

AGREEMENT

BY AND BETWEEN CERTAIN
BUSINESS OPERATING UNITS
AND DIVISIONS OF

AT&T CORP.

And

COMMUNICATIONS WORKERS
OF AMERICA

April 8, 2012



2012 MEMORANDUM OF AGREEMENT

It is hereby agreed by and between certain Business Operating Units and Divisions which pertain to AT&T Corp. and certain affiliated companies listed in Appendix 3, (hereinafter referred to as the "Company") and the Communications Workers of America (hereinafter referred to as the "Union") as follows (the "Agreement"):

TABLE OF CONTENTS

THE 2012 AGREEMENT	1
ARTICLE 1 RECOGNITION	1
ARTICLE 2 COLLECTIVE BARGAINING.....	1
ARTICLE 3 DEFINITIONS.....	2
ARTICLE 4 AUTHORIZED UNION REPRESENTATIVES.....	8
ARTICLE 5 UNION REPRESENTATION	10
ARTICLE 6 UNION ACTIVITIES	10
ARTICLE 7 AGENCY SHOP AND COLLECTION OF DUES.....	11
ARTICLE 8 NON-DISCRIMINATION.....	13
ARTICLE 9 GRIEVANCE PROCEDURE	14
ARTICLE 10 ARBITRATION	16
ARTICLE 11 MEDIATION.....	20
ARTICLE 12 DISCIPLINE.....	22
ARTICLE 13 PERSONNEL RECORDS	22
ARTICLE 14 SAFETY.....	22
ARTICLE 15 TITLES AND WAGES	24
ARTICLE 16 TRANSFERS, TRAVEL ALLOWANCES, AND MOVING EXPENSES	26
ARTICLE 17 NEW JOB TITLES AND JOB CLASSIFICATIONS	31
ARTICLE 18 CLASSIFICATION AND TREATMENT OF PART-TIME EMPLOYEES.....	32
ARTICLE 19 BENEFIT PLANS, PROGRAMS, AND POLICIES	33
ARTICLE 20 ABSENCE	56
ARTICLE 21 EXCUSED WORK DAYS	58
ARTICLE 22 VACATIONS.....	59
ARTICLE 23 HOLIDAYS	63
ARTICLE 24 FORCE ADJUSTMENT - LAYOFF, PART-TIMING, AND RECALL.....	64
ARTICLE 25 TERMINATION PAYMENTS.....	68
ARTICLE 26 TECHNOLOGICAL DISPLACEMENT	71
ARTICLE 27 REASSIGNMENT PAY PROTECTION PLAN.....	71
ARTICLE 28 SENIORITY	72
ARTICLE 29 INTENTIONALLY LEFT BLANK.....	73
ARTICLE 30 CONTRACTING OF WORK.....	74
ARTICLE 31 EMPLOYEES IN MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING	76
ARTICLE 32 MESSAGING APPLICATION SERVICES.....	79
ARTICLE 33 COMPUTER SERVICES.....	87
ARTICLE 34 AT&T LABS - SUPPORT.....	94
ARTICLE 35 SALES.....	114
ARTICLE 36 SUPPORT	120
ARTICLE 37 OPERATOR SERVICES	127
ARTICLE 38 INFORMATION MANAGEMENT SERVICES	136
ARTICLE 39 INFORMATION SERVICES.....	145
ARTICLE 40 INTENTIONALLY LEFT BLANK.....	160
ARTICLE 41 COMMUNICATIONS SERVICES.....	161
ARTICLE 42 INTENTIONALLY LEFT BLANK.....	173
ARTICLE 43 NETWORK	174
ARTICLE 44 CUSTOMER NETWORK SERVICE CENTER.....	186
ARTICLE 45 LOCAL NETWORK SERVICES (LNS).....	205

TABLE OF CONTENTS

EXHIBIT 1

EXHIBIT 1 PAYROLL DEDUCTION AUTHORIZATION231

APPENDICES

SPECIAL ALLOWANCES232
SPECIAL CITY ALLOWANCE233
AT&T BUSINESS OPERATING UNITS AND DIVISIONS234
METRO SEGMENT INCENTIVE COMPENSATION PLAN.....235
APPENDIX 6 – LETTERS FROM PRIOR AGREEMENTS.....244

NEW OR REVISED 2012 AGREEMENTS
OTHER AGREEMENTS

OTHER AGREEMENTS246

CAREER TRANSITION

AT&T CAREER SUPPORT COORDINATOR COMMITTEE247
AT&T CAREER SUPPORT COORDINATOR POSITION248
MEMORANDUM OF AGREEMENT – NATIONAL TRANSFER PLAN.....250

COMPENSATION

NEW COMPENSATION PLANS AND RECOGNITION AWARD PROGRAMS257
SUCCESS SHARING PLAN258

EMPLOYMENT SECURITY

AT&T OPTION PROGRAM (ATTOP)261
EMPLOYMENT SECURITY – CWA267
JOB SECURITY269
SUBCONTRACTING/BARGAINING UNIT WORK COMMITTEES270
SUCCESSORSHIP272

HEALTH BENEFITS

HEALTH CARE COORDINATOR POSITION.....273
JOINT HEALTH CARE COST CONTAINMENT COMMITTEE.....275

MISC. AGREEMENTS

ALTERNATE WORK SCHEDULES276
ARTICLES 20, 39 AND 45 PERSONAL ILLNESS ABSENCE AND LIMITED
EXCEPTION FOR PERSONAL ILLNESS ABSENCE IMMEDIATELY
PRECEDING AN APPROVED DISABILITY278
BUILDING CONSTRUCTION279
TELECOMMUTING.....280

TABLE OF CONTENTS

OTHER BENEFITS

COPE PAC DEDUCTIONS – CWA 282
MEMORANDM OF AGREEMENT – SINGLE ONE-TIME PENSION CONTRIBUTION
FOR ELIGIBLE EMPLOYEES..... 284

TRAINING

AT&T AND CWA LEARNING..... 285
FUNDING OF THE ALLIANCE 288

UNION MANAGEMENT RELATIONSHIPS

CONSUMER COMMON INTEREST COMMITTEE 289
MEMORANDUM OF AGREEMENT REGARDING NEUTRALITY AND CARD CHECK
RECOGNITION 290

UNCHANGED PRE-2012 AGREEMENTS

2009 LETTERS EXTENDED 297

CAREER TRANSITION

AT&T TRANSFER AND REHIRE SYSTEM (ATS/ARS)..... 298
LEVEL EQUALIZATION GROUPS (LEGS) MATRIX BY TITLE 308
RECALL FORWARD..... 313
STANDING JOINT SUBCOMMITTEE ON TESTING 314

HEALTH BENEFITS

CVS CAREMARK 315

MISC. AGREEMENTS

ELECTRONIC MONITORING..... 316
LEVERAGED TITLE 318
LEVERAGED TITLE SALES COMMITTEE 320
MEMORANDUM OF AGREEMENT REGARDING - ARTICLE 31 – EMPLOYEES IN
MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING 321

OTHER BENEFITS

PENSION PROTECTION ACT 322
SERVICE ANNIVERSARY..... 324
WORK & FAMILY PROGRAMS..... 325

UNION MANAGEMENT RELATIONSHIPS

LABOR ADVISORY FORUM 326
UNION REPRESENTATION..... 328
MEMORANDUM OF AGREEMENT -PRESIDENTIAL COUNCIL 329
WORKFORCE 330

2005 LETTERS EXTENDED 331
1998 LETTERS EXTENDED 360
1995 LETTERS EXTENDED 383
1992 LETTERS EXTENDED 386
1989 PROVISIONS – GROUPS EXTENDED..... 388
1989 PROVISIONS – INDIVIDUAL EXTENDED..... 391

TABLE OF CONTENTS

EFFECTIVE DATES	396
PARTIES' DEMANDS	396
DURATION.....	396
SIGNATURES.....	397

THE 2012 AGREEMENT

The 2012 Agreement shall consist of the Table of Contents, Articles 1 through 45, Exhibits, and Appendices related thereto. This Agreement is made and entered into the 8th day of April, 2012, by and between certain Business Operating Units and Divisions listed in Appendix 3 which pertain to AT&T Corp. and certain affiliated companies, (hereinafter referred to as the "Company") and the Communications Workers of America (hereinafter referred to as the "Union").

ARTICLE 1 - RECOGNITION

1 Certification of Membership

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

2 Recognition

(a) The Company recognizes the Union as the exclusive representative of those employees whose current job titles appear in Articles 32 through 45 of this Agreement, and those whose job titles are created pursuant to the new titles provisions of this Agreement, and whose permanent reporting location is in a State within which that job title is listed in Appendix 5 and who are not represented by another Union and are not in another CWA bargaining unit.

(b) If during the term of this Agreement, the Union is certified by the National Labor Relations Board or is recognized by the Company as the collective bargaining representative of employees not previously so represented, who occupy job titles or occupations in which other employees are represented by the Union and are covered by this Agreement, such employees shall be included within and be covered by this Agreement upon the conclusion of any negotiations on any necessary amendments thereto.

3 Federal and State Laws

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

ARTICLE 2 - COLLECTIVE BARGAINING

1 The parties hereto agree that collective bargaining shall be carried on between the authorized representative(s) of the Company and the Union, and that no Agreement shall be effective and binding upon the Company or the Union unless and until it is reduced to writing and signed by the authorized representative(s) at the Headquarters level of the Company and the National level of the Union.

Article 2

2 This Agreement constitutes the entire agreement between the parties, and no waiver or modification shall be effective unless signed by the parties hereto, and no such writing, applicable to any particular instance or instances shall be construed as any general waiver or modification, but shall be strictly limited to the extent and occasion specified herein.

3 **Mutual Respect**

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

ARTICLE 3 - DEFINITIONS

The following definitions are applicable within this Agreement:

1 **Definitions Relating to Hours of Work**

(a) **Calendar Year**

A calendar year is the period beginning January 1 and ending December 31.

(b) **Calendar Week**

A calendar week is the period of seven (7) consecutive days commencing on Sunday.

(c) **Normal Work Week**

A normal work week consists of five (5) normal tours or their equivalent during a calendar week.

(d) **Scheduled Weekly Tour**

The portion of the work week comprised of Scheduled Daily Tours, but excluding Non-Scheduled Days.

(e) **Day:**

(1) **Calendar Day**

The twenty-four (24) hour period beginning at midnight.

(2) **Weekday**

One (1) of the six (6) days, Monday through Saturday, inclusive.

(3) **Scheduled Day**

A calendar day on which an employee is scheduled to work.

(4) **Non-Scheduled Day**

A calendar day on which an employee is not scheduled to work.

(f) **Meal Period**

A meal period is an unpaid period not longer than one (1) hour during which an employee is excused for a meal.

(g) **Relief Period**

A relief period is a rest period of fifteen (15) minutes which shall be considered as work time.

(h) **Work Time**

Work time consists of all time spent on the job in the performance of Company duties. Work time excludes meal periods.

(i) **Tours:**

(1) **Tour**

A tour is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any meal period. The starting time of a tour determines the day on which the tour occurs.

(2) **Scheduled Daily Tour**

The hours of work scheduled for an individual employee for a particular day, beginning and ending at a specified time, exclusive of unpaid meal periods and overtime.

(3) **Normal Tour**

A normal tour is the number of hours of work (exclusive of meal period) which constitutes a full day's work for a full-time employee.

(4) **Half Tour**

A half tour is one-half (1/2) the length of a normal tour.

(5) **Time of Day**

Where time of the day is specified herein, it shall be local time.

(6) **Night Tours (For all employees except Operator Services Employees covered in Paragraph 1(i)(8)):**

A night tour is a Scheduled Daily Tour which falls wholly or partially within the time frames outlined below:

1. Messaging Application Services Employees covered in Article 32: 7PM - 6AM.
2. Computer Services Employees covered in Article 33: 6PM - 6AM.
3. Sales Employees covered in Article 35: 7PM - 7AM.
4. Support Employees covered in Article 36: 7PM - 7AM.
5. Information Management Services Employees covered in Article 38: 7PM - 6AM.
6. Communications Services Employees covered in Article 41: 7PM - 6AM.

(7) **Day Tour (For all employees except Operator Services Employees covered in Paragraph 1(i)(8)):**

A day tour is a Scheduled Daily Tour which falls wholly within the time frames outlined below:

1. Messaging Application Services Employees covered in Article 32: 6:00 AM – 7:00 PM.
2. Computer Services Employees covered in Article 33: 6:00 AM – 6:00 PM.
3. Sales Employees covered in Article 35: 7:00 AM – 7:00 PM.
4. Support Employees covered in Article 36: 7:00 AM – 7:00 PM.
5. Information Management Services Employees covered in Article 38: 6:00 AM – 7:00 PM.
6. Communications Services Employees covered in Article 41: 6:00 AM – 7:00 PM.

