the employees permit, Net Credited Service will be the deciding factor when assigning work schedules. Determination of the “needs of the business and the abilities of the employees” rests solely with management.*** Employee’s scheduled work hours may start at any time of the day, on any day of the week and may be spread over any six (6) days of the week. Work schedules will be posted for a minimum period of one (1) week and are subject to change, with forty-eight (48) hours notice to the employee. However, work schedules will not be posted for employees who normally work the same hours Monday through Friday.

Section 10.02 Split Work Days

The Company may schedule employees to work a split workday. A split workday is a divided workday, with hours off in between.

Section 10.03 Change Of Hours

If an employee is notified less than twelve (12) hours before the originally scheduled start time of a change in work hours, the affected employee will receive two (2) hours of pay at the straight time rate.

Section 10.04 Cancellation Of Hours

- A. If an employee is notified less than one (1) hour before the originally scheduled start time that the scheduled hours are canceled, the affected employee will receive two (2) hours of pay at the straight time rate.
- B. If an employee reports to work and his/her hours are canceled for the remainder of the day, the employee will receive four (4) hours of pay at the straight time rate or pay for the actual hours worked, whichever is greater.

Section 10.05 Overtime

Employees may be required to work overtime subject to the needs of the business. Employees scheduled to work overtime will be paid in accordance with applicable Federal and/or State Laws.

Section 10.06 Shift Differentials

Employees who are scheduled to work an evening or night assignment in which more than fifty (50) percent of the time falls between the hours of 6:00 p.m. and 6:00 a.m., shall receive a daily premium payment of ten (10) percent of their base wages for each day worked.

Effective January 1, 2009, employees who are scheduled to work an evening or night assignment in which more than fifty (50) percent of the time falls between the hours of 8:00 p.m. and 6:00 a.m., shall receive a daily premium payment of ten (10) percent of their base wages for each day worked.

Shift differentials will be included in the employee's rate of pay for purposes of computing payments during periods of vacation and holidays, if the following conditions are met:

An employee works one (1) full work week of evening or night assignments before his/her vacation or holiday and is scheduled to work one (1) full work week of evening or night assignments, following his/her vacation or holiday.

Section 10.07 Sunday Premium Payments

Employees who work on a Sunday shall receive the rate of one and one-half (1-1/2) times the employee's base wages, up to a maximum of eight (8) hours per day. Employees who are excused from work with pay during scheduled hours on Sunday shall be paid at straight time for the excused absence.

Section 10.08 Meal Periods

Unpaid meal periods will normally be scheduled for thirty (30), forty-five (45) or sixty (60) minutes, as determined by the Company.

Section 10.09 Rest Periods

Rest periods will be assigned in accordance with State and/or Federal law; however, they will be fifteen (15) minutes in length.

Section 10.10 Relief Differential

Employees will be paid a differential of eight dollars (\$8.00) when in addition to their normal duties they relieve or assist a manager for four (4) hours or more. Relief Differential assignments specifically exclude administering discipline to other employees.

Section 10.11 Working In A Different Title

The assignment of a particular title to an employee does not mean that the employee shall perform only the kind of work coming under his/her title classification, or that certain kinds of work shall be performed exclusively by certain classifications of employees.

Section 10.12 Travel and Temporary Work Locations

- A. The Company will either furnish all means of transportation or specify what transportation shall be used for travel on Company business.
- B. Employees who agree to use their personal vehicles for Company business will be reimbursed at the then current IRS reimbursement rate for mileage.
- C. Employees may be assigned to work at a temporary work location. When employees are assigned to work at a temporary work location, the employee will be reimbursed for travel time and transportation expenses to and from the temporary work location in excess of that required for the employee's normal commute.
- D. Transportation expenses include, but are not limited to, mileage, bridge toll, parking, airfare, and bus fare.

Section 10.13 Overnight Trips

If the Company determines that overnight travel is required, the employee will be reimbursed for expenses, which are supported by receipts as follows:

- A. Transportation expenses as described in Section 10.12
- B. Lodging, approved in advance by the Company
- C. Meals, not to exceed **thirty** dollars (\$30) per day, unless management approves a higher amount in advance.

Section 10.14 Changes to Job Titles

- A. Whenever the Company determines it is appropriate to create a new job title or change a job title in the bargaining unit, it shall give advance notice to the Union. The Union may initiate negotiations over wage ranges regarding new job titles.
- B. Whenever, during the life of the Contract, the Company determines it appropriate to create a new job title in the bargaining unit, it shall proceed as follows:
 - 1. The Company will give advance notice to the Union in writing of such new job title and provisional wage range. Notification will include information about the new or changed job title and the assigned provisional wage range. Upon such notification, the Company may proceed to staff such position within the provisional wage range.
 - 2. The Company agrees to meet with the Union, upon the Union's request, to discuss all aspects, which led to the Company's decision to create the new job title and the assigned provisional wage range.
 - 3. The Company will conduct a follow-up review to assess whether the provisional wage range remains appropriate. The follow-up review will occur no less than six (6) months after staffing. After the Company's follow-up review is completed, the Company will notify the Union in writing. The notification will include information regarding the wage range.
- C. Within thirty (30) days from the Union's receipt of the notice referred to in Section 10.14(B)(3), the Union shall have the right to initiate negotiations concerning the wage range established by the Company.

- D. The parties agree that they shall negotiate for a period of no more than sixty (60) calendar days from the date such negotiations commenced. If no agreement is reached within the sixty (60) calendar days, the Union may elect to submit the issue to a Neutral Third Party for resolution. The Union will notify the Company in writing of its intent to submit the issue to a Neutral Third Party within thirty (30) calendar days from the conclusion of the negotiations. If the Company does not receive written notification within the thirty (30) calendar day period referred to above, the matter shall be considered settled in the Company's favor.
- E. All the time limits in Section 10.14 may be extended by mutual agreement.
- F. If the parties reach an agreement, such agreement on the wage range shall be applied retroactively to the day of establishment of the new job title and wage range.
- G. The Neutral Third Party referred to above shall be selected from the panel of arbitrators referred to in Section 16.07 of this agreement.
 - 1. The Neutral Third Party will render a written decision within fifteen (15) working days after the hearing.
 - 2. The Neutral Third Party is empowered to decide only whether the wage rate assigned by the Company or the wage rate requested by the Union is the appropriate rate.
 - 3. The Neutral Third Party shall have no authority to add to, subtract from, or modify any provisions of this Agreement.
 - 4. The Neutral Third Party's decision shall be applied retroactively to the day of the establishment of the new job title and wage rate.
- H. The procedures set forth in Section 10.14 shall be the exclusive means by which the Union may dispute the wage range set by the Company.

ARTICLE 11

COMPENSATION

Section 11.01 Eligibility

All employees who are active on the payroll (not on disability or a leave of absence) on the effective date of a ***lump sum, general increase, or progression increase*** will be eligible for ***the*** increase.

Employees, who on the effective date of the wage increase and/or lump sum payment, are on disability or a leave of absence, if otherwise eligible, will receive a wage increase and/or lump sum payment effective on their return to work date.

Lump sum payments will be prorated for disability and leave of absence.

Section 11.02 Wages

General Increases, Lump Sums, and Wage Schedules are located in Appendix A.

Job Title	Wage Schedule	Wage Schedule Effective 1/1/2008
Internet Assistant	2	2
Customer Assistant	3	3
Dispatcher	4	4
Surveillance Administrator	4	4
Billing Coordinator	5	5
Customer Billing Representative	5	5
Support Administrator I	7	7
Provisioning Administrator I	7	7
Provisioning Administrator II	9	10
Technical Support Representative I	9	9
Technical Support Representative II	11	11
Support Administrator II	13	13
Surveillance Technician	13	13
NCG Representative	15	15
Provisioning Administrator III	13	16
Connectivity Specialist I	15	18
Circuit Coordinator	17	20
Connectivity Specialist II	19	22
Network Specialist	19	22

Employees will be paid on a bi-weekly basis. Payment of wages for each two-week period will be made no later than the Friday following the end of the pay-period.

Section 11.03 Additional Cash Awards

The Company may provide employees with additional cash awards.

The selection of employees and the amounts of the cash awards will be made at the discretion of management.

ARTICLE 12

TEAM AWARD

Section 12.01 Team Award

The Company will notify the Union each year, as soon as practicable but no later than the end of the first quarter, of the measures to be used to determine the Team Award payout for that year. The Company shall determine the measures used to determine the Team Award for any year. Achievement of objectives will be a factor in the final percentage of Team Award to be awarded to employees; however, the Company has the sole discretion to determine if a Team Award will be paid in any performance year and if a Team Award will be paid, the percentage of the Team Award, which will be paid.

If the Company determines that a Team Award will be paid, the value of the award will be calculated as a percentage of an employee's actual annual base wages for the award year.

The Team Award Target is six (6) percent of the employee's actual annual base wages for the award year for the following job titles:

- Billing Coordinator
- Circuit Coordinator***
- Connectivity Specialist I***
- Connectivity Specialist II***
- Customer Billing Representative
- Dispatcher***
- Internet Assistant***
- NCG Representative***
- Network Specialist***
- Provisioning Administrator I
- Provisioning Administrator II***
- Provisioning Administrator III***
- Support Administrator I
- Support Administrator II
- Surveillance Administrator***
- Surveillance Technician***
- Technical Support Representative I
- Technical Support Representative II

Section 12.02 Team Award Eligibility

In order for an employee to be eligible for a Team Award, an employee must have been:

- Active on the payroll on the Team Award payout date (active includes employees on a leave of absence or on short term disability)
- Have one (1) day of actual service (not on a leave of absence or on short term disability) during the award year

An employee will be ineligible for a Team Award under the following circumstances:

- Employees who resign prior to the payout date for the Team Award
- Employees who were not in compliance with the Code of Business Conduct during the performance year
- Employees whose year-end performance review is unsatisfactory
- Employees terminated during the performance year

Section 12.03 Team Award Prorating

Eligible employees with less than twelve (12) months of active service during the award year and employees who were on disability during the award year will receive prorated amounts.

Section 12.04 Union Dues

Union dues will be deducted in a prorated amount from the Team Award.

ARTICLE 13
EMPLOYEE DISCOUNT PROGRAM

Section 13.01

The **AT&T**@Home Employee Discount Program will be offered to all eligible employees for their personal use. This program consists of a package of **AT&T** products and services available at discounted prices. The Company reserves the right to change, amend or cancel this program and/or any parts or terms thereof at its sole discretion.

ARTICLE 14

FORCE ADJUSTMENT

Section 14.01 Transfers

The Company may in its discretion hire employees off the street or from outside of the Bargaining Unit to fill vacancies. However, if the Company determines that a vacancy is to be filled from within the Bargaining Unit, it will post a notice of the vacancy. Employees with at least eighteen (18) months of time in title, unless waived by the Company, and who have satisfactory attendance and work performance may apply for the vacancy.

In deciding who will be selected for a vacancy, the Company will determine which employee is most qualified to fill the position. The Company will consider an employee's qualifications and where, in the judgment of the Company are equal, it will use seniority. The Company may elect to retreat an employee within the first nine (9) months from the date the employee accepted the position.

When an employee transfers to a higher or a lower wage schedule the employee will move to the same wage schedule step on the new wage schedule that the employee was at on the old wage schedule. In addition, the employee's time spent, months and days, at the step on the old wage schedule will count towards the time required for the employee to progress to the next higher step on the new wage schedule.

Section 14.02 Relocation Of Work

When work is to be relocated, the Company may if it deems appropriate, offer the affected employees the opportunity to follow their work to the new location. Employees who elect to follow their work to the new location will be considered as employee initiated transfers.

Section 14.03 Force Adjustment

Whenever force conditions as determined by the Company are considered to warrant a surplus and the possible layoff of employees, the Company shall notify the Union in writing, ***and meet with the Union to obtain input on its proposed layoff***

process, prior to notifying the affected employees. Employees will be laid off in a process determined by the Company. The surplus employees designated for layoff will be notified a minimum of **four (4)** weeks prior to the layoff date, unless otherwise provided by law.