(8) **Operator Services Employees covered by Article 37 (Operator Services):**

1. Day Tour: A day tour is a tour starting at or after 5:00 AM and ending not later than 7:00 PM
2. Night Tour: A night tour is a tour ending from 5:30 AM to 7:00 AM, inclusive.
3. Session: A session is the continuous time, including any relief periods, which an employee works without a meal period, or in a short evening tour, each of the two (2) periods separated by the two (2) fifteen (15) minute relief periods combined into one (1) thirty (30) minute relief period. The term session shall refer to both scheduled regular days and scheduled premium days.
4. Scheduled Regular Day: A scheduled regular day is a day for which an employee will be paid for time worked at his or her Adjusted Rate plus applicable differentials.
5. Scheduled Premium Day: A scheduled premium day is a day on which an employee will be paid at the overtime rate for time worked in excess of his or her normal work week.

(9) **Information Management Services Employees covered by Article 38 (Information Management Services) and Operations Employees covered by Article 41 (Communications Services):**

Basic Tour: A basic tour is the Scheduled Daily Tour which is most nearly representative of all an employee's scheduled tours during a normal work week and is used for the purpose of determining eligibility for a shifted tour or night differential.

2 Definitions Relating to Wage Rates

(a) **Standard Rate**

The Standard Rate is the rate of pay assigned to an employee based on the employee's job title.

(b) **Adjusted Rate**

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

(c) **Daily Adjusted Rate**

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

(d) **Hourly Adjusted Rate**

The Hourly Adjusted Rate is the rate determined by dividing the Adjusted Rate by the number of hours in a full-time employee's normal work week. For Operator Services employees covered by Article 37 (Operator Services) the Hourly Adjusted Rate is the rate determined by dividing the Daily Adjusted Rate by the number of hours in the employee's normal tour.

(e) **Hourly Overtime Base Rate**

The Hourly Overtime Base Rate is the Employee's Hourly Adjusted Rate plus:

- (1) In any week during which the employee is entitled to a weekly night differential, the amount obtained by dividing the employee's weekly night differential by the number of hours in her or his normal work week.
- (2) In any week during which the employee is entitled to a daily evening or night differential, the amount obtained by dividing the employee's daily evening or night differential payment by the number of hours corresponding to the employee's normal tour for that day.

(f) **Overtime Rates:**

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

Pay at one hundred and fifty percent (150%) of an employee's Hourly Overtime Base Rate. Pay at Time and One-Half shall apply:

- (i) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more. (Excluding Operator Services where 1 1/2 times is paid after shorter tours and those Operations employees who are currently paid overtime for hours worked outside their Scheduled Daily Tours).
- (ii) For hours worked in excess of forty (40) regularly scheduled hours during the work week. (Excluding Operator Services where 1 1/2 times is paid after shorter tours and those Operations employees who are currently paid overtime for hours worked outside their Scheduled Daily Tours).
- (iii) On a Non-Scheduled Day other than a holiday.

Article 3

(2) **Double Time**

Pay at two hundred percent (200%) of an employee's Hourly Overtime Base Rate. Pay at Double Time shall apply for overtime hours paid at Time and One-Half in excess of eight (8) in the work week including payments for call-ins and call-ups paid at Time and One-Half.

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

Pay at two hundred and fifty percent (250%) of an employee's Hourly Overtime Base Rate. Pay at Double Time and One-Half shall apply to authorized time worked on the day on which a holiday is observed.

(4) **Overtime Adjustment**

When an employee receives one or more of the following daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as described in Paragraph 2(f)(5) below:

1. Changed Schedule Payments
2. Customer Premise Differential
3. Fifteen percent (15%) Saturday Differential
4. Heavy Equipment Driver Allowance
5. Management Relief Differential
6. Material Administrator Allowance
7. Minimum Interval Differential
8. On-Call Allowance
9. Shifted Tour Differential
10. Special Allowance
11. Special City Allowance
12. Split Tour Differential
13. Temporary Assignment to Higher Occupational Job Classification
14. Tool Cartage Fee Allowance
15. Bi-Lingual Differential

(5) **An Overtime Adjustment is made as follows:**

$$\frac{\text{Sum of Allowances Paid for Week}}{\text{divided by}} \\ \frac{(\text{\# of hours in Scheduled Weekly Tour} + \text{Overtime Hours Worked in Week})}{\text{times}} \\ \frac{\text{Total Overtime Hours Worked in Week}}{\text{times}} \\ .5 \text{ plus } .009$$

(g) **Wage Protection Allowance**

The Wage Protection Allowance (WPA) consists of all forms of existing wage protection, including Green Circle, Red Line, Reassignment Pay Protection (RPPP), ATS Wage Treatment for Surplus/Lateral Placement, and any other forms of wage protection which result in a "protected" wage rate.

3 Definitions Relating to Types of Employees

(a) **Employees**

The term "employee(s)", for the purpose of the terms of this Agreement, shall refer only to employees of the Company included within the bargaining unit as defined in Article 1 (Recognition).

(b) **Regular Employees**

Regular employees are those whose employment is reasonably expected to continue for longer than twelve (12) months. A regular employee may be either full-time or part-time.

(c) **Temporary Employees**

A temporary employee is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary employee may be either full-time or part-time.

(d) **Term Employee**

A term employee is a regular employee who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period.

Term employees shall be treated the same as regular employees except that:

- (1) They are not eligible to participate in Tuition Assistance and,
- (2) The provisions of the following Articles shall not apply to term employees:
 - (i) Article 25 (Termination Payments)
 - (ii) Article 26 (Technological Displacement)
 - (iii) Article 27 (Reassignment Pay Protection Plan)

Article 3

(iv) Article 31 (Employees in Military Service) except as noted in Article 31.

(e) **Full-Time Employees**

Full-time employees are those who are employed for not fewer than the number of hours per week called for in the normal work week applicable to their work locations.

(f) **Part-Time Employees**

Part-time employees are those who are employed and normally scheduled to work fewer hours per average month than comparable full-time employees in the same job title, classification, or work group working the same normal daily tour.

(g) **Non-Located Employees**

A non-located employee is a construction employee who normally works at different locations as required and for whom board and lodging is normally furnished by the Company.

4 Definitions - Other

(a) **Net Credited Service**

Net credited service shall mean "term of employment" as set forth in the pension plan applicable to employees covered by this Agreement.

(b) **Seniority**

Seniority shall be determined by the net credited service of the employees affected. In force adjustment situations, when the affected employees have the same net credited service, seniority shall be determined by using the last four (4) digits of the employees' social security numbers, 0000 being the lowest seniority, and 9999 being the highest seniority.

(c) **Temporary Assignment to Higher Job Classification**

Temporary assignments to higher occupational job classifications shall not exceed twelve continuous months without consultation with the Union.

ARTICLE 4 - AUTHORIZED UNION REPRESENTATIVES

1 Notices Regarding Union Organization

The Union agrees that its President or a person duly empowered to act in the President's behalf shall keep the Director of Labor Relations, or his designate, currently advised, in writing, of the representatives of the National Union who are authorized to deal with the Company regarding employees in the bargaining unit and regarding such matters as designating the Locals which have been established, designating the officers or other authorized representatives of such Locals and indicating the jurisdiction of such Locals and their representatives. The Union agrees further that such notifications and authorizations shall designate the Union representative or representatives to whom notices, information, certifications and services by Company representatives, as are provided for in this Agreement, shall be directed or furnished.

2 Promotion, Transfer Assignment of Union Officers

- (a) The Company shall not promote or transfer any employee who is serving as a duly elected Officer or Executive Board Representative or Chief Steward (or their equivalent) to a position that would affect the employee's status as a Union Officer, Executive Board Representative or Chief Steward (or their equivalent) without first obtaining the consent of the Union. The foregoing consent of the Union will not be required if the transfer is to be accomplished pursuant to the provisions of Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall). The Company shall give the president of the local union written notice at least fourteen (14) calendar days prior to the effective date of the promotion or transfer, and the Union shall conclusively be presumed to have consented to such promotion or transfer unless within two (2) weeks after the Union receives such notification, it advises the Company in writing that it does not consent.
- (b) The Company shall give the union office notice at least one (1) week prior to the effective date of the promotion or transfer of a duly elected or appointed steward of the Union when the promotion or transfer affects the employee's status as a representative of the Union.

3 Absence for Union Activities

- (a) Operational requirements of the Company permitting, employees who are authorized representatives of the Union will be excused without pay, except as specified in Article 9 (Grievance Procedure), and in Article 6 (Union Activities) of this Agreement, at the request of an authorized representative of the Union to attend to the business of the Union. The Union shall make all requests for excused absences as far in advance as possible.
- (b) If an employee's total excused unpaid time off for Union business exceeds one hundred fifty (150) work days in a calendar year, or exceeds thirty (30) consecutive calendar days, the employee shall take a formal leave of absence. Time spent in joint meetings with management held at the Company's request shall not be included in computing an employee's total excused unpaid time off for Union business. Meetings with management shall be considered as breaking a continuous period of absence.

4 Leave of Absence for Union Activities

- (a) Requests for leaves of absence without pay while on business pertaining to the Union shall be made to the Company by the Union on the employee's behalf.
- (b) The requests shall be in writing and shall contain the reasons for such leaves of absence.
- (c) The leave of absence without pay granted by the Company for Union business shall be for an initial period of not less than thirty (30) calendar days and not to exceed one (1) year.
- (d) Additional leaves of absence for initial periods of thirty (30) days and not to exceed one (1) year, shall be granted, all of which shall be with service credit.
- (e) For such leaves of absence, an employee shall:
 - (1) receive full service credit for all purposes except wage progression;

Article 4

- (2) remain under their current level of benefits for medical, dental, vision and life insurance plans with applicable contributions paid by the employee.
- (f) Meetings with Management during a period of leave of absence shall not be considered as breaking a continuous period of leave of absence and shall be included in the period of such leave.
- (g) Upon application for reinstatement at or prior to expiration of leave of absence, employee(s) shall be returned to a job of like status and pay.

ARTICLE 5 - UNION REPRESENTATION

- 1 At any meeting between a representative of the Company and an employee in which discipline (including warnings which are to be recorded in the personnel file, suspension, demotion or discharge for cause) is to be announced, a Union representative may be present if the employee so requests.
- 2 At any investigatory interview between a representative of the Company and an employee, wherein the employee reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed employee, a Union representative may be present if the employee so requests.

ARTICLE 6 - UNION ACTIVITIES

1 Bulletin Boards

The Company agrees that it will furnish and mount bulletin boards to be used exclusively by the Union at each office or facility location, except at locations in buildings not owned by the Company where the landlord or owner objects. The location, number, size and construction of such bulletin boards shall be subject to the approval of the Company. The use of such bulletin boards shall be considered proper when confined to factual notices and announcements of the Union.

Material to be posted shall not contain anything of a controversial nature, anything derogatory to the Company or employees, or anything that will detrimentally affect Company operations. If the Company objects to any posted material, the Union shall remove the objectionable material immediately.

Subject to Company intranet registration criteria, the Company would not object to the establishment of a local CWA site. This site would be subject to the same content limitations described above.

The appropriate AT&T Intranet manager will facilitate the implementation of the above, upon request by the local Union.

2 Union Activity on Company Premises

- (a) The Union, or employees acting as its officers or agents, may conduct Union activities, including solicitation of members and distribution of Union literature, on Company premises with notification to local management. Solicitation shall be permitted on Company premises when both the employees performing the solicitation and the employees to whom the solicitation is directed are on non-work time (such as lunch periods, relief periods and before or after an employee's work time). Distribution of Union literature may take place only in areas where no work is performed and on the employee's non-work time. Union activities shall not be conducted in a manner which will interfere with the operations of the business or with Company facilities.

- (b) Union representatives or members who are not employees may enter upon Company premises after obtaining approval from a management representative of the Company. To avoid the need to obtain such approval each time a Union representative or member who is not an employee of the Company wishes to enter upon any Company premises, the Company's Director of Labor Relations may, upon application by the Union, grant approval for all Company locations designated in the approval for a stated period of time.

3 Union Orientation for New Employees

The Company and the Union agree that the Union will have the opportunity to meet with newly hired employees as part of the overall orientation process for the purpose of furnishing them with information about the Union. The Union's segment of this process will be limited to a maximum of sixty (60) minutes. Time spent during the basic scheduled work period for each employee will be paid as time worked.

In addition, the Company also agrees to introduce employees transferring into a different work group to the local Union representative assigned to that area.

4 Payment for Joint Union - Management Activities

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

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

ARTICLE 7 - AGENCY SHOP AND COLLECTION OF DUES

1 Agency Shop

- (a) Each employee who is a member of the Union or who is obligated to tender to the Union amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all employees entering into the bargaining unit on or after the effective date of this Agreement shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members, for the period from such effective date, or, in the case of employees entering into the bargaining unit after the effective date, on or after the thirtieth (30th) day of such entrance, whichever of these dates is later, until the termination of this Agreement.
- (b) For the purpose of this section, "employee" shall mean any person entering into the bargaining unit.

Article 7

- (c) Each employee who is a member of the bargaining unit on or before the effective date of this Agreement and who on the effective date of this Agreement was not required as a condition of employment to pay or tender to the Union amounts equal to the periodic dues applicable to members, shall, as a condition of employment pay or tender to the Union amounts equal to the periodic dues applicable to members for the period beginning thirty (30) days after the effective date of this Agreement, until the termination of this Agreement.
- (d) The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee but shall re-apply to such employee on the thirtieth (30th) day following his or her return to the bargaining unit. For purposes of this Paragraph, the term "formal separation" shall include transfers out of the bargaining unit, removal from the payroll of the Company and leaves of absence of more than one (1) month duration.
- (e) The Company may inform employees and applicants for employment of their rights and obligations under the provisions of this Section.
- (f) This Section shall only apply to those states where permitted by law.

2 Collection of Dues

- (a) Upon receipt of a "Payroll Deduction Authorization" from an employee, in the form attached hereto as Exhibit I, AT&T will initiate deductions for amounts equal to Union Dues (and, if authorized, an Initiation Fee) from such employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments.

- (1) Deduction shall be made from the employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments as follows:

EMPLOYEES PAID	DEDUCTIONS
Bi-Weekly	installments in the first 2 bi-weekly periods each month;
Monthly	Each month

- (2) Deductions shall begin during the first (1st) payroll period in the month following receipt of a newly executed "Payroll Deduction Authorization" by the AT&T Payroll Office, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:
 - (i) those required by law, and
 - (ii) those authorized for Group Life Insurance and Medical Expense Plan premiums.
- (3) If the scheduled deduction for amounts equal to Union dues cannot be made in the period(s) specified above, such deduction(s) will be made during the consecutive payroll periods ending no later than the last payroll period in the following month.
- (b) "Payroll Deduction Authorizations" shall be suspended when an employee:
 - (1) is transferred to a job that is not represented by the CWA,

- (2) goes on a Leave of Absence of more than one (1) month, or
- (3) is removed from the payroll of AT&T.
- (c) "Payroll Deduction Authorizations" suspended in accordance with the above provisions shall be reactivated on the first (1st) payroll period following the return of an employee to a job that is represented by the Union.
- (d) Except as provided in Paragraph 2(b) "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by AT&T unless canceled by such employee. Such cancellation must be individually sent to the AT&T Payroll Office and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement.
- (e) The Company will send copies of dues revocation letters and associated envelopes to the Union on a daily basis, as soon as possible following the Company's receipt thereof.
- (f) In the event an employee who cancels a "Payroll Deduction Authorization," in accordance with the above paragraph, wishes to resume deductions for amounts equal to Union Dues, such employee shall be obligated to complete a new "Payroll Deduction Authorization".
- (g) By written certification, the Union shall keep AT&T currently informed of the amount of regular monthly dues lawfully in effect in each Local having jurisdiction over any employees in the bargaining unit. Such amount or formula shall be uniform for all employees represented by the Local.
- (h) Certifications which change the amounts equal to Union dues for any Local will be accepted by the Company no more than three (3) times in any calendar year.
- (i) Amounts deducted in accordance with the above provisions shall be remitted to the Union no later than the end of the second (2nd) week following the months during which the deductions were made.
- (j) It is recognized that the suspension, reactivation and cancellation procedures for "Payroll Deduction Authorizations" contained herein shall be observed for all employees in the bargaining unit on the effective date of this collective bargaining agreement.
- (k) It is understood that AT&T assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither AT&T nor any of its officers, agents or employees shall in any way be held liable or responsible for any loss.

ARTICLE 8 - NON-DISCRIMINATION

- 1 In a desire to restate their respective policies, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, national origin, sex, age, handicap, sexual orientation, marital status, or status as a special disabled veteran or veteran of the Vietnam Era, including creed, disability, and citizenship.

Article 8

- 2 The use of the masculine or feminine gender or any titles which connote gender in this Agreement shall be construed as including both genders and not as sex limitations unless the Agreement clearly requires a different construction.
- 3 It is mutually agreed that no discrimination shall be practiced by the Company or the Union against any employee because of membership or non-membership in the Union, or by the Company against any member or officer of the Union because of lawful activities on behalf of the Union.

ARTICLE 9 - GRIEVANCE PROCEDURE

The Company and the Union recognize and confirm that the grievance procedures set forth in Article 9, and, where applicable, Article 10 (Arbitration) and Article 11 (Mediation), provide the mutually agreed upon and exclusive forums for resolution and settlement of employee disputes during the term of this Agreement. A grievance is a complaint involving the interpretation or application of any of the provisions of this Agreement, or a complaint that an employee(s) has in any manner been unfairly treated. Neither the Company, nor the Union, its locals or representatives will attempt by means other than the grievance, arbitration, and/or mediation procedures to bring about the resolution of any issue which is properly a subject for disposition through such procedures. It shall be the objective of both the Company and the Union to settle the grievance promptly and at the lowest step of the grievance procedure.

1 The grievance procedure shall consist of:

STEP 1:

Shall involve the Union representative of the Local which has been designated pursuant to Article 4 (Authorized Union Representatives) and the duly designated representative of the Company, normally the first or second level of supervision of the aggrieved employee(s). Any adjustment or settlement of a grievance at Step 1 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

No grievance shall be considered, nor shall any appeal thereof be handled as a formal grievance, unless a meeting regarding the grievance is requested in writing within sixty (60) calendar days of the action or failure to act which is the subject of the grievance. The written request shall be sent to the duly designated representative of the Company, normally the first or second level of supervision of the aggrieved employee(s), and shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought and shall be delivered to the Company representative prior to the Step 1 meeting.

A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after receipt by the Company of the grievance or the notice of the appeal.

The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting.

STEP 2:

Shall involve an officer of the Local Union or his/her designee and the Company's designated representative, normally at the third level of supervision or that individual's designated representative. The spokesperson for the Company and the Union at Step 2 should normally be different from the Company and Union spokesperson at Step 1.

Notice of the grievance appeal shall be in writing and delivered by the Union to the third level supervisor, or that supervisor's designated representative, of the aggrieved employee(s) not later than fourteen (14) calendar days after the Company notifies the Union of its decision at Step 1.

The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, the remedy sought, and shall outline the reasons for the Union's grievance. Any adjustment or settlement of a grievance at Step 2 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after the notice of appeal.

The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting, and shall outline the reasons for the Company's decision.

STEP 3:

Shall involve the Vice President of the Union or his or her duly authorized representative and the Company's Director of Labor Relations or his or her designated representative. Notice of the grievance appeal shall be in writing and delivered to the Director of Labor Relations or his or her designated representative not later than thirty (30) calendar days after the Company notifies the Union of its decision at Step 2. The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought. Discussions shall be conducted at such locations mutually agreed upon between the Company's Director of Labor Relations and the Union's Vice President.

A meeting to discuss the grievance shall be held promptly, but not later than thirty (30) calendar days after receipt by the Company of the grievance or the notice of appeal. The decision of the Company at Step 3 of the grievance procedure shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting(s) or not later than a mutually agreed upon date.

- 2 On an individual grievance basis and by mutual agreement in writing, the parties who are to hear the grievance at the next higher step may agree to waive either Step 1 or Step 2 (but not both) in the grievance procedure, but, in no event shall Step 3 be omitted or bypassed.
- 3 All notices pursuant to the First and Second Step of this Article shall be hand delivered or postmarked by the United States Postal Service within the time periods set forth herein. Management and Union Representatives at the local level may agree in writing to utilize a facsimile for notices at First and Second Steps of the grievance procedure. All notices pursuant to the Third step of this Article shall be hand delivered, sent via facsimile or postmarked by the United States Postal Service within the time periods set forth herein.
- 4 The Company and the Union desire to process grievances in an expeditious manner. Accordingly neither party will recess a grievance at Steps 1 or 2 in excess of sixty (60) calendar days. If the grievance meeting is not reconvened within sixty (60) calendar days from the initial recess date, the grievance shall be considered denied. The Union may then appeal the grievance in accordance with the time limits set forth herein.

Article 9

- 5 The Company and the Union may mutually agree to extend the time limits specified in the grievance procedure, provided such agreement is specified in writing, is limited to a specific grievance, and a new date is established.

6 Number of Union Representatives and Pay Treatment

Other than Management representatives, the number of employees (including the aggrieved employee(s) and the designated representatives of the Union) shall be limited to five (5) at all steps of the grievance procedure. Three (3) representatives who are AT&T employees, designated by the Union, shall be paid for scheduled time consumed during the grievance meetings. In addition, each of these three (3) employees shall be paid for all time spent traveling in connection with grievance meetings during a Scheduled Daily Tour up to a maximum of two (2) hours for each employee at Step 1 and up to a maximum of four (4) hours for each employee at Step 2. At Step 3, at least one (1) of the Union representatives will be a fully authorized representative of the National Union.

7 Discussion or Settlement of Grievance

Any individual employee(s) shall have the right to present grievances directly to the Company and to have such grievances adjusted, without the intervention of the Union, so long as the adjustment is not inconsistent with the terms of this Agreement, and provided that the Union has been given an opportunity to be present at such adjustments. After an employee(s) has referred a grievance to the Union and the Union representative has informed the Company that the Union represents that employee(s), the Company will not discuss (except in the course of any investigation conducted by the Company) or adjust such grievance directly with said employee(s).

ARTICLE 10 - ARBITRATION

1 General

If, at any time, a difference arises between the Company and the Union regarding the true intent and meaning of a provision under this Agreement, or a question as to the performance of any obligation hereunder, the grievance procedures set forth in Article 9 (Grievance Procedure) shall be employed in an effort to settle said differences. If the grievance procedures do not result in settlement of the differences, the Union may institute proceedings pursuant to this Article to resolve the dispute in question; it being understood that the right to require arbitration extends only to matters expressly set forth in this Article and which are not otherwise expressly excluded from arbitration.

- (a) If, at any time, a dispute arises between the Company and the Union as to whether an employee was dismissed, demoted or suspended for just cause, the grievance procedures set forth in Article 9 (Grievance Procedure) shall be employed in an effort to settle the dispute. If the grievance procedures do not result in settlement of the dispute and the employee has nine (9) months or more of net credited service, the Union may institute proceedings pursuant to this Article to resolve the dispute in question.

2 Election to Arbitrate

Within sixty (60) calendar days after completion of the formal grievance procedure set forth in Article 9 (Grievance Procedure), the Union may elect to submit a grievance, which is otherwise subject to arbitration under the terms of this Agreement, to arbitration for final decision in accordance with the procedures herein set forth. Such election shall be by written notice to the Company Director of Labor Relations. The written notice shall state the specific grievance and issue to be arbitrated and the contractual provision(s) involved, if any, as well as the remedy sought. For purposes of calculating the above sixty (60) day time period, the formal grievance procedure shall be deemed completed as of the date of the Company's written decision at Step 3. If within sixty (60) calendar days following the date of the Company's receipt of the notice of election to arbitrate, no arbitrator has been mutually agreed upon according to the procedures set forth herein, and within one hundred twenty (120) calendar days following the notice of election to arbitrate no application has been made to the American Arbitration Association as provided in Paragraph 3(b), then, absent a mutual extension of time agreement signed by the Union and the Company, such grievance and the election to arbitrate will be considered closed and the grievance shall not be arbitrable.

3 Selection of an Arbitrator

- (a) Any matter submitted to arbitration shall be heard and determined by a single impartial arbitrator mutually selected by the Union and the Company. The parties shall agree to a master list composed of fifty (50) arbitrators from which panels shall be arranged and arbitrators selected. Arbitrators may be removed from the master list by written notice from either party to the other. Replacement of an arbitrator removed from the master list (either by death of the arbitrator or in accordance with this subparagraph) shall be by mutual agreement of the parties.
- (b) If no arbitrator has been mutually agreed upon within sixty (60) days following the date of the Company's receipt of the notice of election to arbitrate and no extension of time has been mutually agreed upon, the Union may, within the following sixty (60) day period, apply to the American Arbitration Association to obtain a list of three (3) arbitrators (all of whom will be members of the National Academy of Arbitrators). One (1) of the three (3) arbitrators on this list will be selected by the parties. If this selection cannot be made, the American Arbitration Association will appoint one (1) of the three (3) arbitrators from the list referenced above to hear the case.
- (c) The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives and witnesses.

4 Conduct of Hearing and Decision of Arbitrator

- (a) The parties agree to commence hearings as expeditiously as possible, but in no event later than one hundred eighty (180) calendar days after the selection of an arbitrator.
- (b) The arbitrator shall be confined to the issues submitted for decision and shall not, as a part of any decision, impose upon the parties thereto any obligation to arbitrate on a subject which is not arbitrable pursuant to the terms of this Agreement as a subject for arbitration.
- (c) The arbitrator shall not have authority or jurisdiction: (1) to establish or determine any new wage rate, job classification or job differential; or (2) to deal with any grievance unless it involves a specific instance of action or failure to act with respect to an employee or group of employees; or (3) to add to, subtract from, modify, or disregard any provision of this Agreement. However, the arbitrator shall have reasonable authority to fashion remedies, consistent with the terms of the contract.
- (d) In disciplinary cases, the arbitrator shall determine whether the discipline was for just cause.
 - (1) In the case of dismissal, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. In no event, however, shall any retroactive pay treatment extend beyond six (6) months prior to the date of the filing of the appeal to arbitration. Any retroactive pay accorded shall be based on the employee's Adjusted Rate plus evening or night differential, if applicable, less any amount, other than wages, received from the Company, and any amount paid to or receivable by the employee as wages in other employment, and as unemployment benefits under any present or future provision of law for the period of the retroactive pay treatment.
 - (2) In case of suspension, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. If the arbitrator awards back pay, the employee shall receive pay for time lost at the employee's Adjusted Rate plus any tour differentials to which the employee would have been entitled if not suspended.
 - (3) In the case of demotion, the employee shall be compensated for all loss of wages due to the difference in the Adjusted Rates.
 - (4) Employees reinstated pursuant to this Article who have previously submitted an authorization for payroll deduction of union dues or union dues equivalency shall have such amount deducted from any back pay award.
- (e) The arbitrator shall render a decision within thirty (30) calendar days after the hearing is closed (if the parties mutually agree to waive briefs) or thirty (30) days after briefs are filed and the record in the case is closed, unless the parties thereto mutually agree to an extension of such time for a decision.
- (f) The decision of the arbitrator on any matter submitted and decided in accordance herewith shall be in writing and shall be final and binding on the parties thereto as to the particular case submitted, subject to law.