Section 14.04 Layoff Allowance

Employees who are laid off will be paid a layoff allowance based on their seniority and their base weekly wage rate in effect at the time of the layoff, in accordance with the following:

LENGTH OF SERVICE	LAYOFF ALLOWANCE
0 - 12 Months	1 Week of pay
13 - 24 Months	2 Weeks of pay
25 - 47 Months	3 Weeks of pay
48 - 59 Months	4 Weeks of pay
60 - 71 Months	6 Weeks of pay
72 Months or More	8 Weeks of pay

Note: Part-time employees will receive a prorated amount based on the rules identified in Section 9.16.

Section 14.05 Priority Rehire

Employees who are laid off with satisfactory attendance and work performance and who apply for re-employment in the same position that they were laid off from, will receive priority consideration for re-hire over new applicants for twelve (12) months from his/her layoff date.

ARTICLE 15

BENEFIT PLANS

Section 15.01 In the event, during the life of this contract, the Company desires to make any change to the Benefit Plans which would affect the benefits of employees within the bargaining unit, it will, before making any such change, notify the Union and afford the Union a period of sixty (60) calendar days for bargaining, provided, however, that no change may be made in the Plans which would reduce or diminish the benefits provided thereunder, as they may apply to employees within the bargaining unit, without consent of the Union.

Section 15.02 Any claim that section 15.01 has been violated may be presented as a grievance and, if not resolved by the parties under their Problem Resolution Process, may be submitted to arbitration pursuant to provisions of Article 16. Any decision or action of the Company shall be controlling unless shown to have been discriminatory or in bad faith, and only the question of discrimination or bad faith shall be subject to the grievance procedure and arbitration. However, nothing in this contract shall be construed to subject the Plans or their administration to the grievance or arbitration procedures.

Section 15.03 The sole remedy for issues with respect to questions of whether benefits are due to covered employees, including the amount of any benefits due, is the claim and appeal process as defined in each of the Benefit Plans.

Section 15.04 The agreements between the Company and the Union regarding benefit plans establish the benefits that the Company will provide to employees in the bargaining unit, but are not intended to be plans or plan documents under the Employee Retirement Income Security Act (ERISA).

ARTICLE 16
PROBLEM RESOLUTION PROCESS

Section 16.01 To the extent practicable, prior to any operational changes in a work location or work area which affect the working conditions of employee(s), the manager will communicate these changes to the appropriate Union representative in advance of any changes and solicit input from the Union representative.

Section 16.02 All issues or prospective grievances may be taken up informally with the appropriate manager in an effort to resolve the matter. In no case will such an informal attempt to resolve an issue or grievance result in a modification of the time limits, for filing a formal grievance, provided for in Section 16.05A or Section 16.07D.

Section 16.03 The Company recognizes the right of the Union to investigate the circumstances surrounding any grievance and agrees to cooperate with the Union in any such investigation. Pending final resolution of the grievance, the Company shall not deal directly with the employee on any grievance already filed by the Union, without Union concurrence, but shall deal directly with the Union representative.

Section 16.04 Grievances

The Company and the Union agree that grievances shall be confined to differences arising out of the interpretation or application of the agreement and disciplinary action for just cause. For grievances arising out of the interpretation or application of the agreement (Contract Intent grievances) follow Section 16.07. For grievances arising out of disciplinary action (Disciplinary grievances) for just cause follow Section 16.05.

Overview Chart—Grievance and Arbitration Process:
See Sections 16.05 and 16.07 for detail.

Grievance Process	Disciplinary Grievances Meetings	Contract Intent Grievances Meetings
Informal Discussion— grievance time limits not modified	Appropriate manager and the Union	Appropriate manager and the Union
Step I Meeting	Immediate Supervisor or the Manager who took the action and up to two (2) Local Union representatives, one (1) paid, one (1) unpaid. If the grievance meeting is regarding a dismissal of an employee, up to two (2) Local Union representatives will be paid. The grievant may attend and will be paid in accordance with Article 2, Section 2.04. <i>If the grievant does not attend the step I grievance meeting then up to two (2) Local Union representatives will be paid.</i>	The third level of management or their designated representative and the Local Union President or their designated representatives, if he/she is an employee of the Company, he/she will be paid in accordance with Article 2, Section 2.04.
Step II Meeting	The third level of management or their designated representative and two (2) paid Local Union representatives.	One (1) Company's authorized bargaining agent and one (1) National Union's authorized bargaining agent or their designated representatives. If the designated representative is an employee of the Company they will be paid in accordance with Article 2, Section 2.04.
Step III Meeting	Up to two (2) Company representatives (Regional Labor Relations manager and one (1) Company representative) and one (1) Regional District Union representative and one (1) paid Local Union representative.	Not applicable as there are only two (2) steps for Contract Intent Grievances.
Intent to Arbitrate Letter Sent from and To	Regional District Union will notify the Regional Labor Relations Executive Director.	National Union's authorized bargaining agent will notify the Company's authorized bargaining agent or their designated representatives..

Section 16.05—Disciplinary Grievances

- A. The Local Union will submit the grievance in writing within thirty (30) calendar days of the date of occurrence of the action, or within thirty (30) calendar days of the date of discovery of the action by the affected employee, to be considered timely presented. Grievances not presented within the timeframes specified above, will not be eligible for processing under the grievance process.
- B. Written submission of the grievance shall include the name of the grievant (if applicable), the Article/Section of the contract alleged to have been violated or the disciplinary action that is at issue, the date of occurrence of the alleged violation/action, sufficient details to set forth the nature of the grievance, and the remedy sought.
- C. All disciplinary grievances will be submitted by the Local Union to the employee's immediate supervisor or if appropriate, the manager who took the action. The supervisor will provide the Local Union with the requested information relevant to the grievance within ten (10) days following presentation of the grievance. Disputes over relevancy of information requested will be referred to the Regional District Union Representative and Regional Labor Relations Director level.
- D. The Step I disciplinary grievance meeting will be held with the employee's immediate supervisor or if appropriate, the manager who took the action and two (2) Local Union representatives; however, only one (1) Union representative will be paid for attending the grievance meeting, except as provided in Section 16.05(D)(1) **or Section 16.05(D)(2) below**. Payment for the one (1) Local Union representative attending the grievance meeting will be made in accordance with Article 2, Section 2.04. The grievant may attend the Step I meeting and will be paid in accordance with Article 2, Section 2.04.
 - 1. Two (2) Local Union representatives, who attend a Step I grievance meeting, involving the dismissal of an employee, will be paid in accordance with Article 2, Section 2.04.

2. If the grievant does not attend the Step I grievance meeting then up to two (2) Local Union representatives will be paid.

- E. The Step I disciplinary grievance meeting will be held within fifteen (15) calendar days of the Local Union's written presentation of the grievance. If the Step I grievance meeting is not held within fifteen (15) calendar days of the Local Union's written presentation of the grievance and no mutual agreement to extend the timeframe has been reached, the grievance will be considered denied by Management and may be escalated to Step II.

The Step I disciplinary grievance meeting may be waived by mutual agreement by both parties. If the Step I disciplinary meeting is waived, then the Local Union must notify the third level of management, in writing of its intent to escalate the grievance to Step II within fifteen (15) calendar days following the date the Step I meeting should have been held as stated in the paragraph above, Section 16.05E. The Local Union's failure to notify the Company of its intent to escalate the disciplinary grievance within fifteen (15) calendar days will result in the grievance being considered withdrawn from the grievance procedure.

- F. At the conclusion of the Step I disciplinary grievance meeting, Management will verbally inform the Local Union of the Company's position and rationale. G. The Local Union must notify the third level of management, in writing of its intent to escalate the grievance to Step II within fifteen (15) calendar days following the Step I meeting, or the date the Step I meeting should have been held as stated in Section 16.05E. The Local Union's failure to notify the Company of its intent to escalate the disciplinary grievance within fifteen (15) calendar days will result in the grievance being considered withdrawn from the grievance procedure.
- H. The Step II disciplinary grievance meeting will be held with the third level of management or his/her designated representative and two (2) paid Local Union representatives. Payment for the Local Union representatives attending the grievance meeting will be made in accordance with Article 2, Section 2.04.

- I. The Step II disciplinary grievance meeting will be held within fifteen (15) calendar days of receipt of the Union's written notification of its intent to escalate the grievance to Step II. If the Step II disciplinary grievance meeting is not held within fifteen (15) calendar days of the Local Union's written presentation of the grievance and no mutual agreement to extend the timeframe has been reached, the grievance will be considered denied by management.

The Step II disciplinary grievance meeting may be waived by mutual agreement by both parties. If the Step II disciplinary grievance meeting is waived, the Regional District Union will notify the Regional Labor Relations Executive Director, in writing, of its desire to meet on the disciplinary grievance within thirty-five (35) calendar days following the date the Step II meeting should have been held as stated in the paragraph above, Section 16.05I, if there is notification by the Regional District Union then Section 16.06B1, Step III meeting shall be followed. The Regional District Union's failure to notify the Company of its intent to escalate the disciplinary grievance within thirty-five (35) calendar days following the date the Step II meeting should have been held, will result in the grievance being considered withdrawn from the grievance procedure.

- J. At the conclusion of the Step II disciplinary grievance meeting, the Company's third level of management or his/her designated representative, will send the Company's Step II disciplinary grievance position in writing to the Regional District Union Vice President, or designated representative with a copy to the Local Union, within five (5) calendar days of the Step II disciplinary grievance meeting.

K. Grievance Meetings

Every effort should be made to conduct grievance meetings in person, however the Company and the Union may mutually agree that a grievance meeting may be conducted via telephone or video conference.

Section 16.06 Arbitration-Disciplinary Grievances

- A. If the Regional District Union is not satisfied with the Company's position at the final meeting in the disciplinary grievance procedure, the Regional District Union may request that the grievance be arbitrated using regular arbitration or where mutual agreement is reached and the grievance involves disciplinary action, mediation or expedited arbitration.
- B. The Regional District Union will notify the Regional Labor Relations Executive Director, in writing, of its desire to meet on the disciplinary grievance within thirty-five (35) calendar days of receipt of the Step II Company position letter as described in Section 16.05J.
 - 1. The Step III meeting between up to two (2) Company representatives (one (1) Regional Labor Relations Manager and one (1) Company representative or their designated representatives) and up to two (2) Union Representatives, one (1) Regional District Union representative and one (1) Local Union representative or their designated representatives will be held within fifteen (15) calendar days of receipt of the written notice. Payment for the Local Union representative attending the Step III grievance meeting will be made in accordance with Article 2, Section 2.04.
 - 2. The Regional District Union may elect to waive this Step III meeting and, within the same thirty-five (35) calendar day time limit, notify the Company of its intention to arbitrate the disciplinary grievance as specified below. If the Regional District Union fails to send either written notice within the time limit stated (35 calendar days), and no mutual agreement to extend the time limit has been reached, the disciplinary grievance will be considered withdrawn from the grievance process.
- C. The Regional Labor Relations Executive Director, or designated representative, will send the final Company's Step III disciplinary grievance position letter to the Regional District Vice President of the Union or their designated representative within five (5) calendar days of the Regional District

Union/Regional Labor Relations meeting. Within thirty (30) calendar days following the Regional District Union's receipt of the Company's Step III disciplinary grievance final position letter, the Regional District Union will notify the Company, in writing, of its intention to arbitrate the grievance.