5 Expedited Arbitration

- (a) In lieu of the procedures specified in Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, any grievance involving the suspension of an individual employee, except those which also involve an issue of arbitrability, contract interpretation, or work stoppage (strike) activity and those which are also the subject of an administrative charge or court action shall be submitted to arbitration under the expedited arbitration procedure hereinafter provided within fifteen (15) calendar days after the filing of a request for arbitration. In all other grievances involving disciplinary action which are specifically subject to arbitration under Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, both parties may, within fifteen (15) calendar days after the filing of the request for arbitration, elect to use the expedited arbitration procedure hereinafter provided. The election shall be in writing and, when signed by authorized representatives of the parties, shall be irrevocable. If no such election is made within the foregoing time period, the arbitration procedure in Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) shall be followed.
- (b) As soon as possible after this Agreement becomes final and binding, a panel of at least three (3) arbitrators shall be selected by the parties. Each arbitrator shall serve until the termination of this Agreement unless his or her services are terminated earlier by written notice from either party to the other. The arbitrator shall be notified of his or her termination by a joint letter from the parties. The arbitrator shall conclude his or her service by settling any grievance previously heard. A successor arbitrator shall be selected by the parties. Arbitrators shall be assigned cases in rotating order designated by the parties. If an arbitrator is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next arbitrator. If no one can hear the case within ten (10) working days, the case will be assigned to the arbitrator who can hear the case on the earliest date.
- (c) The procedure for expedited arbitration shall be as follows:
 - (1) The parties shall notify the arbitrator in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The arbitrator shall notify the parties in writing of the hearing date.
 - (2) The parties may submit to the arbitrator prior to the hearing a written stipulation of all facts not in dispute.
 - (3) The hearing shall be informal without formal rules of evidence and without a transcript. However, the arbitrator shall be satisfied himself or herself that the evidence submitted is of a type on which he or she can rely, that the hearing is in all respects a fair one, and that all facts necessary to a fair settlement and reasonably obtainable are brought before the arbitrator.

Article 10

- (4) Within five (5) working days after the hearing, each party may submit a brief written summary of the issues raised at the hearing and arguments supporting its position. The arbitrator shall give his or her settlement within five (5) working days after receiving the briefs. He or she shall provide the parties a brief written statement of the reasons supporting his or her settlement.
- (5) The arbitrator's settlement shall apply only to the instant grievance which shall be settled thereby. It shall not constitute a precedent for other cases or grievances and may not be cited or used as a precedent in other arbitration matters between the parties unless the settlement or modification thereof is adopted by the written concurrence of the representatives of each party at the last step of the grievance procedure.
- (6) The time limits in (1) and (4) of this Section may be extended by agreement of the parties or at the arbitrator's request, in either case, only in emergency situations. Such extensions shall not circumvent the purpose of this procedure.
- (7) In all suspension or dismissal grievances submitted to arbitration under the expedited procedures set forth herein, the arbitrator shall determine whether the discipline was for just cause. In any grievance arbitrated under the expedited procedures, the Company shall under no circumstances be liable for back pay for more than six (6) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the disciplinary action. Delays requested by the Union in which the Company concurs shall not be included in such additional time.
- (8) In case of suspension, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. If the arbitrator awards back pay, the employee shall receive pay for time lost at the employee's Adjusted Rate plus any tour differentials to which the employee would have been entitled if not suspended.
- (9) The arbitrator shall have no authority to add to, subtract from or modify any provisions of this Agreement.
- (10) The decision of the arbitrator will settle the grievance, and the Company and the Union agree to abide by such decision. The compensation and expenses of the arbitrator and the general expenses of the arbitration shall be borne by the Company and the Union in equal parts. Each party shall bear the expense of its representatives and witnesses.
- (11) The time limit for requesting arbitration under this provision shall be the same as in existing procedures.

ARTICLE 11- MEDIATION

- 1 Upon mutual agreement between the Company's Director - Labor Relations or his or her designated representative and the Union's Vice President or his or her designated representative, grievances appealed to arbitration may be mediated, with the exception of those involving contract interpretation.

- 2 Within fifteen (15) calendar days of the mutual agreement to mediate, the parties will schedule a Mediation Conference to be held at the earliest available date. Normally, the Mediation Conference will be held in the city in which the grievant is located, and will be conducted in either a Company or Union facility.
- 3 The spokesperson for the Company will be the District Manager - Labor Relations or his or her designee. The spokesperson for the Union will be the Communications Workers of America Staff Representative assigned the responsibility for the grievant's Union Local. An attorney will not be used by either party at the Mediation Conference.
- 4 The grievant, the Local Union President or his/her designee, the grievant's supervisor and District level or above will normally attend the Mediation Conference. Attendance by others at the Mediation Conference shall be limited to those people actually involved in the Mediation Conference.
- 5 All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance to be used solely for purposes of statistical analysis.
- 6 Proceedings before the mediator shall be informal in nature. The issue mediated will be the same as the issue the parties have failed to resolve through the grievance process. The rules of evidence will not apply, and no record of the Mediation Conference shall be made.
- 7 The mediator may meet separately with the parties during the Mediation Conference, but will not have the authority to compel the resolution of a grievance.
- 8 The Company and Union spokespersons at the Mediation Conference may accept the resolution proposed by the mediator and such settlement or any other settlement resulting from the conference shall not be precedent setting.
- 9 If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with an immediate oral advisory opinion, unless both parties agree that no opinion shall be provided. The mediator shall state the basis for his or her advisory opinion.
- 10 If no settlement is reached as a result of the Mediation Conference, the grievance may be scheduled for arbitration in accordance with the Collective Bargaining Agreement.
- 11 In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Neither party may at the arbitration hearing refer to presentations made by the other party at the Mediation Conference, the fact that a Mediation Conference was held, or any statements made by the mediator.
- 12 By agreeing to schedule a Mediation Conference the Company does not acknowledge that the case is properly subject to arbitration and reserves the right to raise this issue notwithstanding its agreement to schedule such a conference.
- 13 The compensation and expenses of the mediator and the general administrative expenses of the Mediation Conference shall be borne equally by the parties. Each party shall be responsible for payment for time consumed by and expenses of its representatives.

ARTICLE 12 - DISCIPLINE

1 Warnings

A warned employee is one who receives a written warning, that is to be recorded in their personnel file, which includes an indication of possible future consequences and may be considered as a basis for future disciplinary action.

2 Demotions

A demoted employee, for the purpose of this Article, is one who has been moved for disciplinary reasons, from one job title to another job title having a lower maximum Standard Rate.

3 Suspensions

A suspended employee is one who has been denied work for disciplinary reasons for any period.

4 Dismissals

A dismissed employee is one whose service is terminated for any reason other than transfer, resignation, lay-off (or work completed for temporary or term employees), voluntary retirement or death.

5 In the event the Company warns, demotes, suspends, or dismisses any employee, the Union may appeal such action pursuant to the provisions of Article 9 (Grievance Procedure) of this Agreement.

6 A grievance appeal concerning a demotion, suspension, or dismissal of an employee who has nine (9) months or more of net credited service may also be reviewed pursuant to the provisions of Article 10 (Arbitration) of this Agreement.

ARTICLE 13 - PERSONNEL RECORDS

1 Once in each year (and more frequently in unique circumstances where the employee so requests and the Company agrees), employees shall, upon their request, inspect their personnel records in accordance with the Company's practices concerning inspection of personnel and/or medical records. Unless required otherwise by law, under normal circumstances, the opportunity to inspect personnel records will be provided within thirty (30) calendar days of the Company's receipt of the written request to do so.

2 When an employee receives a warning of suspension, demotion or discharge that is to be recorded in the employee's personnel file, the Company will provide a copy of the warning to the warned employee. A copy of the warning will be given upon request to a Union Representative if he/she is present pursuant to the provisions of Article 5 (Union Representation).

ARTICLE 14 - SAFETY

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

- 2 To achieve these safety objectives, the Company and the Unions agree to a Corporate/Union Safety Advisory Committee on safety principles at the Headquarters level. The Committee shall consist of not more than four (4) representatives each from the Company and the Unions (to be appointed by the Company and the Unions respectively). The Co-chairpersons will jointly determine when meetings are required and the most appropriate format (face-to-face, conference call, etc.) for the meeting, but at least three (3) face-to-face meetings will be held annually. In addition, the Committee Co-chairpersons will jointly develop the meeting agendas. The primary role of the corporate-wide committee shall be to discuss safety issues that are national in scope and to act as a clearinghouse of information on regional and local activities.
- 3 AT&T Business Operating Units and Divisions will encourage and approve employee participation in safety awareness through the creation of local safety committees. In locations that include multiple Business Operating Units and or Divisions, the Local Safety Committee may request assistance from representatives of the Company and or Union from other Business Units and or Divisions to resolve safety issues. However, the representatives who provide such assistance shall not become a permanent member of the Local Safety Committee. The National Safety Advisory Committee will also continue to discuss internal safety issues. Local Safety Committees will forward their meeting minutes to the National Safety Advisory Committee on a regular basis, after every meeting.
- 4 In support of its commitment, the Company also outlines the following four (4) step strategy to address ergonomic concerns in the workplace:
 - (a) New hires, and employees not previously trained, who use VDTs and keyboards at least four (4) hours per day will be offered the program within the first six (6) months of their employment. The Company will also continue its support for the need for scientific research to further evaluate Very Low Frequency and Extremely Low Frequency ranges that may be emitted by VDTs.
 - (b) In order to further promote safe work environments, AT&T's Environment Health and Safety Organization will continue to develop with AT&T's Health Affairs Organization Medical Management Programs designed to promote accurate recordkeeping of cumulative trauma disorders, and to promote the early recognition of such disorders. The Company will share the status of these programs with the Corporate/Union Safety Advisory Committee annually.
 - (c) After ratification and annually thereafter for the term of this agreement, at least one (1) Corporate/Union Safety Advisory Committee meeting will focus on ergonomic and VDT issues. During the term of this Agreement, one (1) of these meetings will be an Ergonomic Conference.
 - (d) AT&T will maintain the network of Environment and Safety Coordinators from Business Operating Units and Divisions throughout the life of the Agreement. One of their responsibilities will be to link Business Operating Unit/Division planning with Human Factors Analysis.
- 5 When employees express reasonable concerns about their personal safety in connection with assignments in localities in which it is reasonable for them to believe that they may be victims of assault or other criminal activity, the employees will not be required to work alone.

ARTICLE 15 - TITLES AND WAGES

General Wage Information

Wage rates for job titles and wage schedules are contained in Appendix 5 of this Agreement. Such wage schedules shall apply in individual geographic locations as indicated in the referenced Appendix, and are for a basic work week and are exclusive of differentials, Special Allowances, and Special City Allowances. Special Allowances and Special City Allowances shall be paid as set forth in Appendix 1 and Appendix 2, respectively.

1 Starting Rates

- (a) If business conditions require, or when employee's qualifications (in the judgment of the Company) justify starting rates higher than the minimum, such higher rates may be granted. Such starting rates will be granted based on the Company's non-management employee starting wage policy which following prescribed guidelines includes wage credit for job related work or military experience, job-related training or job-related skills, licenses or certificates. In no case shall an employee be paid less than the starting rate on the wage schedule applicable to the employee's title.
- (b) Whenever the Company hires regular employees (except temporaries) at above the start rate due to employment market conditions, incumbent employees and ATS transfer candidates who are in their first year of hire and are at lower Standard Rates in the same organization and same title and work location shall have their Standard Rate and equivalent service date (wage progression clock) adjusted to that of the new hire effective as of the new hire start date.

2 Equivalent Service

Wage schedules in Appendix 5 of this contract are of the equivalent service type.

- (a) Equivalent Service, as used herein, means the period of time elapsed since the date on which the employee's current assignment began, adjusted by:
 - (1) The addition of the number of months of service that would be required to attain, on the applicable wage schedule, the Standard Rate which the employee was given on the date his or her current assignment began, and
 - (2) The addition of the number of months of service applicable pursuant to Paragraph 1(b) above, and
 - (3) The deduction of days in excess of a thirty (30) continuous day period of absence occurring since the date on which the employee's current assignment began, if such absence occurred during a period covered by an approved leave of absence or extension thereof.

3 Wage Progression

- (a) Wage Progression shall be continued in accordance with the wage schedules included in Appendix 5.
- (b) When an employee completes an indicated period of equivalent service entitling the employee to a progression wage increase, such wage increase will be effective on the first day of the week in which such period of service is completed.