- D. If the Regional District Union does not notify the Company of its intention to arbitrate the disciplinary grievance within the time limit stated (30 calendar days), and no mutual agreement to extend the time limit has been reached, the grievance will be considered withdrawn from the grievance process. E. In grievances involving disciplinary action, the parties will first consider mediation to resolve the issue. If there is no mutual agreement to mediate, the parties will then consider expedited arbitration. Either party may request regular arbitration. The Regional District Union's notification of its intent to arbitrate the grievance will include a request for mediation, expedited arbitration or regular arbitration.
- F. The disciplinary arbitration hearing will be held within six (6) months from the date of the Regional District Union's notification in writing of its intent to arbitrate the grievance.
- G. If the arbitration request involves a regular employee's dismissal, the Company's monetary liability will be limited to back pay and out of pocket medical and dental expenses. Back pay liability and liability for out of pocket medical and dental expenses will not exceed nine (9) months from the date of termination, unless a delay in the processing of the grievance or arbitration was requested by the Company. If the delay in processing of the grievance or arbitration was requested by the Company, then the Company's back pay liability and liability for out of pocket medical and dental expenses will be extended by the amount of the requested delay not to exceed a maximum of twelve (12) months from the date of termination. Any back pay will be reduced by an amount equal to any wages earned in other employment. Employees will be liable to the appropriate State agency for overpayment of unemployment insurance benefits received since the dismissal date.

- H. Grievances regarding discipline and discharge for employees, with less than twelve (12) months of service, are not eligible for arbitration.

Section 16.07 Contract Intent Grievances

- A. Grievances which involve issues arising out of the interpretation or application of this agreement will be known as Contract Intent grievances.
- B. All issues or prospective Contract Intent grievances may be taken up informally with the appropriate manager in an effort to resolve the matter. In no case will such an informal attempt to resolve an issue or Contract Intent grievance result in a modification of the time limits, for filing a formal grievance, provided for in Section 16.07D.
- C. The Company and the National Union (Washington, D. C.), will provide written notification to each other, of the names of the authorized bargaining agents for each party or their designated representatives, who are responsible for the overall administration of the Contract ("The Company or National Union authorized bargaining agents or their designated representatives"). Any changes to the Company or National Union authorized bargaining agents or their designated representatives, referenced in the above paragraph, shall be made in writing.
- D. The Local Union will submit the Contract Intent grievance in writing within thirty (30) calendar days of the date of occurrence of the action to be considered timely presented. Contract Intent grievances not presented within the time-frames specified above, will not be eligible for processing under the grievance process.
- E. Written submission of the Contract Intent grievance shall include the name of the grievant (if applicable), the Article/Section of the contract alleged to have been violated, the date of occurrence of the alleged violation/action, sufficient details to set forth the nature of the grievance, and the remedy sought.
- F. All Contract Intent grievances will be submitted by the Local Union to the third level of management responsible for the workgroup, where the alleged Contract Intent grievance

violation occurred. The third level of management or their designated representative will provide the Local Union with the requested information relevant to the grievance within ten (10) days following presentation of the grievance. Disputes over relevancy of information requested will be referred to the Company and the National Union authorized bargaining agents or their designated representatives.

- G. The Step I Contract Intent grievance meeting will be held with the third level of management or their designated representative and the Local Union President or their designated representative. If the Local Union President or their designated representative is an employee of the Company, they will be paid in accordance with Article 2, Section 2.04. The Step I Contract Intent grievance meeting will be held within fifteen (15) calendar days of the Local Union's written presentation of the grievance.
- H. If the Step I Contract Intent grievance meeting is not held within fifteen (15) calendar days of the Local Union's written presentation of the grievance and no mutual agreement to extend the timeframe has been reached, the grievance will be considered denied by Management and may be escalated by the National Union's authorized bargaining agent or their designated representatives to the Company's authorized bargaining agent or their designated representatives.

The Step I Contract Intent grievance meeting may be waived by mutual agreement by both parties. If the Step I Contract Intent meeting is waived, the National Union's authorized bargaining agent or their designated representatives will notify the Company's authorized bargaining agent or their designated representatives, in writing, of its desire to meet on the Contract Intent grievance within thirty-five (35) calendar days following the date the Step I Contract Intent meeting should have been held. If there is a desire to meet sent by the National Union's authorized bargaining agent or their designated representatives then Section 16.07J will be followed.

The National Union's authorized bargaining agent or their designated representatives failure to notify the Company's

authorized bargaining agent or their designated representatives of its intent to escalate the Contract Intent grievance within thirty-five (35) calendar days following the date the Step I meeting should have been held, will result in the grievance being considered withdrawn from the grievance procedure.

- I. At the conclusion of the Step I Contract Intent grievance meeting, the Company will send the Step I Contract Intent grievance meeting Company position in writing to the National Union's authorized bargaining agent or their designated representative, with a copy to the Local Union, within five (5) calendar days of the Step I Contract Intent grievance meeting.
- J. The National Union's authorized bargaining agent or their designated representatives will notify the Company's authorized bargaining agent or their designated representatives, in writing, of its desire to meet on the Contract Intent grievance within thirty-five (35) calendar days of receipt of the Step I Company position letter as described in Section 16.071 above. A Step II Contract Intent grievance meeting will be held between one (1) Company authorized bargaining agent or their designated representative and one (1) National Union authorized bargaining agent or their designated representative within fifteen (15) calendar days of the Union's written presentation of the grievance. If the designated representative is an employee of the Company they will be paid in accordance with Article 2, Section 2.04. The National Union's authorized bargaining agent or their designated representative, may elect to waive this Step II Contract Intent grievance meeting and, within the same thirty-five (35) calendar day time limit, notify the Company's authorized bargaining agent or their designated representative, of its intention to arbitrate the grievance as specified below. If the National Union's authorized bargaining agent or their designated representative, fails to send either written notice within the time limit stated (35 calendar days) and no mutual agreement to extend the time limit has been reached, the grievance will be considered withdrawn from the grievance process.

K. At the conclusion of the Step II Contract Intent grievance meeting, the Company's authorized bargaining agent or their designated representative, will send the Company's Step II Contract Intent grievance position in writing to the National Union's authorized bargaining agent or their designated representative, within five (5) calendar days of the Step II Contract Intent grievance meeting.

L. Grievance Meetings

Every effort should be made to conduct grievance meetings in person, however the Company and the Union may mutually agree that a grievance meeting may be conducted via telephone or video conference.

Section 16.08 Arbitration-Contract Intent Grievances

- A. If the National Union's authorized bargaining agent or their designated representative, is not satisfied with the Company's authorized bargaining agent or their designated representative position at the final Step II meeting in the Contract Intent grievance process, the National Union authorized bargaining agent or their designated representative may request that the grievance be arbitrated using regular arbitration.
- B. Within thirty (30) calendar days following the National Union's authorized bargaining agent or their designated representative, receipt of the Company's authorized bargaining agent or their designated representative, final position letter in Section 16.07K, the National Union's authorized bargaining agent or their designated representative will notify the Company's authorized bargaining agent or their designated representative, in writing, of its intention to arbitrate the Contract Intent grievance.
- C. If the National Union's authorized bargaining agent or their designated representative, does not notify the Company's authorized bargaining agent or their designated representative, of its intention to arbitrate the Contract Intent grievance within the time limit stated (30 calendar days), and no mutual agreement to extend the time limit has been reached, the grievance will be considered withdrawn from the grievance process.

- D. The arbitration hearing will be held within six (6) months from the date of the National Union's authorized bargaining agent or their designated representative's notification in writing of its intent to arbitrate the Contract Intent grievance.

Section 16.09 Just Cause

The Company agrees that no employee shall be disciplined without just cause.

Section 16.10 Arbitrator Panels

- A. The parties shall establish regional panels as described below: The Company or the Regional Labor Relations Vice President or their designated representatives and the National Union or the Regional Union District Vice President or their designated representatives, will each submit a list of five (5) arbitrators.

- 1. A panel will be created from the arbitrator names which were submitted by both parties:

The first name on the list will be determined by a coin toss and thereafter the names on the list will alternate between Company and Union pick or Union and Company pick dependent on who wins the toss.

- B. Within seven (7) working days of the National Union's authorized bargaining agent or their designated representatives, request for arbitration, the Company and the National Union authorized bargaining agent or their designated representative, will select an arbitrator from the panel in 16.10A1, in list order.
 - C. Arbitrators may be removed from the regional panels by written notice from either, the Company or National Union authorized bargaining agents or their designated representatives, to the other. The parties may remove no more than two (2) arbitrators from each of the regional panels during the life of the agreement. Replacement of an arbitrator removed from the panel shall be my mutual agreement of the parties.

Section 16.11 Power Of The Arbitrator

The arbitrator has no authority to add to, subtract from or otherwise modify the provisions of this agreement. If the arbitrator finds that an employee was dismissed without just cause, the arbitrator will select one of the following options:

- A. Reinstatement of the employee with back pay, out of pocket medical and dental expenses, and Team Award if eligible.
- B. Reinstatement of the employee without back pay.
- C. Reinstatement of the employee with some back pay.
- D. No reinstatement, but award the employee a monetary amount equivalent to some or full back pay.
- E. In cases involving employees who are dismissed and reinstated, the arbitrator can condition the reinstatement as appropriate, including but not limited to, one of the following: fitness for duty evaluation, final warning of dismissal, last chance agreement, drug/alcohol testing and rehabilitation.

Section 16.12 Arbitrator's Decision

Except as provided in Expedited Arbitration, Section 16.13, the arbitrator will render a written decision within thirty (30) calendar days from the date the matter is submitted. All decisions will be final and binding on all parties. Prior to the arbitration hearing, the parties may mutually agree, in writing, that a particular case will be non-precedent setting, otherwise all decisions will constitute a precedent, except those grievances that are arbitrated using the expedited arbitration procedures as described in Section 16.13.

Section 16.13 Expedited Arbitration

The arbitration hearing will be informal, without the rules of evidence and without a transcript. Each party may submit a short written summary within five (5) working days after the hearing. The arbitrator will render his or her decision within ten (10) working days after the hearing and will provide a written statement of the reasons supporting the decision. Decisions rendered under the Expedited Arbitration procedures will not

constitute a precedent and may not be cited in any other proceedings between the parties.

Section 16.14 Mediation

- A. The parties may agree that a grievance which has been appealed to arbitration in accordance with Section 16.06 may be presented at a mediation conference. Such agreement to mediate a grievance will not extend any of the timeframes listed in Section 16.06.
- B. The mediator will be selected from the panel of arbitrators using the process described in Section 16.10.
- C. The parties at the mediation conference may accept the resolution proposed by the mediator and such settlement will not be precedent setting for other cases or grievances and may not be cited in any other proceedings between the parties.
- D. If no settlement is reached during the mediation conference, the mediator shall provide the parties with an oral advisory opinion, unless both parties agree that no opinion shall be provided. The mediator shall state the grounds for his or her opinion.
- E. If no settlement is reached at the mediation conference, the grievance will be heard in arbitration in accordance with the provisions in Section 16.06. In the event a grievance that has been mediated is subsequently arbitrated, nothing said or done by the mediator may be referred to at arbitration, including settlement proposals. The mediator cannot serve as the arbitrator in the case.

Section 16.15 Arbitration/Mediation Expenses

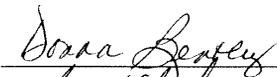
The compensation and expenses of the arbitrator/mediator and the general expenses of the arbitration/mediation process shall be borne by the Company and the Union in equal parts. Each party shall bear the expense of its representatives and witnesses.

ARTICLE 17
CONCLUSION

This agreement shall be effective **July 22, 2007** and shall continue until 11:59 p.m. on July **17, 2010**. Negotiations on a new contract shall begin not earlier than sixty (60) days prior to such termination. It is the intention of the parties with respect to the collective bargaining of future contracts to conduct their negotiations thereon in such a manner as to reach a new agreement on or before the termination of the present contract.

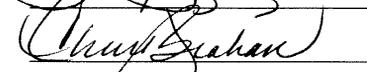
IN WITNESS WHEREOF, the parties have caused this agreement to be signed this **8th** day of **March, 2008**.

For Communications Workers of America



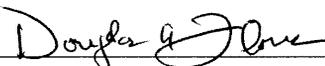


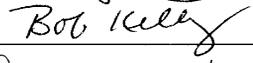


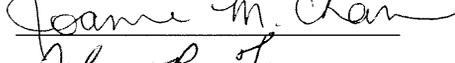




For AT&T Internet Services









ARTICLE 17

APPENDIX A

WAGES

Lump Sums and General Increases in Sections A1, A2 and A3 are applicable to all titles except Customer Assistant.