4 **General Wage Schedule Increases**

The increases in the wage schedules set forth below shall be computed on an exponential basis. Hourly Wage Schedules shall be rounded to the nearest penny. Weekly Wage Schedules shall be rounded to the nearest dollar.

(a) **Initial Wage Increase**

Wage schedules shall be increased by 2.25% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 7, 2012. The initial general wage increase shall be effective on Sunday, April 8, 2012. The retroactive wages from April 8, 2012 to the date of ratification will be paid as soon as practicable after ratification if the contract is ratified on or before August 17, 2012.

(b) **Second Wage Increase**

Effective April 7, 2013, wage schedules shall be increased by 2.75% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 6, 2013.

(c) **Third Wage Increase**

Effective April 6, 2014, wage schedules shall be increased by 3.0% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 5, 2014.

The progression step increases in the wage schedules between the zero (0) month step and the sixty (60) month step will be computed on an exponential basis. The progression steps beyond the sixty (60) month step will be increased based on the wage rate in effect April 7, 2012, at each respective step plus 2.25% for the initial wage increase, 2.75% for the second wage increase and 3.0% for the third wage increase.

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

5 **Transfers**

When an employee is permanently transferred within the bargaining unit to another locality where a different wage schedule is applicable, the employee's Standard Rate shall be adjusted to conform to the schedule in the new locality. If the transfer is temporary, then the wage schedule in effect at the employee's permanent work location will be applicable.

6 **Reassignment to a Title Having a Lower Maximum Standard Rate in Same Locality**

When an employee is reassigned to a title having a lower maximum Standard Rate, such employee's Standard Rate shall be reduced if:

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

- (c) The employee's Standard Rate is higher than the maximum indicated in the wage schedule applicable to the employee's new title, in which case the employee's Standard Rate shall be reduced to such maximum, except as indicated in Article 27 (Reassignment Pay Protection Plan).
- (d) The employee is reassigned because of failure to meet requirements of the job.

7 Promotions

- (a) In determining a candidate's qualifications for promotion within the bargaining unit, the Company will consider many factors including, but not limited to, seniority, attendance, job performance, technical skills and experience. If qualifications are substantially equal, the senior net credited service employee will be selected. The selection shall be subject to the procedures of Article 9 (Grievance) and of Article 10 (Arbitration). The decisions of the Company concerning whether qualifications of the candidates are substantially equal shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith.
- (b) Each employee promoted from one job to another with a higher maximum Standard Rate of pay shall have his or her Standard Rate of pay in the higher rated job determined by allowing the employee full wage experience credit, both in progression and at maximum, except that when an employee is promoted to a job having a longer progression schedule than that of the job from which the employee is promoted, an employee's wage experience credit shall not exceed:
 - (1) Two (2) steps down from maximum on the longer wage schedule if of sixty (60) months or less length;
 - (2) Four (4) steps down from maximum on the longer wage schedule if of sixty-one (61) months or more in length;
- (c) If the effect of applying the step down is to decrease wages, then the employee will be placed on the first step of the new schedule that results in a wage increase.

8 Tentative Wage Schedule Assignments

If an employee whose title is listed in Appendix 5, is assigned to a new territory or locality for which no wage schedule assignment is indicated for the employee's title, the Company shall make a tentative wage schedule assignment to cover the situation. If the final wage schedule assignment is different from the tentative assignment, an employee who holds such position during the period of tentative assignment shall be eligible to receive wage treatment during such period in accordance with the final assignment.

ARTICLE 16 - TRANSFERS, TRAVEL ALLOWANCES, AND MOVING EXPENSES

(The following provisions shall not apply to Construction Technicians or Senior Construction Technicians.)

- 1 The Company may transfer, assign or reassign, temporarily or permanently, employees from one job title to another, from one job assignment to another within the same job title and/or from one work location to another. Permanent transfers, assignments or reassignments will be accomplished in accordance with the following:

- (a) The Company may permanently transfer, assign, or reassign employees within a Geographical Commuting Area (GCA) as the Company may deem necessary or appropriate. Employees' seniority shall be taken into account in the treatment of employees under Article 16, Paragraph 1(a), insofar as the conditions of the business and the abilities of the employees permit. A GCA will include work locations within reasonable commuting distances and shall be defined by the Company's Director of Labor Relations and the Union's appropriate Vice President.
- (b) When the Company finds it necessary or appropriate to permanently transfer, assign or reassign employees to a reporting location which is outside the GCA, the Company will seek volunteers in the job titles in the Organization of the Company in the GCA from which the transfer, assignment or reassignment is to be made. The transfer, assignment or reassignment will be accomplished from among the volunteers in descending order of seniority, provided the Company determines that the volunteers are qualified and can be released.
- (c) If the Company determines that it cannot effect the transfer, assignment or reassignment pursuant to Paragraph 1(b) above from among the volunteers, the transfer, assignment or reassignment will be effected from among employees in the job title(s) in the Organization of the Company in the GCA from which the transfer, assignment or reassignment is to be made in inverse order of seniority, provided the Company determines that those employees are qualified and can be released. If such transfer, assignment or reassignment would require an affected employee to relocate his or her residence as provided under Paragraph 7 below and that employee refuses the assignment, the Company will implement the procedures set forth in Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall) of this Agreement.
- (d) Insofar as the conditions of the business and the abilities of the employees permit, the provisions of Paragraphs 1(a), 1(b) and 1(c) shall apply to temporary transfers, assignments or reassignments.

2 Travel Allowances - Temporary Transfers, Assignments or Reassignments Within Commuting Distance

An employee temporarily transferred, assigned or reassigned to a reporting location within commuting distance of the employee's regular reporting location (whether or not it is within the employee's GCA) who is not otherwise reimbursed for expenses associated with the transfer, assignment or reassignment shall be paid one (1) or two (2) allowances each day, as appropriate, in accordance with the following schedule provided the Company determines that:

- (a) Travel to or from the employee's temporary reporting location occurs wholly outside of the employee's scheduled tour,
- (b) The employee does not travel via Company provided transportation, and
- (c) The transfer, assignment or reassignment results in either a longer commuting distance for the employee or an increase in commuting expense to the employee:

Distance in Road Miles From The Employee's Regular Reporting Location to the Temporary Reporting Location	Allowance (One Way)
Over 1 mile, but not over 3 miles	\$4.25
Over 3 miles, but not over 5 miles	\$5.25
Over 5 miles, but not over 15 miles	\$7.00
Over 15 miles, but not over 25 miles	\$8.00
Over 25 miles, but not over 35 miles	\$10.75

3 Travel Allowances - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance

- (a) If an employee is temporarily transferred, assigned or reassigned to a reporting location more than thirty-five (35) road miles from the permanent reporting location, or to a location to which, in the judgment of the Company, daily commuting is not practical, the Company will, at the option of the employee:
 - (1) Provide the per diem expense reimbursement of either Paragraph 3(b) or 3(c) plus reimbursement for lodging at the location, or;
 - (2) Providing an employee meets the criteria of Paragraphs 2(a), 2(b) and 2(c), afford the employee the option of reimbursement for actual commuting mileage at the highest IRS allowable rate per mile. Except as provided in 3(e) below, on temporary assignments of greater than one (1) day, commuting time for employees reimbursed pursuant to this Paragraph shall not be considered time worked.
- (b) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging only is provided shall be the regular per diem rate for meals and incidental expenses as used by the IRS and effective on the day to which the per diem applies. The rate shall be for the location in the continental United States (contiguous 48 states) to which the employee is transferred assigned or reassigned. For all other locations in the continental United States, the standard per diem rate for meals and incidental expenses used by the IRS shall apply. For Alaska and Hawaii, the per diem rate shall be for proportional meals and local incidental expenses for the location to which the employee is transferred, assigned or reassigned, as adopted by the General Services Administration (GSA) and referenced by the IRS, for travel outside the continental United States on the day to which the per diem applies. If the specific location is not listed, the rate for "other" in Alaska or Hawaii, as applicable, will be used. No other expense reimbursement will be paid on a day for which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.
- (c) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging and meals are provided shall be three dollars (\$3.00) a day for the first five (5) days and shall be five dollars (\$5.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging and meals are provided covers laundry, local transportation, gratuities, and other expenses which the employee may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.

- (d) Except in the case of an employee attending a Company school at which the employee is required to live and remain, if the temporary work location is more than thirty-five (35) road miles from the employee's regular reporting location, an employee may elect to receive an allowance of forty-five (\$45.00) per day in lieu of board and lodging for each day of the temporary assignment so long as the employee does not actually commute between his or her home and the temporary reporting location.
- (e) Time spent traveling at the start and end of an assignment under the provisions of Paragraphs 3(a) and 3(d) will be considered time worked. This will not include time spent traveling to and from the temporary living quarters to the temporary work location.
- (f) Notwithstanding any other provisions of this Article, an employee eligible to receive a per diem expense payment pursuant to Paragraph 3(b), 3(c), or 3(d) of this Article shall also be reimbursed for telephone calls of reasonable number and length, provided they would otherwise be eligible for the AT&T Toll Discount Program.

4 Interim Return Home

- (a) If the temporary work location is more than thirty-five (35) road miles from the employee's regular reporting location, the Company will provide for travel reimbursement to return the employee to his or her home for two consecutive non-scheduled days every third week of the temporary assignment.
- (b) In lieu of the provision of Subparagraph 4(a) above, when an employee is attending a Company school at which he or she is required to live and remain, the employee shall be eligible to periodically return to his or her home according to the requirements of the school.
- (c) Employees who are authorized to periodically return to their homes, shall be reimbursed, as determined by the Company, as follows:
 - (1) Personal vehicle usage at the highest IRS allowable rate per mile plus actual out-of-pocket, travel-related expenses; or
 - (2) Authorized expense for travel by public transportation when such is convenient.
- (d) Time spent traveling under the provisions of this Paragraph shall not be considered as time worked.
- (e) When an employee leaves the temporary location under these provisions, the employee will release his or her room and make a reservation for the date of return. The Company shall not be required to pay lodging not actually used.

5 Transportation to Temporary Assignment

- (a) The Company will provide or determine the mode of transportation to the temporary assignment.
- (b) Should the employee request and be granted permission to use a means of transportation other than the preferred Company mode of transportation, reimbursement will be made as follows:
 - (1) Time for travel will be based on a reasonable duration had the employee used the Company preferred mode of transportation.

Article 16

- (2) Personal vehicle usage will be reimbursed at the highest IRS allowable rate per mile up to the cost of the lowest round trip fare to the temporary assigned destination, based on the Company's preferred mode of transportation.
- (3) No per diem expense reimbursement or lodging reimbursement will be made over what would have been reimbursed had the preferred Company mode of transportation been used.

6 Travel Expenses During Work Time

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

7 Moving Expenses

- (a) An employee (1) who is permanently transferred, assigned or reassigned outside the GCA according to the provisions of Paragraph 1(b) and/or 1(c), and (2) whose new reporting location is more than thirty-five (35) road miles distant from the employee's old reporting location, and (3) who has an increase in road miles from the employee's current permanent residence to the new work location will be provided a lump sum payment of \$13,000.00 or the amount of termination allowance the employee would receive if the employee were laid off, whichever is less; provided however, that in no case shall such a relocating employee be paid a lump sum payment of less than \$7,000.00.
 - (1) The lump sum payment will be subject to the withholding of appropriate taxes.
 - (2) Appropriate change-of-residence documentation will be provided to management within forty-five (45) days of the change of residence.
 - (3) Change of residence must be completed within one (1) year of the date of transfer.
- (b) An employee entitled to moving expenses under the provisions of Paragraph 7(a) may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of \$1,500.00 in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.
- (c) Employees transferred via Article 16 who meet the relocation criteria in Article 16, Paragraph 7(a), and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon layoff; or (2) \$13,000.00 if the following conditions are met:
 - (1) The employee is laid off at the new site within three (3) years of placement; and
 - (2) The employee relocates back to the original geographical location; and

- (3) The employee does not qualify for any other AT&T provided relocation compensation program.

ARTICLE 17 - NEW JOB TITLES AND JOB CLASSIFICATIONS

- 1 Whenever the Company determines it appropriate to create a new job title or job classification in the bargaining unit, or to restructure or redefine an existing one, it shall provide advance notice of that action to the Union. Such notice shall include the job title or classification, a job description of the duties for such job title or classification, and the initial Standard Rates and wage schedule for such job title or classification. The Company may proceed to staff such job title or classification after thirty (30) days from such notice.
- 2 Within thirty (30) days from receipt of such notice, the Union may initiate negotiations concerning the initial Standard Rates or wage schedules which the Company has established for the new or restructured job title or classification.
- 3 If negotiations are not so initiated, the initial Standard Rates and wage schedules set by the Company shall remain in effect.
- 4 If agreement is reached between the parties within sixty (60) days following the Union's receipt of notice from the Company concerning the initial Standard Rates and wage schedules, the agreed upon Standard Rates and wage schedules shall be implemented as of the date of such agreement.
- 5 If negotiations are initiated pursuant to Paragraph 2, above, and if the parties are unable to reach agreement on a schedule of Standard Rates for the new or restructured job title or classification within sixty (60) days following the Union's receipt of notice from the Company, the Union may, within thirty (30) days of the expiration of the sixty (60) day period for negotiations, demand that the issue of an appropriate schedule of Standard Rates for the new or restructured job title or classification be submitted for resolution to a neutral third party, to be selected by mutual agreement from among those who possess acknowledged expertise in the area of job evaluation. The parties may submit all evidence deemed relevant to the issue to the neutral third party. At the request of either party, a hearing shall be held to receive such evidence. Any such meeting or hearing shall be held within thirty (30) days after the matter is referred to the neutral third party, who shall render a written decision as to an appropriate schedule of Standard Rates for the new or restructured job title or classification within sixty (60) days of the date that the matter is first referred for resolution. In the event the neutral third party determines that a different schedule of rates is appropriate, the new schedule shall be placed in effect as of the date of the neutral third party's decision.
- 6 The procedures set forth herein shall also apply when the Company creates a new job or re-evaluates a position or function held by an employee resulting in a reduction in the employee's Standard Rate or level. The Union will be given the opportunity to perform its own job evaluation or joint job evaluation within thirty (30) days of notification as described in Paragraph 1.
- 7 The procedures set forth in Paragraph 5, above, shall be the exclusive means by which the Union may contest the schedule of Standard Rates which the Company sets for any new or restructured job title or classification or the decision of the Company in re-evaluating a function or position held by an employee resulting in a reduction in the employee's Standard Rate or level.

ARTICLE 18 - CLASSIFICATION AND TREATMENT OF PART-TIME EMPLOYEES

- 1 Payment to a part-time employee for hours worked in excess of an equivalent normal daily tour or work week for a comparable full-time employee shall be at the applicable overtime rate for a comparable full-time employee, based on such part-time employee's Hourly Adjusted Rate.
- 2 The classification of a part-time employee is based on the employee's "part-time equivalent work week" which shall be determined prospectively by dividing the employee's total normally scheduled hours per month by 4.35 and rounding the result to the next higher whole number. (Illustration: 68 hours per month divided by 4.35 equals 15.6 rounded to a "part-time equivalent work week" classification of 16.)
- 3 The part-time "equivalent work week" (EWW) classification of each part-time employee shall be reviewed by the Company on or about February 1 and August 1 of each year and adjusted as appropriate. In determining the appropriate EWW, the Company will consider the actual average number of hours worked in each of the two (2) quarters during the preceding six (6) month period except that any hours worked which are paid at the overtime rate shall not be counted in computing the average number of hours worked. If the result in both of the preceding two (2) quarters is a number higher than the employee's existing EWW, the employee will be reclassified to the classification represented by the lower of the two (2) quarters. If the result in one (1) of the two (2) preceding quarters is equal to or lower than the employee's existing EWW, and the result of the other quarter is equal to or greater than the employee's existing EWW, then the employee's existing EWW will remain unchanged. If the result in both the preceding two (2) quarters is a number lower than the employee's existing EWW, the employee will be reclassified to the classification represented by the higher of the two (2) quarters.
- 4 Payments to a regular part-time employee for disability under the AT&T Pension Plan and the Company's disability plan, vacations, holiday, anticipated disability leave and sickness absence (not under the Company's disability plan), or termination allowance (or its equivalent) shall be prorated based on the relationship of the individual part-time employees "part-time equivalent work week" to the normal work week of a comparable full time employee in the same job title, classification or work group. A part-time employee shall not be paid for time not worked for absence due to sickness (not under the Company's disability plan) unless such absence due to sickness occurs on a day of the week on which the employee is normally scheduled to work and the employee is eligible for pay for personal illness in accordance with Article 20 or Article 39 as applicable.
- 5 Part-time employees shall, if otherwise eligible to participate under the terms of such plans, be eligible for coverage under benefit plans, programs, and policies noted in Article 19 – Benefit Plans, Programs, and Policies.
- 6 Part-time employees, regardless of classification, shall be eligible for Excused Work Days on a pro-rata basis based upon the ratio of any such part-time employee's equivalent work week to the normal work week of a comparable full-time employee.

ARTICLE 19 - BENEFIT PLANS, PROGRAMS, AND POLICIES

The means for fulfilling the terms of this Article 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 Article and substantially the terms, provisions and conditions under which such benefits are to be provided. The sole remedy for issues with respect to the validity or amount of any claim for benefits is the claim and appeal process as defined in the individual benefits plans and programs. The parties agree to the plans and programs described below. Copies of the plan documents, Summary Plan Descriptions (SPDs) and Summary of Material Modifications (SMMs) of these plans, policies and programs 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.

For purposes of this Article:

- Employees hired/rehired on or before August 8, 2009 shall be referred to as “Current Employees”;
- Employees hired/rehired or transferred into the 2009 Agreement after August 8, 2009 and on or before August 17, 2012 shall be referred to as “2009 New Hires”. In addition, “2009 New Hires” shall also include individuals who were classified as Temporary or Term Employee as of August 8, 2009 and who were subsequently reclassified to Regular Employee Status on or before August 17, 2012;
- Employees hired/rehired or transferred into the 2012 Agreement after August 17, 2012 shall be referred to as “2012 New Hires”;
- Current Employees who are laid off, who are recalled and whose service is immediately bridged will be treated as Current Employees. 2009 New Hires who are laid off, who are recalled and whose service is immediately bridged will be treated as 2009 New Hires. 2012 New Hires who are laid off, who are recalled and whose service is immediately bridged will be treated as 2012 New Hires.
- Current Employees, 2009 New Hires and 2012 New Hires shall be referred to collectively as “Employees”;
- Employees who terminate employment during the term of this Agreement and who meet the applicable requirements to be eligible for post-retirement benefits are referred to as “Eligible Retired Employees”

Article 19A provides specific rules regarding benefits for Employees who move among job titles or move pursuant to the National Transfer Plan. The provisions of Article 19A take precedence over the provisions of this Article 19 with respect to Employees addressed in Article 19A.

1. HEALTH AND WELFARE BENEFIT PLANS

A. Effective January 1, 2013, Current Employees, 2009 New Hires and 2012 New Hires shall be eligible to participate in the benefit plans, programs and policies, identified in the chart below by an x, with the plan terms, conditions and provisions which were in effect on April 7, 2012, as described in the applicable SPDs and SMMs, except as noted herein.

Plan/Program/Policy	Current Employees	2009 New Hires	2012 New Hires
AT&T Medical Expense Plan for Occupational Employees includes Employee Assistance Program	x	x	x
AT&T Dental Plan (management provisions)	x	x	x
AT&T Vision Plan (management provisions)	x	x	x
AT&T CarePlus – A Supplemental Benefit Program	x	x	x
AT&T Medical and Group Life Insurance Plan – Group Life Insurance	x	x	x
AT&T Supplementary Group Life Insurance Program	x	x	x
AT&T Dependent Group Life Insurance Program	x	x	x
AT&T Consolidated Long-Term Care Insurance Plan (closed to new entrants 5/1/2012)	x	x	
AT&T Flexible Spending Account Plan	x	x	x
AT&T Health Reimbursement Arrangement Plan	x	x	x (SSP Only)
Legacy AT&T Disability Benefits Program	x	x	x
AT&T Commuter Benefit Program	x	x	x
AT&T Adoption Reimbursement Program	x	x	x
AT&T Voluntary Benefits Platform*	x	x	x

*The Company may unilaterally modify the AT&T Voluntary Benefits Platform from time to time or discontinue without further discussions with the Union.

B. Employees, including newly eligible Employees, and Eligible Retired Employees (as provided for in Paragraph D) shall continue to participate in the same benefit plans, programs and policies on the same terms and conditions which were in effect on April 7, 2012, until the benefits identified in Paragraph 1.A. above become effective, subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary to comply with changes in the law.

- C. Effective January 1, 2013, AT&T CarePlus – A Supplemental Medical Plan will be renamed “AT&T CarePlus – A Supplemental Benefit Program” and restructured to include additional benefits determined by the Company to be beneficial to the plan participants, as those additional benefits may change from time to time. The Company may unilaterally modify or discontinue the additional benefits without further discussion with the Union.
- D. Employees who terminate employment with the Company during the term of this Agreement and are eligible for post-retirement medical coverage under the terms of the medical program the Employee was eligible for as an active Employee as of the date of termination (an “Eligible Retired Employee”) will be eligible, during the term of this Agreement, for coverage under the AT&T Medical Expense Plan for Occupational Employees (excluding the Employee Assistance Program provisions), AT&T CarePlus – A Supplemental Benefit Program, AT&T Dental Plan, AT&T Medical and Group Life Insurance Plan – Group Life Insurance, AT&T Retiree Vision Care Program, and AT&T Consolidated Long-Term Care Insurance Plan (current participants only), subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary to comply with changes in the law, and with the exceptions identified in Exhibit 1. Nothing in this Paragraph D shall be construed to provide benefits for any period subsequent to the term of this Agreement or for any employee other than those referenced above who terminate employment during the term of this Agreement.
- E. Exhibit 1 provides a summary of certain plan, program and/or policy terms, conditions and provisions, including any which are exceptions to terms, conditions and provisions described in the applicable SPDs and SMMs as well as any which differ among groups of employees eligible to participate in a particular plan, program or policy, such as the applicable deductible or copayment amount. If there are discrepancies between the specific information provided in Exhibit 1 and the plan documents, SPDs or SMMs, the information provided in Exhibit 1, as applicable will govern. It is understood that certain benefits are subject to change to comply with implementation of the Patient Protection and Affordable Care Act (PPACA) and associated regulations and agency guidance. The Company will notify the Union of the changes the Company makes to conform the benefits under this Agreement with final regulations and guidance under PPACA and any amendment determined to be necessary due to changes in the law. Should any of these changes require bargaining, all other terms and provisions of the 2012 Agreement will remain in effect through expiration.

2. PENSION AND SAVINGS BENEFIT PLANS

A. Current Employees

Except as provided below, Current Employees shall continue to participate in the following pension and savings benefit plans, programs, and policies on the same terms and conditions which were in effect on April 7, 2012.

- AT&T Legacy Bargained Program (ALB) of the AT&T Pension Benefit Plan

- i. Current Employees who continue to participate in the ALB will be eligible for the following increases to the Pension Band Monthly Benefit Tables only:

- 1.0% effective January 1, 2013
 - 1.0% effective January 1, 2014
 - 1.0% effective January 1, 2015

- In addition, Current Employees participating in the ALB as of January 1, 2013 will receive the following single, one-time increase to their cash balance account:

- \$2,400 credited effective January 1, 2013

- ii. Cash Balance Interest Credits: For the duration of the Agreement, the interest crediting rate under the ALB applicable to cash balance accounts shall be based on the greater of (I) the average yield, expressed as an annual rate of interest, of 30-year Treasury securities for the month of November of the immediately preceding plan year, and (II) 3.75%.

- AT&T Long Term Savings and Security Plan

- i. Effective January 1, 2013, Current Employees shall be eligible to participate in the AT&T Retirement Savings Plan ("ARSP") with a company match rate of 75% of their Basic Contribution. In addition, these Current Employees will not be eligible to participate in the AT&T Long Term Savings and Security Plan and will have their prior AT&T Long Term Savings and Security Plan account balances transferred to the AT&T Retirement Savings Plan as soon as administratively feasible thereafter.

B. 2009 New Hires and 2012 New Hires

2009 New Hires and 2012 New Hires shall continue to participate in the following pension and savings benefit plans, programs, and policies on the same terms and conditions which were in effect on April 7, 2012.

- AT&T Retirement Savings Plan
- Bargained Cash Balance Program #2 of the AT&T Pension Benefit Plan
 - i. Effective January 1, 2013, the basic benefit credits added to the cash balance account will be increased by increasing the age credit factor by 1% such that the age credit factor shall be as follows:

Age	Age Credit Factor
Less than 30	1.77%
30-36	2.27%
37-43	2.78%
44-49	3.28%
50 and older	4.04%

3. Except as provided in this Article, there shall be no negotiations during the life of this Agreement upon changes in pensions or any other subjects covered by the existing employee benefit plans, programs and policies.
4. In the event, during the life of this Agreement, the Company proposes to amend any of the existing employee benefit plans, programs and/or policies or their successors, in a manner that affects benefits or privileges of employees represented by the Union, it will before doing so notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided however that no amendment may be made in the employee benefit plans, programs and/or policies which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without its consent.
5. Any dispute involving the true intent and meaning of Paragraph 4 may be presented as a grievance and if not resolved by the parties, it may be submitted to the arbitration procedure of this Agreement. Nothing in this Agreement shall be construed to subject the employee benefit plans, programs, and/or policies referenced in this Article (or their successors) or their administration or the terms of the proposed changes in the plans, programs, and/or policies to arbitration.

ARTICLE 19A – BENEFITS RULES FOR MOVEMENT OF EMPLOYEES

A. General Provisions – Any individual who moves after August 17, 2012 from a job title not covered by the 2012 Agreement to a job title covered by the 2012 Agreement, where the circumstances of the move are not specifically accounted for in one of the following paragraphs, will be treated as a 2012 New Hire under Article 19.