A1 2007 General Increase

A. Increase Date 7/22/2007

B. Top Step 3.0%

C. Bottom Step 0.0%

Increases applied exponentially

2008 Lump Sum \$500.00

The 2008 Lump Sum will be paid on the paycheck of the second full payroll period following ratification. Employees must be active on the payroll on the date of ratification to be eligible for the Lump Sum.

A2 2008 General Increase

A. Increase Date 7/20/2008

B. Top Step 2.5%

C. Bottom Step 0.0%

Increases applied exponentially

A3 2009 General Increase

A. Increase Date 7/19/2009

B. Top Step 2.5%

C. Bottom Step 0.0%

Increases applied exponentially

A4 Customer Assistant Lump Sum

2008 Customer Assistant Lump Sum \$600.00

The 2008 Lump Sum will be paid on the paycheck of the second full payroll period following ratification. Employees must be active on the payroll on the date of ratification to be eligible for the Lump Sum.

A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 2			
Step	July 2007	July 2008	July 2009
1	\$320.00	\$320.00	\$320.00
2	\$334.23	\$335.05	\$335.88
3	\$349.09	\$350.82	\$352.55
4	\$364.61	\$367.32	\$370.05
5	\$380.82	\$384.60	\$388.42
6	\$397.75	\$402.69	\$407.70
7	\$415.44	\$421.64	\$427.93
8	\$433.91	\$441.48	\$449.17
9	\$453.20	\$462.24	\$471.47
10	\$473.35	\$483.99	\$494.87
11	\$494.40	\$506.76	\$519.43

Title(s):
Internet Assistant

Wage Schedule 3			
Step	July 2007	July 2008	July 2009
1	\$404.00	\$404.00	\$404.00
2	\$417.50	\$417.50	\$417.50
3	\$431.50	\$431.50	\$431.50
4	\$445.50	\$445.50	\$445.50
5	\$460.50	\$460.50	\$460.50
6	\$475.50	\$475.50	\$475.50
7	\$491.50	\$491.50	\$491.50
8	\$507.50	\$507.50	\$507.50
9	\$524.50	\$524.50	\$524.50
10	\$542.00	\$542.00	\$542.00
11	\$560.00	\$560.00	\$560.00

Title(s):
Customer Assistant

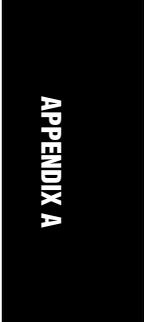
A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 4			
Step	July 2007	July 2008	July 2009
1	\$420.00	\$420.00	\$420.00
2	\$438.75	\$439.83	\$440.92
3	\$458.33	\$460.60	\$462.88
4	\$478.79	\$482.35	\$485.94
5	\$500.17	\$505.13	\$510.15
6	\$522.49	\$528.98	\$535.56
7	\$545.82	\$553.96	\$562.23
8	\$570.18	\$580.12	\$590.24
9	\$595.64	\$607.52	\$619.64
10	\$622.22	\$636.21	\$650.50
11	\$650.00	\$666.25	\$682.91

Title(s):
Dispatcher
Surveillance Administrator

Wage Schedule 5			
Step	July 2007	July 2008	July 2009
1	\$583.40	\$583.40	\$583.40
2	\$607.28	\$608.78	\$610.28
3	\$632.13	\$635.26	\$638.40
4	\$658.00	\$662.89	\$667.82
5	\$684.93	\$691.72	\$698.59
6	\$712.96	\$721.81	\$730.78
7	\$742.13	\$753.21	\$764.45
8	\$772.51	\$785.97	\$799.68
9	\$804.12	\$820.16	\$836.53
10	\$837.03	\$855.84	\$875.07
11	\$871.28	\$893.07	\$915.39

Title(s):
Billing Coordinator
Customer Billing Representative



A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 7			
Step	July 2007	July 2008	July 2009
1	\$624.00	\$624.00	\$624.00
2	\$652.59	\$654.20	\$655.82
3	\$682.49	\$685.87	\$689.26
4	\$713.76	\$719.07	\$724.41
5	\$746.46	\$753.87	\$761.36
6	\$780.66	\$790.36	\$800.18
7	\$816.43	\$828.62	\$840.99
8	\$853.84	\$868.73	\$883.87
9	\$892.96	\$910.78	\$928.95
10	\$933.87	\$954.86	\$976.32
11	\$976.66	\$1,001.08	\$1,026.11

Title(s):
Support Administrator I
Provisioning Administrator I

Wage Schedule 9			
Step	July 2007	July 2008	July 2009
1	\$658.00	\$658.00	\$658.00
2	\$691.50	\$693.21	\$694.92
3	\$726.70	\$730.30	\$733.92
4	\$763.70	\$769.38	\$775.10
5	\$802.58	\$810.55	\$818.59
6	\$843.44	\$853.92	\$864.53
7	\$886.38	\$899.61	\$913.04
8	\$931.50	\$947.75	\$964.27
9	\$978.93	\$998.46	\$1,018.38
10	\$1,028.76	\$1,051.88	\$1,075.52
11	\$1,081.14	\$1,108.17	\$1,135.87

Title(s):
Technical Support Representative I

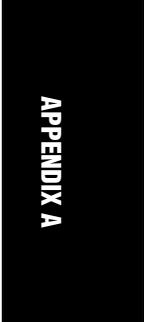
A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 10			
Step	Jan 2008	July 2008	July 2009
1	\$690.90	\$690.90	\$690.90
2	\$726.07	\$727.87	\$729.67
3	\$763.04	\$766.82	\$770.61
4	\$801.88	\$807.85	\$813.85
5	\$842.71	\$851.07	\$859.52
6	\$885.61	\$896.61	\$907.75
7	\$930.70	\$944.59	\$958.69
8	\$978.08	\$995.13	\$1,012.48
9	\$1,027.87	\$1,048.38	\$1,069.30
10	\$1,080.20	\$1,104.48	\$1,129.30
11	\$1,135.20	\$1,163.58	\$1,192.67

Title(s):
Provisioning Administrator II

Wage Schedule 11			
Step	July 2007	July 2008	July 2009
1	\$695.00	\$695.00	\$695.00
2	\$729.98	\$731.79	\$733.59
3	\$766.72	\$770.52	\$774.33
4	\$805.31	\$811.30	\$817.33
5	\$845.85	\$854.24	\$862.72
6	\$888.42	\$899.46	\$910.63
7	\$933.14	\$947.06	\$961.20
8	\$980.10	\$997.19	\$1,014.58
9	\$1,029.43	\$1,049.97	\$1,070.92
10	\$1,081.25	\$1,105.54	\$1,130.39
11	\$1,135.67	\$1,164.06	\$1,193.16

Title(s):
Technical Support Representative II



A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 13			
Step	July 2007	July 2008	July 2009
1	\$729.50	\$729.50	\$729.50
2	\$766.08	\$767.97	\$769.87
3	\$804.50	\$808.48	\$812.48
4	\$844.84	\$851.12	\$857.45
5	\$887.20	\$896.01	\$904.90
6	\$931.69	\$943.26	\$954.98
7	\$978.41	\$993.01	\$1,007.83
8	\$1,027.47	\$1,045.38	\$1,063.61
9	\$1,078.99	\$1,100.52	\$1,122.47
10	\$1,133.10	\$1,158.56	\$1,184.60
11	\$1,189.92	\$1,219.66	\$1,250.16

Title(s):
Support Administrator II
Surveillance Technician

Wage Schedule 15			
Step	July 2007	July 2008	July 2009
1	\$768.00	\$768.00	\$768.00
2	\$805.99	\$807.98	\$809.98
3	\$845.86	\$850.04	\$854.25
4	\$887.70	\$894.30	\$900.95
5	\$931.60	\$940.85	\$950.19
6	\$977.69	\$989.83	\$1,002.13
7	\$1,026.05	\$1,041.36	\$1,056.90
8	\$1,076.80	\$1,095.57	\$1,114.67
9	\$1,130.06	\$1,152.61	\$1,175.60
10	\$1,185.96	\$1,212.61	\$1,239.86
11	\$1,244.62	\$1,275.74	\$1,307.63

Title(s):
NGC Representative

A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 16			
Step	Jan 2008	July 2008	July 2009
1	\$765.98	\$765.98	\$765.98
2	\$804.38	\$806.37	\$808.37
3	\$844.72	\$848.90	\$853.10
4	\$887.08	\$893.67	\$900.32
5	\$931.56	\$940.81	\$950.15
6	\$978.27	\$990.43	\$1,002.73
7	\$1,027.33	\$1,042.66	\$1,058.22
8	\$1,078.84	\$1,097.65	\$1,116.79
9	\$1,132.94	\$1,155.54	\$1,178.60
10	\$1,189.75	\$1,216.49	\$1,243.83
11	\$1,249.41	\$1,280.65	\$1,312.66

Title(s):
Provisioning Administrator III

Wage Schedule 17			
Step	July 2007	July 2008	July 2009
1	\$806.50	\$806.50	\$806.50
2	\$845.89	\$847.99	\$850.08
3	\$887.21	\$891.60	\$896.02
4	\$930.55	\$937.47	\$944.44
5	\$976.00	\$985.69	\$995.47
6	\$1,023.67	\$1,036.39	\$1,049.27
7	\$1,073.68	\$1,089.70	\$1,105.97
8	\$1,126.12	\$1,145.75	\$1,165.73
9	\$1,181.12	\$1,204.69	\$1,228.72
10	\$1,238.82	\$1,266.66	\$1,295.12
11	\$1,299.33	\$1,331.81	\$1,365.11

Title(s):

APPENDIX A

A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 18			
Step	Jan 2008	July 2008	July 2009
1	\$806.40	\$806.40	\$806.40
2	\$846.29	\$848.38	\$850.48
3	\$888.15	\$892.55	\$896.96
4	\$932.08	\$939.01	\$945.99
5	\$978.19	\$987.89	\$997.70
6	\$1,026.57	\$1,039.32	\$1,052.23
7	\$1,077.35	\$1,093.43	\$1,109.75
8	\$1,130.64	\$1,150.35	\$1,170.41
9	\$1,186.56	\$1,210.24	\$1,234.38
10	\$1,245.26	\$1,273.24	\$1,301.85
11	\$1,306.85	\$1,339.52	\$1,373.01

Title(s):
Connectivity Specialist I

Wage Schedule 19			
Step	July 2007	July 2008	July 2009
1	\$845.50	\$845.50	\$845.50
2	\$886.27	\$888.46	\$890.66
3	\$929.01	\$933.61	\$938.23
4	\$973.81	\$981.05	\$988.34
5	\$1,020.76	\$1,030.90	\$1,041.13
6	\$1,069.99	\$1,083.28	\$1,096.74
7	\$1,121.58	\$1,138.32	\$1,155.31
8	\$1,175.67	\$1,196.17	\$1,217.02
9	\$1,232.36	\$1,256.95	\$1,282.02
10	\$1,291.79	\$1,320.82	\$1,350.50
11	\$1,354.08	\$1,387.93	\$1,422.63

Title(s):
Connectivity Specialist II
Network Specialist

A4 Wage Schedules
(6 month time interval between steps)

Wage Schedule 20			
Step	Jan 2008	July 2008	July 2009
1	\$846.83	\$846.83	\$846.83
2	\$888.19	\$890.38	\$892.59
3	\$931.57	\$936.18	\$940.82
4	\$977.08	\$984.34	\$991.66
5	\$1,024.80	\$1,034.97	\$1,045.25
6	\$1,074.86	\$1,088.21	\$1,101.73
7	\$1,127.36	\$1,144.19	\$1,161.26
8	\$1,182.43	\$1,203.04	\$1,224.02
9	\$1,240.18	\$1,264.92	\$1,290.16
10	\$1,300.76	\$1,329.99	\$1,359.88
11	\$1,364.29	\$1,398.40	\$1,433.36

Title(s):
Circuit Coordinator

Wage Schedule 22			
Step	Jan 2008	July 2008	July 2009
1	\$887.78	\$887.78	\$887.78
2	\$930.58	\$932.89	\$935.19
3	\$975.46	\$980.29	\$985.14
4	\$1,022.50	\$1,030.10	\$1,037.76
5	\$1,071.80	\$1,082.44	\$1,093.19
6	\$1,123.49	\$1,137.44	\$1,151.57
7	\$1,177.66	\$1,195.24	\$1,213.08
8	\$1,234.45	\$1,255.97	\$1,277.87
9	\$1,293.98	\$1,319.79	\$1,346.12
10	\$1,356.38	\$1,386.86	\$1,418.02
11	\$1,421.78	\$1,457.33	\$1,493.76

Title(s):
Connectivity Specialist II
Network Specialist

APPENDIX A

NATIONAL INTERNET CONTRACT

This Memorandum of Agreement is entered into between Communications Workers of America ("CWA" or the "Union") and SBC Internet Services, Inc. ("the Company") and confirms agreements made during 2004 Contract Bargaining regarding SBC Internet Services, Inc.

The Company and the Union agree to the following:

- A 2005 National Internet Contract (attachment 1) covering employees in applicable job titles.
- All Memoranda of Agreements (MOA's) and side letters currently in effect in California and Nevada between the Company and the Union (attachment 2), will continue in effect in accordance with the terms and conditions contained within each of the documents and will apply to all employees covered by the National Internet Contract.
- A new Memorandum of Agreement regarding Benefit Plan changes effective January 1, 2006 (attachment 3). This MOA changes the benefits for the Texas employees going into the unit, to the same benefits as the employees in California and Nevada.

This agreement is effective 30 days after the last signature date below and will expire with the 2005 National Internet Contract on July 27, 2007.

 _____ For the Communications Workers Of America	 _____ For SBC Internet Services, Inc.
Date: <u>3-8-05</u>	Date: <u>3/2/05</u>

MEMORANDUM OF AGREEMENT - BENEFITS

The means for fulfilling the terms of this Agreement may be the Company's adoption of its own plan and associated plan document or participation in an equivalent plan having a plan document that includes, for bargained-for personnel, the benefits agreed to be provided pursuant to this Agreement and substantially the terms, provisions and conditions under which such benefits are to be provided. The remedy for issues with respect to the validity or amount of any claim for benefits is the appeal process as defined in the individual benefits plans. The parties agree to the plans and programs described below. The Summary Plan Descriptions for the ERISA plans and programs providing the benefits pursuant to this Agreement have been provided to the Union. If there is any difference between these Summary Plan Descriptions and the ERISA plans or programs (including amendments thereto), the plan texts shall govern.

This Memorandum of Agreement applies to National Internet employees, excluding employees covered under the Tier 1 DSL Support – Customer Assistant Memorandum of Agreement.

For purposes of this Agreement:

- National Internet, excluding employees covered under the Tier 1 DSL Support – Customer Assistant Memorandum of Agreement, shall be referred to as NIC;
- NIC employees hired/rehired on or before the date of ratification of the Agreement shall be referred to as Current Employees;
- NIC employees hired after the date of ratification of the Agreement through December 31, 2008 shall be referred to as Pre-2009 New Hires;
- NIC employees hired on or after January 1, 2009 shall be referred to as Post-2008 New Hires;
- NIC Employees refers to Current Employees, Pre-2009 New Hires, and Post-2008 New Hires.

Pursuant to this Memorandum of Agreement, NIC Employees shall continue to participate in the same benefit plans, programs and policies on the same terms and conditions that apply on the date immediately prior to the date of ratification of this agreement, except as provided below.

Medical: Effective 1/1/2009, unless otherwise indicated below -

- i. NIC Employees shall not be eligible to participate in the AT&T Medical and Group Life Insurance Plan – CustomCare.
- ii. Current Employees shall be eligible to participate in the AT&T Medical Plan, with the same plan terms, conditions and provisions as are in effect on January 1, 2008 for Tier 1 DSL Support – Customer Assistant, as described in the summary plan description, summary of material modifications and benefit updates. In addition, Current Employees will be

eligible to elect the following alternative provisions regarding contributions, deductibles, out-of-pocket maximums, and prescription drug copays under the AT&T Medical Plan as an alternative to the corresponding provisions applicable on January 1, 2008 for Tier 1 DSL Support – Customer Assistants. If a Current Employee elects this alternative, the contributions, deductibles, out-of-pocket maximums, and prescription drug provisions described in the following chart will apply.

Table 1: AT&T Medical Plan - Alternative Provisions option

Plan	AT&T Medical Plan (Alternative Provisions option)																												
Monthly Contributions	Individual: 0%																												
	Dependent: 15%																												
Deductible	<table border="1"> <thead> <tr> <th>Coverage Tier</th> <th>Network Deductible</th> <th colspan="2">Network Deductible Maximums</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>1% of base wages</td> <td colspan="2">\$500</td> </tr> <tr> <td>Individual +1</td> <td>2% of base wages</td> <td colspan="2">\$1,000</td> </tr> <tr> <td>Family</td> <td>3% of base wages</td> <td colspan="2">\$1,500</td> </tr> </tbody> </table> <p>Non-Network amounts will automatically be adjusted to remain at three times the Network maximum amounts.</p>				Coverage Tier	Network Deductible	Network Deductible Maximums		Individual	1% of base wages	\$500		Individual +1	2% of base wages	\$1,000		Family	3% of base wages	\$1,500										
Coverage Tier	Network Deductible	Network Deductible Maximums																											
Individual	1% of base wages	\$500																											
Individual +1	2% of base wages	\$1,000																											
Family	3% of base wages	\$1,500																											
Out-Of Pocket Maximums (OOP)	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Employees who earn \$50,000 or less a year</th> <th colspan="2">Employees who earn more than \$50,000</th> </tr> <tr> <th>Coverage Tier</th> <th>Network</th> <th>Maximum Network OOP</th> <th>Network</th> <th>Maximum Network OOP</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>4% of base wages</td> <td>\$2,000</td> <td>4% of base wages</td> <td>\$2,500</td> </tr> <tr> <td>Individual +1</td> <td>6% of base wages</td> <td>\$3,000</td> <td>6% of base wages</td> <td>\$4,000</td> </tr> <tr> <td>Family</td> <td>8% of base wages</td> <td>\$4,000</td> <td>8% of base wages</td> <td>\$5,300</td> </tr> </tbody> </table> <p>Non-Network amounts will automatically be adjusted to remain at three times the Network maximum amounts.</p>					Employees who earn \$50,000 or less a year		Employees who earn more than \$50,000		Coverage Tier	Network	Maximum Network OOP	Network	Maximum Network OOP	Individual	4% of base wages	\$2,000	4% of base wages	\$2,500	Individual +1	6% of base wages	\$3,000	6% of base wages	\$4,000	Family	8% of base wages	\$4,000	8% of base wages	\$5,300
	Employees who earn \$50,000 or less a year		Employees who earn more than \$50,000																										
Coverage Tier	Network	Maximum Network OOP	Network	Maximum Network OOP																									
Individual	4% of base wages	\$2,000	4% of base wages	\$2,500																									
Individual +1	6% of base wages	\$3,000	6% of base wages	\$4,000																									
Family	8% of base wages	\$4,000	8% of base wages	\$5,300																									

Prescription Drugs Copays	<u>Retail – Network Copays *</u>
	<ul style="list-style-type: none"> • Generic: \$8 • Formulary: \$17 • Non-formulary: \$35
	<u>Mail Order Copays *</u> (Up to 90-day supply)
	<ul style="list-style-type: none"> • Generic: \$17 • Formulary: \$35 • Non-formulary: \$70
	* Note: Copay escalators do not apply.

- iii. Effective January 1, 2009, Pre-2009 New Hires shall be eligible to participate in the AT&T Medical Plan as specified in Table 2 below. Pre-2009 New Hires shall not be eligible for company contributions to the cost of medical coverage until the first of the month in which the Pre-2009 New Hire will attain six (6) months of service.
- iv. Post-2008 New Hires shall be eligible to participate in the AT&T Medical Plan, with the plan terms, conditions and provisions based on the employee's Net Credited Service, as specified in Table 2 below:

Table 2: AT&T Medical Plan – New Hire Provisions

Net Credit Service	Medical Plan
Less than 6 months	Access only (there will be no Company subsidy) to the AT&T Medical Plan, with otherwise the same plan terms, conditions and provisions as are in effect on January 1, 2008 for Tier 1 DSL Support – Customer Assistants
6 months but less than 7 years	AT&T Medical Plan, with the same plan terms, conditions and provisions as are in effect on January 1, 2008 for Tier 1 DSL Support – Customer Assistants
7 years or greater	Choice between: <ul style="list-style-type: none"> – AT&T Medical Plan, with the same plan terms, conditions and provisions as are in effect on January 1, 2008 for Tier 1 DSL Support – Customer Assistants, or – AT&T Medical Plan with the alternative provisions described in Table 1

The summary plan description, summary of material modifications and benefit updates for the AT&T Medical Plan regarding the benefits provided on January 1, 2008 for Tier 1 DSL Support – Customer Assistants have been provided to the Union.

Effective/date/language:	Upon Ratification
Termination date/language:	With expiration of this Collective Bargaining Agreement
Applies to:	AT&T Internet Services

TENTATIVE PENDING FINAL AGREEMENT
ON A FULL AND COMPLETE CONTRACT

SBC NATIONAL INTERNET CONTRACT

Subject: Benefits Plans

Agreed: 

Agreed: 

PROPOSED MOA LANGUAGE:

This Memorandum of Agreement confirms our understanding concerning benefits.

Employees currently covered under the 2004 Collective Bargaining Agreement between the CWA and SBC Internet Services, Inc ("2004 Internet Services Agreement") will continue to receive benefits under the plans listed below, under the same terms and conditions and at the same levels provided under the 2004 Internet Services Agreement. Through December 31, 2005, employees not currently covered under the 2004 Internet Services Agreement will receive benefits under the same plans and under the same terms and conditions and at the same levels as they have on November 23, 2004, as well as changes that have been communicated through Benefit Updates and Annual Enrollment communications issued prior to November 23, 2004 and the Emergency Procedures added to CarePlus effective January 1, 2005. Effective January 1, 2006 employees not currently covered under the 2004 Internet Services Agreement will receive benefits under the plans listed below, under the same terms and conditions and at the same levels provided under the 2004 Internet Services Agreement.

- The SBC PAYSOP, PTG ESOP, and the SNET TRASOP,
- SBC Medical and Group Life Insurance Plan – CustomCare,
- SBC Employee Assistance Program,
- SBC Dental Plan,
- SBC Vision Plan,
- SBC Medical and Group Life Insurance Plan – Group Life Insurance,
- SBC Supplementary Group Life Insurance Program,
- SBC Dependent Group Life Insurance Program,
- SBC Flexible Spending Account Plan,
- SBC Disability Income Plan,
- SBC Rules for Employee Beneficiary Designations,
- SBC Group Long-Term Care Insurance Plan,
- SBC CarePlus-A Supplemental Medical Plan,
- SBC Commuter Benefit Program,
- SBC Leave of Absence Policy and, the
- SBC Adoption Reimbursement Program.

**TENTATIVE PENDING FINAL AGREEMENT
ON A FULL AND COMPLETE CONTRACT**

SBC NATIONAL INTERNET CONTRACT

Subject: Benefits Plans

The Pension and Savings Plans shall continue on the same terms and at the same levels provided to the 2004 Collective Bargaining Agreement between the CWA and SBC Internet Services, Inc.