B. Treatment Of Inter-Region Transferred Converted Temp/Term Employees, Inter-Region Transferred 2009 New Hire Employees and Inter-Region Transferred Appendix Employee

i. *Definitions:*

- An “Inter-Region Transferred Converted Temp/Term Employee” means an individual who was classified as a temp or term employee as of August 8, 2009 in one of the 2009 Core CWA Collective Bargaining Agreements and was subsequently reclassified to “regular employee” status on or before August 17, 2012 and then moved pursuant to the National Transfer Plan to any job title covered by the 2012 Agreement.
- An “Inter-Region Transferred 2009 New Hire Employee” means an individual who hired or rehired after August 8, 2009 and on or before August 17, 2012 in a job title in one of the 2009 Core CWA Collective Bargaining Agreements and who moved pursuant to the National Transfer Plan into any job title under the 2012 Agreement.
- An “Inter-Region Transferred Appendix Employee” means an individual who was employed in one of the following appendices under the 2009 Core CWA Collective Bargaining Agreements: East Region Appendix F, Midwest Appendix F, West Region Appendix E or Southwest Region Appendix J, who moved pursuant to the National Transfer Plan into any job title covered by the 2012 Agreement, and immediately preceding such movement was being treated as an “appendix employee” for benefit plan purposes under the transferring applicable collective bargaining agreement.

ii. *Applicable Benefit Plans:* Inter-Region Transferred Converted Temp/Term Employees, Inter-Region Transferred 2009 New Hire Employees and Inter-Region Transferred Appendix Employees will be eligible to participate in the same plans, policies and provisions on the same terms and conditions as will be provided to 2009 New Hires under Article 19.

iii. *Subsequent Movement:* If an Inter-Region Transferred Converted Temp/Term Employee, Inter-Region Transferred 2009 New Hire

Employee or Inter-Region Transferred Appendix Employee subsequently moves during the term of this Agreement to any other job title under the 2012 Agreement, the benefits available will continue to be the benefits provided to 2009 New Hires under Article 19.

C. Treatment of Inter-Region Transferred Current Employees

i. *Definitions:*

- An “Inter-Region Transferred Current Employee” means an individual who was employed as of August 8, 2009 in one of the 2009 Core CWA Collective Bargaining Agreements other than one of the following appendices under the 2009 Core CWA Collective Bargaining Agreements: East Region Appendix F, Midwest Appendix F, West Region Appendix E or Southwest Region Appendix J, who moved pursuant to the National Transfer Plan into any job title covered by the 2012 Agreement, and immediately preceding such movement was being treated as a “current employee” for benefit plan purposes under the transferring applicable collective bargaining agreement.

Applicable Benefit Plans:

- Inter-Region Transferred Current Employees will be eligible to participate in the same plans, programs and policies on the same terms and conditions as will be provided under Article 19 to Current Employees.

ii. *Subsequent Movement:*

- If an Inter-Region Transferred Current Employee subsequently moves during the term of this Agreement to any other job title under the 2012 Agreement, the benefits available to the individual will continue to be the benefits provided to Current Employees pursuant to Article 19.

Provision	Current Employees, 2009 New Hires and 2012 New Hires
Active Employees	
Effective Date(s)	Health & Welfare: 1/1/2013
Eligibility	
For Medical, Dental, Vision, CarePlus, and Life Insurance (unless otherwise specified)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Follow provisions of the applicable plan:</p> <p>Medical – No change from current plan</p> <p>Dental – AT&T Dental Plan (management provisions)</p> <p>Vision – AT&T Vision Plan (management provisions)</p> <p>Disability – Legacy AT&T Disability Benefits Program – No change from current plan</p> <p>CarePlus & Life Insurance - No change from current plan</p>
Health Reimbursement Account (HRAs)	
	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>None.</p> <p>Note: No additional Company crediting except to the extent provided in MOA – Success Sharing Plan. Current Employees and 2009 New Hires who have remaining account balances will continue to have access to those account balances subject to provisions of the Program.</p>
Medical	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
Eligibility for Company Subsidy	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>

Provision	Current Employees, 2009 New Hires and 2012 New Hires																																				
Active (Full-Time) Monthly Contributions	<p><u>2012 New Hires</u></p> <p><u>Contribution Amounts For Those Hired after 8/17/2012 and through 12/31/2012</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2014</u></th> <th style="text-align: center;"><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td style="text-align: right;">\$ 130</td> <td style="text-align: right;">\$135</td> <td style="text-align: right;">\$ 79</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$ 270</td> <td style="text-align: right;">\$290</td> <td style="text-align: right;">\$163</td> </tr> </tbody> </table> <p><u>Contribution Amounts For Those Hired on or after 1/1/2013</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2014</u></th> <th style="text-align: center;"><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td style="text-align: right;">\$130</td> <td style="text-align: right;">\$135</td> <td style="text-align: right;">\$135</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$270</td> <td style="text-align: right;">\$290</td> <td style="text-align: right;">\$300</td> </tr> </tbody> </table> <p><u>2009 New Hires and Current Employees</u></p> <p style="text-align: center;"><u>Contribution Amounts</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2014</u></th> <th style="text-align: center;"><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td style="text-align: right;">\$ 38</td> <td style="text-align: right;">\$ 58</td> <td style="text-align: right;">\$ 79</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$ 81</td> <td style="text-align: right;">\$121</td> <td style="text-align: right;">\$163</td> </tr> </tbody> </table>		<u>2013</u>	<u>2014</u>	<u>2015</u>	Ind	\$ 130	\$135	\$ 79	Fam	\$ 270	\$290	\$163		<u>2013</u>	<u>2014</u>	<u>2015</u>	Ind	\$130	\$135	\$135	Fam	\$270	\$290	\$300		<u>2013</u>	<u>2014</u>	<u>2015</u>	Ind	\$ 38	\$ 58	\$ 79	Fam	\$ 81	\$121	\$163
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Definition of Pay	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>																																				
Annual Deductibles	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;"><u>2013-2015</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Network and Traditional Indemnity</u></th> <th style="text-align: center;"><u>Non-Network</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td style="text-align: right;">\$ 500</td> <td style="text-align: right;">\$1,300</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$1,000</td> <td style="text-align: right;">\$2,600</td> </tr> </tbody> </table> <p>Annual Deductible Provisions: No change from current plan.</p>		<u>2013-2015</u>			<u>Network and Traditional Indemnity</u>	<u>Non-Network</u>	Ind	\$ 500	\$1,300	Fam	\$1,000	\$2,600																								
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General CoPay/Coinsurance	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>																																				
Office Visit Copay / Coinsurance	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>																																				

Article 19

Provision	Current Employees, 2009 New Hires and 2012 New Hires																												
Urgent Care Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Emergency Room Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Hospital Inpatient/Outpatient Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Tests (all tests including x-ray, radiology, lab test, etc) CoPay/ Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Hearing Benefit	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Mental Health/Substance Abuse (MH/SA) Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																												
Annual Out-of-Pocket Maximums (OOP)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p style="text-align: center;">Out-of-Pocket Maximum Amounts (excluding Annual Deductible)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2014</u></th> <th style="text-align: center;"><u>2014</u></th> <th style="text-align: center;"><u>2015</u></th> <th style="text-align: center;"><u>2015</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Network and Traditional Indemnity</u></th> <th style="text-align: center;"><u>Non-Network</u></th> <th style="text-align: center;"><u>Network and Traditional Indemnity</u></th> <th style="text-align: center;"><u>Non-Network</u></th> <th style="text-align: center;"><u>Network and Traditional Indemnity</u></th> <th style="text-align: center;"><u>Non-Network</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td style="text-align: right;">\$1,500</td> <td style="text-align: right;">\$4,500</td> <td style="text-align: right;">\$1,700</td> <td style="text-align: right;">\$ 5,100</td> <td style="text-align: right;">\$2,000</td> <td style="text-align: right;">\$ 6,000</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$3,000</td> <td style="text-align: right;">\$9,000</td> <td style="text-align: right;">\$3,400</td> <td style="text-align: right;">\$10,200</td> <td style="text-align: right;">\$4,000</td> <td style="text-align: right;">\$12,000</td> </tr> </tbody> </table> <p>Out-of-Pocket Maximum provisions: No change from current plan.</p>		<u>2013</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>		<u>Network and Traditional Indemnity</u>	<u>Non-Network</u>	<u>Network and Traditional Indemnity</u>	<u>Non-Network</u>	<u>Network and Traditional Indemnity</u>	<u>Non-Network</u>	Ind	\$1,500	\$4,500	\$1,700	\$ 5,100	\$2,000	\$ 6,000	Fam	\$3,000	\$9,000	\$3,400	\$10,200	\$4,000	\$12,000
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Provision	Current Employees, 2009 New Hires and 2012 New Hires																																				
Prescription Drug Program (Rx)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Deductible: None.</p> <p>Out-of-Pocket Maximum: <u>2013-2015</u></p> <table> <tr> <td>Ind</td> <td>\$ 900</td> </tr> <tr> <td>Fam</td> <td>\$1,800</td> </tr> </table> <p>Retail – Network Copays: (Up to 30-day supply, limited to 2 fills for maintenance)</p> <table> <thead> <tr> <th></th> <th><u>2013</u></th> <th><u>2014</u></th> <th><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$10</td> <td>\$10</td> <td>\$10</td> </tr> <tr> <td>Formulary</td> <td>\$20</td> <td>\$20</td> <td>\$30</td> </tr> <tr> <td>Non-Formulary</td> <td>\$40</td> <td>\$40</td> <td>\$60</td> </tr> </tbody> </table> <p>Retail – Non-Network Copays: Participant pays the greater of the applicable Network copay or balance remaining after the plan pays 75% of network retail cost.</p> <p>Mail Order Copays: (Up to 90-day supply)</p> <table> <thead> <tr> <th></th> <th><u>2013</u></th> <th><u>2014</u></th> <th><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$20</td> <td>\$20</td> <td>\$ 20</td> </tr> <tr> <td>Formulary</td> <td>\$40</td> <td>\$40</td> <td>\$ 60</td> </tr> <tr> <td>Non-Formulary</td> <td>\$80</td> <td>\$80</td> <td>\$120</td> </tr> </tbody> </table> <p>The following provisions will continue to apply:</p> <ul style="list-style-type: none"> • Mandatory mail order for maintenance Rx – Applies after second fill at retail. • Specialty pharmacy program • Personal Choice – 100% participant-paid • Mandatory Generic 	Ind	\$ 900	Fam	\$1,800		<u>2013</u>	<u>2014</u>	<u>2015</u>	Generic	\$10	\$10	\$10	Formulary	\$20	\$20	\$30	Non-Formulary	\$40	\$40	\$60		<u>2013</u>	<u>2014</u>	<u>2015</u>	Generic	\$20	\$20	\$ 20	Formulary	\$40	\$40	\$ 60	Non-Formulary	\$80	\$80	\$120
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Employee Assistance Plan (EAP)																																					
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>																																				
Visit Limit	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Up to 5 EAP visits per person per issue.</p>																																				

Provision	Current Employees, 2009 New Hires and 2012 New Hires												
Disability													
Plan	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.												
Short Term Disability (STD)	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.												
Long-Term Disability (LTD)	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.												
Dental													
Plan	<u>2012 New Hires, 2009 New Hires and Current Employees</u> AT&T Dental Plan (management provisions) <ul style="list-style-type: none"> • Dental PPO • DHMO (available at the discretion of the Company) 												
Eligibility	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Company subsidy begins on first day of the month in which 6 months of net credited service (NCS) is attained (also referred to as term of employment (TOE)).												
Active (Full-Time) Monthly Contributions	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Dental PPO or DHMO (if available): <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>2013-2015</u></th> </tr> <tr> <th colspan="2" style="text-align: center;"><u>Contribution</u></th> </tr> <tr> <th colspan="2" style="text-align: center;"><u>Amounts</u></th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Ind</td> <td style="text-align: right; padding: 2px;">\$ 3</td> </tr> <tr> <td style="padding: 2px;">Ind +1</td> <td style="text-align: right; padding: 2px;">\$ 9</td> </tr> <tr> <td style="padding: 2px;">Fam</td> <td style="text-align: right; padding: 2px;">\$16</td> </tr> </tbody> </table>	<u>2013-2015</u>		<u>Contribution</u>		<u>Amounts</u>		Ind	\$ 3	Ind +1	\$ 9	Fam	\$16
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Ind	\$ 3												
Ind +1	\$ 9												
Fam	\$16												
Active (Part-Time) Monthly Contributions	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Based on Scheduled hours/week: <ul style="list-style-type: none"> • Greater than or equal to 20 hours = 50% of full cost of coverage*. • Less than 20 hours = 100% of full cost of coverage* with no company subsidy. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at Company's discretion.</p>												
Deductible	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Network and ONA: \$25 per individual per year Non-Network: \$50 per individual per year												
Annual Maximum Benefit	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Network and ONA: \$1,750 per individual* Non-Network: \$1,300 per individual* <p>*Not to exceed \$1,750 combined Network/Non-Network</p>												