Pension Plan:

Effective January 1, 2006, move those employees currently in the SBC Pension Benefit Plan - Nonbargained Program (Nonbargained Program) or the SBC Pension Benefit Plan - Midwest Management Program ("Midwest Management Program" formerly known as the Ameritech Management Pension Plan) to the SBC Pension Benefit Plan - Bargained Cash Balance Program (Bargained CB Program). The eligible compensation, basic benefit credit, interest credit, distribution options, and provisions for conversion between annuities and lump sums are the same for the Bargained CB Program as for the current Nonbargained Program. Alternative calculation methods in the Nonbargained Program or the Midwest Management Program, such as the CAM benefit, do not apply to the Bargained CB Program.

For employees currently in the Midwest Management Program or the Nonbargained Program, the accrued benefit shall be converted to an opening cash balance account using the GATT Basis as of December 31, 2005.

In no event shall any employee receive a benefit lower than the converted accrued benefit. The Bargained CB Program account will receive both benefit credits and interest credits thereafter.

Savings Plan:

If not already in the SBC Savings and Security Plan, effective the first pay period beginning on or after January 1, 2006, move the SBC National Internet Contract bargained-for employees from nonbargained status participation in the SBC Savings Plan to bargained-for status in the SBC Savings and Security Plan. This affects eligibility for Company match and in-service withdrawals as follows:

TENTATIVE PENDING FINAL AGREEMENT
ON A FULL AND COMPLETE CONTRACT

SBC NATIONAL INTERNET CONTRACT

Subject: Benefits Plans

Eligibility For Company Match

Current Benefit	Proposed Benefit
Immediate company match eligibility	12 month wait for company match (grandfather current active employees on the payroll as of 12/31/05)

In-service Withdrawal Amount

Current Benefit	Proposed Benefit
In-service withdrawal minimum amount \$500	In-service withdrawal minimum amount \$100

Effective January 1, 2006 all employees will be eligible or continue to be eligible for a work/family service to employees. The service will provide educational, resource and referral services that employees can access by calling a toll free number and/or accessing a website.

Effective date/language: As specified in the agreement

Termination date/language: July 27, 2006

MEMORANDUM OF AGREEMENT
BENEFITS

This Memorandum of Agreement confirms our understanding concerning benefits for union-represented employees in SBC Internet Services in California.

Health

Except as noted below, the Bargained-for Employees will continue to be eligible to participate in SBC CarePlus - A Supplemental Medical Plan ("CarePlus"), with the same terms, conditions and levels of benefits as currently in effect.

- Effective January 1, 2005, employees will be offered annual enrollment into CarePlus rather than once every three years.

Effective January 1, 2005, the Company will, at its discretion, offer alternative medical coverage options. The Company will determine contribution amounts and plan designs each year prior to annual enrollment.

Transportation

- The Company will offer a program enabling Bargained-for Employees to purchase parking, transit and/or van pooling services on a pretax basis as soon as administratively feasible in a cost-effective manner and in accordance with federal laws and regulations. Aspects such as eligibility, specific plan details, and administrative processes will be shared with the Union prior to any implementation of such benefits.

Effective Date: With ratification
Termination Date: With expiration of the 2004 Collective Bargaining Agreement
Applies to: SBC Internet Services

Communications Workers of America

SBC Internet Services

Agreed: Val Afanasiev
Val Afanasiev
Staff Representative
CWA – District 9

Agreed: Sue Crutcher
Sue Crutcher
Vice President
Labor Relations

Date: 8-4-04

Date: 8/4/04

TENTATIVE PENDING FINAL AGREEMENT
ON A FULL AND COMPLETE CONTRACT

2002 Proposed Bargaining Agreement Company Proposal 2
Subject: Benefits Plans

Agreed: 7/31/02

Agreed: 7/31/02

PROPOSED MOA LANGUAGE:

This Memorandum of Agreement confirms our understanding concerning benefits for union represented employees in SBC Internet Services. The SBC PAYSOP, SBC Medical and Group Life Insurance Plan – Custom Care, SBC Employee Assistance Program, SBC Dental Plan, SBC Vision Plan, SBC Medical and Group Life Insurance Plan – Group Life, Supplementary Group Life, Dependent Group Life, SBC Flexible Spending Account, SBC Disability Income Plan, SBC Rules for Employee Beneficiary Designations, SBC Group Long Term Care Insurance Plan, SBC CarePlus-A Supplemental Plan) Plans, and the Leave of Absence and SBC Adoption Reimbursement Programs, shall continue on the same terms and at the same levels provided before the 2002 Contract. The Pension and Savings Plans shall continue on the same terms and at the same levels provided before the 2002 Contract, except as follows:

Pension Plan:

Effective 1/1/03, move employees from the SBC Pension Benefit Plan - Nonbargained Program (Nonbargained Program) to the SBC Pension Benefit Plan - Bargained Cash Balance Program (Bargained CB Program). The eligible compensation, basic benefit credit, interest credit, distribution options, and provisions for conversion between annuities and lump sums are the same for the Bargained CB Program as for the current Nonbargained Program. Alternative calculation methods in the Nonbargained Program, such as the CAM benefit, do not apply to the Bargained CB Program.

Employees will retain their account balances in the Nonbargained Program, and interest credits will continue according to the same rules as Nonbargained employees, but there will be no further benefit credits in their Nonbargained Program accounts. Employees will start a new Bargained CB Program account with an account balance of "0" which will receive both benefit and interest credits.

The employee's benefit at retirement will be the Nonbargained Program benefit plus the Bargained CB Program benefit.

**TENTATIVE PENDING FINAL AGREEMENT
ON A FULL AND COMPLETE CONTRACT**

**2002 Proposed Bargaining Agreement Company Proposal ____
Subject: Benefits Plans**

Savings Plan

Effective the first pay period beginning on or after April 1, 2003, move the SBC Internet Services bargained-for employees from nonbargained status participation in the SBC Savings Plan to bargained-for status in the SBC Savings and Security Plan. This affects eligibility for Company match and in-service withdrawals as follows:

Eligibility For Company Match

Current Benefit	Proposed Benefit
Immediate company match eligibility	12 month wait for company match (grandfather current active employees on the payroll as of 4/1/03)

In-service Withdrawal Amount

Current Benefit	Proposed Benefit
In-service withdrawal minimum amount \$500	In-service withdrawal minimum amount \$100

Effective date/language: September 22, 2002

Termination date/language: With the Conclusion Article of the Collective Bargaining Agreement

Coverage: SBC Internet Services

MEMORANDUM OF AGREEMENT
FOUR-TEN WORKWEEKS

This Memorandum of Agreement confirms our understanding concerning the guidelines for administration of Four-Ten hour work schedules.

Guidelines for Administration of Four-Ten Hour Work Schedules

1. Establishing a Four-Ten Work Schedule

The Company will determine if, when and in which work groups it would establish a four-ten work schedule. The Company can terminate an established four-ten work schedule at any time for any reason.

2. Overtime

Overtime will be paid according to Article 10, Section 10.05 of the current Agreement. Overtime is that time worked in excess of the ten (10) hours in a day or time worked in excess of forty (40) hours in a workweek.

3. Pay for Vacations, Personal Days Off and Holidays

Vacations

A vacation week will always equal forty (40) hours of time off. The employee's scheduled vacation week will be changed to a five-day (5), Monday through Friday, eight (8) hour schedule.

Vacation weeks taken a day-at-a-time should be converted to hours for administrative purposes. A vacation day will be ten (10) hours unless the remaining balance of vacation hours is less than ten (10) hours.

Personal days off

The Personal days off specified in Article 9, Section 9.08 will be eight (8) hours.

Holidays

An employee's work schedule during a holiday week shall normally be the same as though it were not a holiday week.

If the holiday falls on a scheduled day, and the employee is scheduled off, the Company will pay eight (8) hours of holiday pay at straight time. If the employee wishes to be paid the remaining two (2) hours, the employee may use available vacation, personal days off or absence time. If the employee does not wish to be paid, the time will be unpaid excused.

MEMORANDUM OF AGREEMENT
FOUR-TEN WORKWEEKS

Employees who work the holiday will be paid as follows:

- Eight (8) hours straight time for the holiday;
- Time and one-half for each hour worked up to eight (8) hours;
- Straight time for time worked in excess of eight (8) hours;
- Overtime rules apply for time worked in excess of ten (10) hours in accordance with Article 10, Section 10.05 of the current Agreement.

If a holiday falls during an employee's scheduled vacation week; and if the holiday falls on a scheduled vacation day, the employee will be entitled to an additional eight (8) hours of vacation time. If the holiday falls on a non-scheduled day, the employee will receive eight (8) hours of holiday pay at straight time.

Other Time Off

Paid absence time will be granted in accordance with Article 9, section 9.13. An employee who is eligible for absence payments will receive ten (10) hours of pay if the employee is sick on a scheduled ten-hour (10) day, unless the remaining balance of paid absence time is less than ten (10) hours.

Effective Date: With ratification
Termination Date: With expiration of the 2004 Collective Bargaining Agreement
Coverage: SBC Internet Services

Communications Workers of America

SBC Internet Services

Agreed: Val Afanasiev
Val Afanasiev
Staff Representative
CWA – District 9

Agreed: Sue Crutcher
Sue Crutcher
Vice President
Labor Relations

Date: 8-4-04

Date: 8/4/04

MEMORANDUM OF AGREEMENT

SBC SAVINGS AND SECURITY PLAN

This Memorandum of Agreement confirms our understanding regarding modifications to the SBC Savings and Security Plan.

In order to comply with final IRS regulations, which are effective January 1, 2004, the following changes to the SBC Savings and Security Plan will occur:

Military Leave of Absence

Provision Prior to 01/01/04	Provision As of 01/01/04
During the period of military leave loan interest continues to accrue at the same interest rate.	During the period of military leave, loan interest continues to accrue at the same interest rate, which will be no greater than 6%.
<p>Upon return from military leave, the loan is re-amortized taking into account the following:</p> <ul style="list-style-type: none"> • No loan repayments were made during military leave period • Loan interest continued to accrue during the period of the leave • The original loan term is extended by the period of military absence. 	<p>Upon return from military leave, the employee may select one of three repayment options:</p> <ol style="list-style-type: none"> 1. the employee may request the loan be re-amortized ; or 2. the employee may request the term of the loan and the monthly loan repayment remain the same as prior to the military leave with the employee agreeing to a final loan repayment; or 3. the employee may request that the term of the loan remain the same as prior to the military leave but with an increased loan repayment amount <p>In the first of these alternatives, the following factors are taken into account:</p> <ul style="list-style-type: none"> • No loan repayments were made during military leave period • Loan interest continued to accrue during the period of the leave • The original loan term is extended by the period of military absence • The original loan term may be extended by the period of military absence plus the period of any unused portion of the allowable maximum term that has not been used. The allowable maximum term for a General Purpose Loan is 5 years and the allowable maximum term for a Principal Residence Loan is 10 years.

Military Leave of Absence (Continued)

	Provision As of 01/01/04 (Continued)
	<p>In the second and third of these alternatives. the following factors are taken into account:</p> <ul style="list-style-type: none"> • The term of the loan did not change upon return from leave • No loan repayments were made during military leave period • Loan interest continued to accrue during the period of the leave

Loan Defaults

Provision Prior to 01/01/04	Provision As of 01/01/04
<p>An employee can request another loan 12 months after a loan has been defaulted.</p> <p>If an employee incurs 2 loan defaults, employee cannot request another loan.</p>	<p>If an employee has a defaulted loan, another loan cannot be granted unless the defaulted loan has been offset.</p> <p>Offset occurs when an employee:</p> <ul style="list-style-type: none"> • repays the total outstanding loan balance (plus interest), or • attains age 59 ½, or • receives a total distribution due to termination of employment

Proceeds Loans

Provision Prior to 01/01/04	Provision As of 01/01/04
<p>An employee can only have one outstanding loan at a time.</p> <p>An employee can have a subsequent loan once the initial loan is fully repaid, or an employee can have a proceeds loan at any time during the term of the initial loan.</p>	<p>An employee can have 2 loans at one time.</p> <p>Proceeds loans will be eliminated.</p>

Effective date/language: January 1, 2004

Termination date/language: September 16, 2006

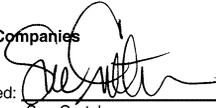
Coverage: SBC Internet Services

Communications Workers of America

Agreed: 
Jim Weitkamp
Assistant Vice President
CWA – District 9

Date: 10-16-03

The Companies

Agreed: 
Sue Crutcher
Vice President
SBC – Labor Relations

Date: 9/29/03



Sue Crutcher
Vice President
Labor Relations

SBC Services, Inc.
2600 Camino Ramon
Room 2N151
San Ramon, CA 94583

925.823.5522 Phone
925.327.0513 Fax
sc1583@sbc.com

July 31, 2002

William E. Quirk
Assistant to the Vice President
District 9
Communications Workers of America
2870 Gateway Oaks Drive Suite 100
Sacramento, CA 95833

RE: SBC Internet Services – Subcontracting

Dear Bill:

As we have discussed during our negotiations for the SBC Internet Services Contract, in making decisions regarding contracting of work, it is the Company's objective to consider carefully the interests of both the customer and employee along with all other considerations essential to the management of the business in a highly competitive and dynamic environment. While the Company believes it is in its best interests to utilize its own employees, the Company does use contractors, as it deems necessary in order to respond to a highly unpredictable marketplace. For various reasons where the needs of the business require, the Company may subcontract bargaining unit work.

Sincerely,

A handwritten signature in black ink, appearing to read "Sue", written in a cursive style.



Sue Crutcher
Vice President
Labor Relations

SBC Services, Inc.
2600 Camino Ramon
Room 21151
San Ramon, CA 94583

925.823.5522 Phone
925.327.0513 Fax
sc1583@sbc.com

July 31, 2002

Mr. James B. Gordon, Jr.
Administrative Assistant to Vice President
Communications Workers of America-District 9
2870 Gateway Oaks Suite 100
Sacramento, CA 95833

Re: Subsidiary Movement

Dear Jim:

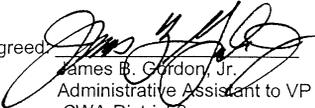
This Memorandum of Agreement confirms our understanding regarding the use of the Subsidiary Movement Interest Form Process.

SBC Internet Services employees will be able to use the Subsidiary Movement Interest Form process in effect at any particular time, to facilitate their movement among bargaining units of participating SBC Communications, Inc. represented by the Communications Workers of America, except the Wireless Companies.

Effective date/ language: September 22, 2002
Termination date/ language: With the Conclusion Article of the Collective Bargaining Agreement
Coverage: SBC Internet Services in California and Nevada

Communications Workers of America

SBC Internet Services

Agreed: 
James B. Gordon, Jr.
Administrative Assistant to VP
CWA-District 9

Agreed: 
Sue Crutcher
Vice President
Labor Relations

Date: 8/9/02

Date: 8/9/02

MEMORANDUM OF AGREEMENT
TIER 1 DSL SUPPORT—
CUSTOMER ASSISTANT

The Communications Workers of America (“CWA” or “the Union”) and SBC Internet Services, Inc. (“the Company”), agree to the following modifications to the 2005 National Internet Contract:

1. The new job title of Customer Assistant shall be added to Article 1, Section 1.02 of the National Internet Contract.
 - (a) Wage rates of the Customer Assistant job title are set forth in Attachment 1 to this Agreement. The Wage Schedules in Article 11, Section 11.02 B shall be amended to add these wage rates as Wage Schedule 3.
 - (b) Article 11, Section 11.01 shall be amended for employees in the Customer Assistant job title as follows:

Section 11.01 **Eligibility.** All employees who are active on the payroll (not on a disability or a leave of absence) on the effective date of a wage increase will be eligible for a wage increase.

Employees who on the effective date of the wage increase and/or lump sum payment are on disability or a leave of absence, if otherwise eligible, will receive a wage increase and/or lump sum payment effective on their return to work date. Lump sum payments will be prorated for disability and leave of absence. Employees may be hired anywhere on the wage scale, as determined by the Company. Employees will not be hired below the minimum step or higher than the maximum step.
 - (c) Article 12 of the National Internet Contract shall not apply to employees in the Customer Assistant job title.
2. Employees who voluntarily move or are hired into a Customer Assistant job title shall be eligible to participate in the following benefit plans and programs with the same plan terms, conditions and provisions as are in effect on January 1, 2007, for management employees hired on or

after January 1, 2007 with the exception of the AT&T Pension Benefit Plan for which they will not be eligible nor are they eligible for post employment benefits.

- AT&T Medical Plan
 - AT&T Dental Plan
 - AT&T Vision Plan
 - AT&T CarePlus – A Supplemental Medical Plan
 - AT&T Medical and Group Life Insurance Plan—
Group Life Insurance
 - AT&T Supplementary Group Life Insurance
Program
 - AT&T Dependent Group Life Insurance Program
 - AT&T Group Long-Term Care Insurance Plan
 - AT&T Flexible Spending Account Plan
 - AT&T Leave of Absence Policy
 - AT&T Commuter Benefit Program
 - AT&T Adoption Reimbursement Program
 - AT&T Employee Assistance Program
 - AT&T Rules for Beneficiary Designations
- (a) In addition, Customer Assistants will be eligible to participate in the AT&T Savings and Security Plan on such terms as other bargained employees in the National Internet Contract, with the exception that provisions concerning the company match and eligibility will be the same as in effect on January 1, 2007, for management employees hired on or after January 1, 2007 under the AT&T Savings Plan.
- (b) In addition, Customer Assistants will be eligible to participate in the AT&T Disability Income Plan under the same plan terms, conditions and provisions as are in effect on January 1, 2007, for management employees hired on or after January 1, 2007.
- (c) Highlights of the level of benefits Customer Assistants shall be eligible to receive are set forth in Attachment 2 to this Agreement. Except as modified by Sections 2(a) and (b) of this MOA, the full details of the plans' current benefits are in the summary plan descriptions and summaries of material modifications, copies of which have been made available by the Company to the Union.

- (d) Notwithstanding any other provision in this MOA or the National Internet Contract, any changes to benefits applicable to managers hired on or after January 1, 2007 shall not automatically apply to the Customer Assistant job title unless mutually agreed upon by the Company and the Union.
3. The Company and the Union further agree to replace Article 16 of the National Internet Contract in its entirety with a modified Article 16 currently being negotiated between the parties and will attempt to complete such negotiations by August 15, 2006.
 4. The parties agree that the following Memoranda of Agreement (MOA) in the National Internet Contract do not apply to employees in the Customer Assistant job title:
 - CarePlus MOA (dated 8/4/04)
 - Wages and Pension MOA (dated 8/4/04)
 - Benefits Plans MOA (dated 7/31/02)
 - Savings and Security Plan MOA (dated 10/16/03)
 - Benefits Plans MOA (second Benefits Plans MOA, undated)
 5. CWA further agrees that it will not seek to alter any existing bargaining units in any AT&T company on the basis of any movement or transfer of employees between said companies as a result of this Agreement. Further, CWA will not, on the basis of this Agreement or on the basis of any change in operations or practices made by this Agreement, in any pleading, petition, complaint or proceeding before the National Labor Relations Board, an arbitrator or panel of arbitrators, or any court, assert, claim, charge or allege that such companies are a single or joint employer or enterprise, alter egos, accretions or successors of one another, or that any bargaining units of said entities represented by or sought to be represented by CWA are single bargaining unit, or are or should be otherwise altered in their scope or composition. This commitment on the part of CWA will survive the expiration of this Agreement, unless and until such time as this commitment is terminated by the mutual written agreement of the parties.

6. This Agreement is effective August 15, 2006, and will remain in effect for the life of the 2005 National Internet Contract between CWA and SBC Internet Services, Inc.

COMMUNICATIONS WORKERS
OF AMERICA

By: George Kild
Date: 9/5/2006

SBC INTERNET SERVICES, INC.

By: [Signature]
Date: 9/7/06

ATTACHMENT 1

CUSTOMER ASSISTANT WAGE RATES

Basic Wage Rates For Normal Work Week

Minimum	\$404.00
After 6 Months	\$417.50
" 12 "	\$431.50
" 18 "	\$445.50
" 24 "	\$460.50
" 30 "	\$475.50
" 36 "	\$491.50
" 42 "	\$507.50
" 48 "	\$524.50
" 54 "	\$542.00
" 60 "	\$560.00

BENEFIT HIGHLIGHTS

	Benefit	Provisions
1.	Medical	<p>AT&T Medical Plan</p> <ul style="list-style-type: none"> • Full-time employee contributions: 0% employee / 15% dependent. <p>In Network & ONA</p> <ul style="list-style-type: none"> • Individual, 2-person and family deductibles: 2006 = \$1050/\$2100/\$2100—[actual dollar amounts as in effect on 1/1/07 and subject to annual adjustment pursuant to Plan terms] • Office visit 90% after deductible except for preventive • Emergency room 90% after deductible • Hospital 90% after deductible • Standard out of pocket maximum: 2006 = \$5250/\$7875/\$10,500 indiv / 2-person/family [actual dollar amounts as in effect on 1/1/07 and subject to annual adjustment pursuant to Plan terms] <p>Non-Network</p> <ul style="list-style-type: none"> • Individual, 2-person and family deductibles: 2006 = \$3150 / \$6300/\$6300 [actual dollar amounts as in effect on 1/1/07 and subject to annual adjustment pursuant to Plan terms] • Office visit 60% after deductible • Emergency room 60% after deductible • Hospital 60% after deductible • Annual out of pocket maximum: 2006 = \$15,750/ \$31,500/\$31,500 indiv/2-person/family [actual dollar amounts as in effect on 1/1/07 and subject to annual adjustment pursuant to Plan terms]

		<p>Prescriptions Drugs</p> <ul style="list-style-type: none"> • Annual deductible: Plan deductible applies and is integrated with medical as detailed above • 3-tiers: generic /formulary brand/ Nonformulary brand; Personal Choice drugs are not covered but available at discount • Network Retail Copays*: 2007=\$8/\$17/\$35 after plan deductible satisfied • Mail Order Copays*: 2007=\$17 / \$35/ \$70 after plan deductible satisfied • Prescription Drug Out-of-Pocket maximum is integrated with medical • Mandatory Generic provisions apply • Mandatory mail order provision for maintenance Rx applies • Mandatory Specialty Drugs <p>*Prescription Drug Copays as in effect on 1/1/07 and subject to annual adjustment pursuant to Plan terms</p>
2.	Dental	<p>AT&T Dental Plan</p> <ul style="list-style-type: none"> • Full-time employee contributions: 0% employee / 35% dependent <p>PPO Network</p> <ul style="list-style-type: none"> • Deductible: \$25 annually • Preventative and diagnostic services: 100% • Basic restorative services: 80%, Major restorative services: 50% • Annual maximum: Network / Non-Network: \$1,300 • Orthodontia lifetime maximum: Network: \$1,600 Non-Network: \$1,400 <p>DMHO Option</p>

3.	Vision	<p>AT&T Vision Plan</p> <ul style="list-style-type: none"> • Full-time employee contributions: 0% employee / 35% dependent <p>1st pair benefit</p> <ul style="list-style-type: none"> • Available for employee and dependents • Exam: every 12 months • Lenses: every 12 months • Frame: every 24 months <p>Network:</p> <ul style="list-style-type: none"> • \$15 copay (exam & materials) • Exam = paid in full • Lenses <ul style="list-style-type: none"> – Eyeglass = paid in full – Contact = \$150 allowance <p>Non-Network—Maximum Benefit:</p> <ul style="list-style-type: none"> • Exam = \$28 • Eyeglass Lenses <ul style="list-style-type: none"> – Single = \$30 – Bifocal = \$52 – Trifocal = \$72 – Lenticular = \$80 • Contact Lenses = \$150 <p>2nd pair benefit</p> <ul style="list-style-type: none"> • Available for employee and dependents • Lenses: every 24 months • Frame: every 24 months <p>Network:</p> <ul style="list-style-type: none"> • \$30 copay (exam & materials) • Lenses <ul style="list-style-type: none"> – Eyeglass = paid in full – Contact = \$150 allowance <p>Non-Network—Maximum Benefit:</p> <ul style="list-style-type: none"> • Eyeglass Lenses <ul style="list-style-type: none"> – Single = \$30 – Bifocal = \$52 – Trifocal = \$72 – Lenticular = \$80 • Contact Lenses = \$150
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4.	CarePlus	<p>AT&T CarePlus— A Supplemental Medical Plan</p> <ul style="list-style-type: none"> • Full-time employee contributions: \$1 employee / \$2 family • Enrollment: annual
5.	Savings	<p>AT&T Savings and Security Plan</p> <ul style="list-style-type: none"> • 100% Company match on Basic Allotment up to 6% of eligible compensation • Immediate eligibility for participation and Company match
6.	Active Life Insurance	<p>AT&T Medical and Group Life Insurance Plan—Group Life Insurance</p> <p>AT&T Supplementary Group Life Insurance Program</p> <p>AT&T Dependent Group Life Insurance Program</p> <p>Employer-paid coverages:</p> <ul style="list-style-type: none"> • Basic: 1x annual basic pay rounded to next higher \$1,000 if not an even \$1,000 • AD&D: 1x annual basic pay rounded to next higher \$1,000 if not an even \$1,000 <p>Employee-paid coverages:</p> <ul style="list-style-type: none"> • Supplemental options: 1x, 2x, 3x, 4x, 5x, 6x (subject to evidence of insurability requirements) • Dependent Spouse coverage levels: \$5K, \$7K, \$10K, \$15K, \$20K, \$30K, \$40K, \$50K (subject to evidence of insurability requirements) • Dependent Child coverage levels: \$1.5K, \$3K, \$5K, \$10K (subject to evidence of insurability requirements) • Employee rates for supplementary, dependent spouse, and dependent child life insurance coverage may be adjusted annually based on changes in the insurance carriers contract rates.

		<ul style="list-style-type: none"> • Supplemental AD&D coverage levels (employee): 1x, 2x, 3x, 4x, 5x, 6x • Dependent Spouse coverage levels: \$10K - \$150K (subject to EOI requirements) • Dependent Spouse AD&D coverage levels: \$10K - \$150K • Dependent Child coverage levels: \$1.5K - \$15K • Dependent Child AD&D coverage levels: \$1.5K - \$15K
7.	Long-Term Care	<p>AT&T Group Long-Term Care Insurance Plan</p> <ul style="list-style-type: none"> • 100% Employee Paid
8.	FSA	<p>AT&T Flexible Spending Account Plan</p> <ul style="list-style-type: none"> • Health Care FSA maximum annual election: \$10,000 • Dependent Care FSA maximum annual election: \$5,000 • Contributions, if any, for welfare plan coverage paid on a pre-tax basis unless elected otherwise
9.	Disability	<p>AT&T Disability Plan</p> <p>Short-Term Disability</p> <ul style="list-style-type: none"> • Up to 26 weeks • Income Replacement - 100% / 60% based on NCS <p>Long-Term Disability</p> <p>Income Replacement—50% Company provided; + Supplemental LTD Employee paid</p>

10.	Leaves of Absence	AT&T Leave of Absence Policy <ul style="list-style-type: none"> • Anticipated Disability • Care of Newborn/Adopted Children • Departmental • Denial of Disability Benefits • Disability • Educational • Family Care • Peace Corp & Vista • Personal/Other • Political • Public Service • Trailing Spouse • Uniformed Service • Student Internship
12.	Commuter Benefit	AT&T Commuter Benefit Program <ul style="list-style-type: none"> • Pre-Tax Benefit
13.	Adoption	AT&T Adoption Reimbursement Program <ul style="list-style-type: none"> • Maximum \$5000 reimbursement
14.	EAP	AT&T Employee Assistance Program
15.	Employee Beneficiary Designations	AT&T Rules for Employee Beneficiary Designations

This “Benefit Highlights” document is only a summary. Except as modified by Sections 2(a) and (b) of this MOA, the full details of the plans’ current benefits are in the summary plan descriptions and summaries of material modifications, copies of which have been made available by the Company to the Union.

MEMORANDUM OF AGREEMENT

**UNIFORM SERVICES LEAVE OF ABSENCE –
OPERATION ENDURING FREEDOM/OPERATION IRAQI FREEDOM**

This confirms our understanding regarding the Uniform Services Leave of Absence for employees who are called up for active military service due to the September 14, 2001 Presidential Executive Order – Operation Enduring Freedom.

The following change will be effective for employees who are/were called for involuntary active duty as a result of Presidential Executive Order – Operation Enduring Freedom and for such employees will supercede any agreements or policies concerning military pay allowances for employees entering active duty in the armed forces of the United States. Other terms of the existing Uniform Services Leave of Absence apply unchanged.

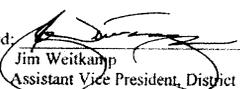
- Employees on this leave will receive a pay differential (difference between the employee's military pay and his/her company pay, including any applicable shift differential), when military pay is less, for a total of thirty (30) months or period of active duty, whichever is shorter.

Effective Date: With Signature

Termination Date: Completion of and/or cancellation of Executive Order – Operation Enduring Freedom, upon mutual agreement of the parties or termination of the Collective Bargaining Agreement, whichever occurs first.

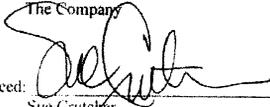
Coverage: SBC Internet Services

Communications Workers of America

Agreed: 
Jim Weitkamp
Assistant Vice President, District 9

Date: 10-29-03

The Company

Agreed: 
Sue Crutcher
Vice President, Labor Relations

Date: 10/31/03

MEMORANDUM OF AGREEMENT
VACATION PORTABILITY

SBC Internet Services and the Communications Workers of America (CWA) have reached the following agreement concerning the movement of CWA-represented employees from Pacific Bell/Nevada Bell into SBC Internet Services.

1. Any Pacific Bell/Nevada Bell employee who accepts a position via the Intersubsiary Movement Process will be allowed to bring their current year vacation and Personal Days Off with them when they are hired by SBC Internet Services, if the employee immediately begins work at SBC Internet Services, after leaving Pacific Bell/Nevada Bell. Anytime already taken will be deducted from the time for which the employee is eligible. The remaining time will be scheduled subject to needs of the business.
2. Prior to being hired by SBC Internet Services, an employee will, if applicable, receive payment in lieu, from Pacific Bell/Nevada Bell for vacation and Personal Days Off carried over from the prior vacation year.
3. In no case will an employee's movement result in any duplicate payment or grant of vacation or Personal Days Off time.
4. The Union hereby waives any claim, allegation, and/or argument; agrees not to make or file any claim, allegation, or argument; and promises not to present this agreement or any employee movement between subsidiaries which are covered by this agreement as evidence in support of any claim, allegation, or argument that SBC Communications Inc., and/or any of its current or future subsidiaries and/or their divisions, units, agents, or affiliates are or ever have been a single employer, joint employers, accretions, alter egos, or successors with respect to each or any of them because of the existence of this agreement or any employee movement between subsidiaries which are covered by this agreement.

MEMORANDUM OF AGREEMENT
VACATION PORTABILITY

Effective Date: Upon ratification of the 2004 Collective Bargaining Agreement

Termination Date: With expiration of the 2004 Collective Bargaining Agreement

Coverage: SBC Internet Services

Communications Workers of America

Agreed: 
Val Afanasiev
Staff Representative
CWA – District 9

SBC Internet Services

Agreed: 
Sue Crutcher
Vice President
Labor Relations

Pacific Bell/Nevada Bell

Agreed: 
Sue Crutcher
Vice President
Labor Relations

Date: 8-4-04

Date: 8/4/04

Memorandum of Agreement
2005 National Internet Contract

Wage Credit

The Company and the union agree to the following regarding wages for employees who are hired into the 2005 National Internet Contract or who move to the 2005 National Internet Contract via the Intersubsidiary Movement Process:

- Newly hired employees will normally begin employment at the minimum step of the wage schedule for their job title except that the Company, for prior training or experience may place newly hired employees on any step higher than the minimum step.

- New employees who move from another AT&T subsidiary into a position covered by the 2005 National Internet Contract will be placed on the wage step of the wage schedule with a wage rate that is closest to but not lower than the employee's current base wage rate at the subsidiary. But, under no circumstance, will any new employee be paid at a rate higher than the top step of the wage schedule for the title in the National Internet Contract.

This agreement is effective upon signing and will terminate with the Conclusion Article (Article 17) of the 2005 National Internet Contract.



AT&T Internet Services



Communications Workers of America

11/7/06

Date

11/7/06

Date

MEMORANDUM OF AGREEMENT
WORK/FAMILY FUNDING

This Memorandum of Agreement confirms our understanding that effective October 1, 2004 the Company will provide a new service to employees. The service will be an educational, resource and referral service that employees can access by calling a toll free number and/or accessing a website. The service will provide education and referrals for a range of family care and daily life needs, including child care, eldercare, adoption information, and education/academic issues.

Effective Date: October 1, 2004
Termination Date: With expiration of the 2004 Collective Bargaining Agreement
Coverage: SBC Internet Services

Communications Workers of America

Agreed: Val Afanasyv
Val Afanasyv
Staff Representative
CWA - District 9

Date: 8-4-04

SBC Internet Services

Agreed: Sue Crutcher
Sue Crutcher
Vice President/
Labor Relations

Date: 8/4/04

MEMORANDUM OF AGREEMENT
WORKING RELATIONS COMMITTEE (WRC)

This Memorandum of Agreement confirms our understanding that it would be beneficial to both parties to discuss broad concerns of mutual interest. In order to accomplish this goal, the Company and the Union agree to the following:

To establish a Working Relations Committee (WRC).

The WRC does not have the authority to formulate policy or enter into agreements that require collective bargaining. The WRC proceedings will not be used in lieu of the grievance or arbitration procedures nor will they be subject to the grievance and arbitration process.

The WRC will consist of no more than four (4) representatives designated by the Company and no more than four (4) representatives designated by the Union. Pay will be limited to four (4) Union representatives who will be paid in accordance with Section 2.04 of the current Collective Bargaining Agreement for attendance at WRC meetings. Additional Union or Company representatives may attend the meetings, as needed.

The WRC will meet on a quarterly basis, or more frequently upon mutual agreement of the parties, for the purpose of discussing whatever agenda either party may wish to present.

Effective Date: With ratification

Termination Date: In accordance with the Conclusion Article of the 2004 Collective Bargaining Agreement

Coverage: SBC Internet Services

Communications Workers of America

SBC Internet Services

Agreed: Val Afanasiev
Val Afanasiev
Staff Representative
CWA – District 9

Agreed: Sue Crutcher
Sue Crutcher
Vice President
Labor Relations

Date: 8-4-04

Date: 8/4/04

**MEMORANDUM OF AGREEMENT
ADDENDUM TO THE WORKING RELATIONS COMMITTEE (WRC)**

During 2007 bargaining the Union raised several issues that both parties agree should be discussed in the Working Relations Committee (WRC) because of their importance and because of their unique impact in different work groups within the bargaining unit. These issues included:

- standards of performance;
- scheduling processes;
- mandatory overtime;
- transfer process

Both parties agree that in order to ensure that these matters are addressed the WRC will provide a joint status report to the bargaining chairs of the Union and the Company after each WRC meeting on the issues identified above. The status report will include any minutes of the discussion and the recommendations of the parties. Matters that require collective bargaining will be referred to the bargainers. One (1) additional Company representative and one (1) additional Union representative shall be designated to participate on the WRC.

Effective/date/language: Upon Ratification

Termination date/language: With expiration of this Collective
Bargaining Agreement

Applies to: AT&T Internet Services

Communications Workers of America AT&T Internet Services

Agreed: *Donna Bentley* Agreed: *Doug Flores*
Donna Bentley Doug Flores
Staff Representative Executive Director
CWA District 6 Labor Relations

Date: 3/8/08 Date: 3/8/08