Provision	Current Employees, 2009 New Hires and 2012 New Hires												
Orthodontic Lifetime Maximum	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Network and ONA: \$2,000 per individual* Non-Network: \$1,400 per individual*</p> <p>*Not to exceed \$2,000 combined Network/Non-Network</p>												
Coverage Levels	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Dental PPO Coinsurance</p> <p>Class I (Diagnostic/Preventive): Network and ONA*: 100%, Ded. Waived Non-Network**: 100%, Ded. Waived</p> <p>Class II (Basic restorative – fillings, extractions, periodontal treatment/maintenance): Network and ONA*: 90%, after deductible Non-Network**: 70%, after deductible</p> <p>Class III (Major restorative – crowns, dentures, bridgework): Network and ONA*: 80%, after deductible Non-Network**: 50%, after deductible</p> <p>Class IV (Orthodontia): Network and ONA*: 80%, after deductible Non-Network**: 50%, after deductible</p> <p>Notes *For ONA, paid at Network contracted rate. **For Non-Network paid based on reasonable and customary amounts.</p>												
Outside Network Area (ONA)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <ul style="list-style-type: none"> • ONA benefit provided to employees who reside in a zip code which does not meet the network standards. • ONA benefits are equivalent to PPO Network benefits. • Enrollees who are in Network will be offered the PPO option only. • Enrollees who are located outside the Network zip code criteria will be offered the ONA option only. 												
Vision													
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>AT&T Vision Plan (management provisions)</p>												
Eligibility	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Company subsidy begins on first day of the month in which 6 months of net credited service (NCS) is attained (also referred to term of employment (TOE)).</p>												
Active (Full-Time) Monthly Contributions	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2013-2015</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Contribution</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Amounts</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Ind</td> <td style="text-align: center;">\$2.50</td> </tr> <tr> <td style="text-align: center;">Ind +1</td> <td style="text-align: center;">\$5.00</td> </tr> <tr> <td style="text-align: center;">Fam</td> <td style="text-align: center;">\$7.00</td> </tr> </tbody> </table>		<u>2013-2015</u>		<u>Contribution</u>		<u>Amounts</u>	Ind	\$2.50	Ind +1	\$5.00	Fam	\$7.00
	<u>2013-2015</u>												
	<u>Contribution</u>												
	<u>Amounts</u>												
Ind	\$2.50												
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Fam	\$7.00												

Provision	Current Employees, 2009 New Hires and 2012 New Hires
Active (Part-Time) Monthly Contributions	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> Based on Scheduled hours/week:</p> <ul style="list-style-type: none"> • Greater than or equal to 20 hours = 50% of full cost of coverage*. • Less than 20 hours = 100% of full cost of coverage* with no company subsidy. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>
Coverage Levels	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> Exam: 1 exam per 12 months</p> <ul style="list-style-type: none"> • Network: \$0/0% • Non-Network: \$28 towards exam cost <p>Frame Allowance: 1 allowance per 12 months</p> <ul style="list-style-type: none"> • Network: \$130 allowance towards frame cost • Non-Network: \$30 towards frame cost <p>Lenses Allowance: 1 set per 12 months Network: \$0/0% Covers std. plastic lenses: Single, Bi-focal, Tri-focal, Lenticular, Progressive + Polycarbonate at 100% Non-Network: \$30-\$80 towards lenses</p> <p>Contact Lenses Allowance: Allowance per 12 months Network:\$150 towards allowance Non-Network:\$150 towards allowance</p> <p>2nd Pair Benefit: Network Only: Allows for a 2nd pair of glasses or contact lenses allowance after the first pair benefit is utilized, per 24 months.</p>
Flexible Spending Account (FSA)	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan, except those that are mandated by health reform legislation (PPACA).</p>
Contribution Minimum/Maximums	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan, except those that are mandated by health reform legislation (PPACA).</p>
CarePlus	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> Change name to "AT&T CarePlus – A Supplemental Benefit Program"</p>
Monthly Contributions	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.*</p> <p>*Note: Contribution amounts are subject to change from time to time at the sole discretion of the Company.</p>
General Benefits	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> Expand benefits which may be offered under CarePlus to include any benefits determined by the Company to be beneficial to Plan participants. Company retains the unilateral right to change, modify, amend and discontinue the expanded benefits offered under CarePlus.</p>
Life Insurance	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>

Provision	Current Employees, 2009 New Hires and 2012 New Hires
Active Benefits	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p> <p>Note: Contribution amounts are subject to annual adjustments.</p>
Definition of Pay	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
Long-Term	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> AT&T Consolidated Long-Term Care Insurance Plan</p>
Coverage	<p><u>2012 New Hires</u> Not available; closed to new entrants as of 5/1/2012.</p> <p><u>2009 New Hires and Current Employees</u> Participants currently enrolled may remain in the plan; closed to new entrants as of 5/1/2012.</p>
Adoption	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
Coverage	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
Commuter	
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
Coverage	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> Pre-tax deductions for parking and mass transit. 2012 Internal Revenue Service (IRS) limits: \$240 parking; \$125 mass transit.</p> <p>Eligible expense and monthly limits follow IRS Code Section 132 Regulations.</p> <p>Note: Annual adjustments apply.</p>

Provision	Eligible Retired Employees
Retiree Provisions	<p>Effective 1/1/2013: Applicable for the term of the Agreement to Eligible Retired Employees who terminate during the term of the Agreement.</p>
Medical	
Plan	<p>Eligible Retired Employees shall be eligible to participate in the same plan as a similarly situated active Current Employee, 2009 New Hire or 2012 New Hire, except as noted below:</p>

Provision	Eligible Retired Employees
<p>Eligible Retired Employees (Full-Time) Monthly Contributions</p>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u></p> <p>The contribution shall be the same as for similarly situated active Current Employees.</p>
<p>Eligible Retired Employees (Part-Time) Monthly Contributions</p>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u></p> <p>The contribution shall be the same as for similarly situated active Current Employees.</p>
<p>Medicare Part-B Premium Reimbursement</p>	<p><u>2012 New Hires and 2009 New Hires</u></p> <p>Not Eligible.</p> <p><u>Current Employees</u></p> <p>No change from current plan.</p>
<p>Definition of Pay</p>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Refer to the Summary Plan Description for the plan in which they were active participants.</p>
<p>Health Reimbursement Account (HRAs)</p>	
	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>None.</p> <p>Note: No additional Company crediting except to the extent provided in MOA – Success Sharing Plan. Current Employees and 2009 New Hires who have remaining balances will continue to have access to those account balances subject to provisions of the Program.</p>
<p>CarePlus</p>	
<p>Plan</p>	<p>Change name to "AT&T CarePlus – A Supplemental Benefit Program"</p>
<p>Monthly Contributions</p>	<p>Eligible Retired Employees shall be eligible to participate in AT&T CarePlus – A Supplemental Benefit Program at the same contribution level as active Current Employees, 2012 New Hires, and 2009 New Hires.</p>
<p>General Benefits</p>	<p>Expand benefits which may be offered under CarePlus to include any benefits determined by the Company to be beneficial to Plan participants. Company retains the unilateral right to change, modify, amend and discontinue the expanded benefits offered under CarePlus.</p>

Provision	Eligible Retired Employees
Dental	
Plan	Eligible Retired Employees shall be eligible to participate in the same plan as similarly situated active Current Employees, 2009 New Hires or 2012 New Hires, except as noted in the sections below:
Eligible Retired Employees (Full-Time) Monthly Contributions	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u></p> <p>The contribution shall be the same as for similarly situated active Current Employees.</p>
Eligible Retired Employees (Part-Time) Monthly Contributions	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u></p> <p>The contribution shall be the same as for similarly situated active Current Employees.</p>
Life Insurance	
Eligible Retired Employees Basic Life (Company Paid)	<p><u>2012 New Hires</u></p> <p>\$15,000 Retiree Basic Life</p> <p><u>2009 New Hires</u></p> <p>\$15,000 Retiree Basic Life</p> <p><u>Current Employees</u></p> <p>1X Annual Pay</p>

Provision	Eligible Retired Employees
<p>Supplemental Life (Retiree Paid)</p>	<p><u>2012 New Hires</u> Employees eligible for Supplemental Life coverage may add 1x annual pay to Supplemental Life coverage in effect at termination to replace the Basic Life coverage no longer available upon termination of employment.</p> <p><u>2009 New Hires</u> Employees eligible for Supplemental Life coverage may add 1x annual pay to Supplemental Life coverage in effect at termination to replace the Basic Life coverage no longer available upon termination of employment.</p> <p><u>Current Employees</u> No change from current plan.</p>
<p>Definition of Pay</p>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
<p>Vision</p>	
<p>Eligible Retired Employees Vision Plan</p>	<p><u>2012 New Hires</u> Eligible Retired Employees shall be eligible to participate in the AT&T Retiree Vision Care Program.</p> <p><u>2009 New Hires</u> Eligible Retired Employees shall be eligible to participate in the AT&T Retiree Vision Care Program.</p> <p><u>Current Employees</u> Eligible Retired Employees shall be eligible to participate in the AT&T Retiree Vision Care Program.</p>
<p>Eligible Retired Employees Monthly Retiree Contributions</p>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> • Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. • Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p><u>2009 New Hires</u> Eligible Retired Employees will pay 100% of full cost of coverage* with no Company subsidy.</p> <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the sole discretion of the Company.</p> <p><u>Current Employees</u> Eligible Retired Employees will pay 100% of full cost of coverage* with no Company subsidy.</p> <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the sole discretion of the Company.</p>

Provision	Current Employees, 2009 New Hires, 2012 New Hires and Eligible Retired Employees
Voluntary	
Discretionary Program	AT&T Voluntary Benefits Platform (products offered as they may change from time to time).

Monthly Benefit Table

Monthly Benefit Table

(Effective January 1, 2013)

For eligible employees whose net credited service is at least fifteen (15) years as of June 30, 1998, and who terminate employment on or after January 1, 2013, and before January 1, 2014, the Monthly Benefit Table shall be as follows:

<u>Pension Band</u>	<u>Dollar Amount</u>	<u>Pension Band</u>	<u>Dollar Amount</u>
101	38.00	119	66.88
102	39.59	120	68.46
103	41.21	121	70.05
104	42.78	122	71.69
105	44.41	123	73.25
106	46.02	124	74.88
107	47.67	125	76.51
108	49.25	126	78.08
109	50.87	127	79.69
110	52.45	128	81.28
111	54.07	129	82.89
112	55.64	130	84.49
113	57.27	131	86.11
114	58.84	132	87.70
115	60.46	133	89.29
116	62.08	134	90.95
117	63.66	135	92.50
118	65.28		

Monthly Benefit Table

(Effective January 1, 2014)

For eligible employees whose net credited service is at least fifteen (15) years as of June 30, 1998, and who terminate employment on or after January 1, 2014, and before January 1, 2015, the Monthly Benefit Table shall be as follows:

<u>Pension Band</u>	<u>Dollar Amount</u>	<u>Pension Band</u>	<u>Dollar Amount</u>
101	38.38	119	67.55
102	39.99	120	69.14
103	41.62	121	70.75
104	43.21	122	72.41
105	44.85	123	73.98
106	46.48	124	75.63
107	48.15	125	77.28
108	49.74	126	78.86
109	51.38	127	80.49
110	52.97	128	82.09
111	54.61	129	83.72
112	56.20	130	85.33
113	57.84	131	86.97
114	59.43	132	88.58
115	61.06	133	90.18
116	62.70	134	91.86
117	64.30	135	93.43
118	65.93		

Monthly Benefit Table

Monthly Benefit Table

(Effective January 1, 2015)

For eligible employees whose net credited service is at least fifteen (15) years as of June 30, 1998, and who terminate employment on or after January 1, 2015, the Monthly Benefit Table shall be as follows:

<u>Pension Band</u>	<u>Dollar Amount</u>	<u>Pension Band</u>	<u>Dollar Amount</u>
101	38.76	119	68.23
102	40.39	120	69.83
103	42.04	121	71.46
104	43.64	122	73.13
105	45.30	123	74.72
106	46.94	124	76.39
107	48.63	125	78.05
108	50.24	126	79.65
109	51.89	127	81.29
110	53.50	128	82.91
111	55.16	129	84.56
112	56.76	130	86.18
113	58.42	131	87.84
114	60.02	132	89.47
115	61.67	133	91.01
116	63.33	134	92.78
117	64.94	135	94.36
118	66.59		

Pension Band Credits

(Effective January 1, 2012)

For crediting periods beginning on or after January 1, 2012, for participants who were on the active roll of a participating company on or after January 1, 2012, the Pension Band Credit Table shall be as follows:

Pension Band	Years and Months of Service in Whole Years							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	1,061	1,240	1,414	1,767	2,122	2,481	3,008	3,536
102	1,098	1,284	1,470	1,835	2,202	2,576	3,119	3,671
103	1,146	1,339	1,527	1,910	2,288	2,672	3,249	3,819
104	1,189	1,389	1,588	1,984	2,377	2,771	3,367	3,963
105	1,234	1,439	1,650	2,059	2,460	2,876	3,498	4,113
106	1,271	1,489	1,699	2,122	2,543	2,976	3,609	4,248
107	1,320	1,538	1,755	2,196	2,643	3,075	3,739	4,390
108	1,359	1,588	1,817	2,271	2,727	3,181	3,858	4,540
109	1,409	1,643	1,873	2,344	2,815	3,280	3,988	4,687
110	1,444	1,687	1,929	2,411	2,897	3,373	4,098	4,826
111	1,494	1,743	1,990	2,487	2,982	3,479	4,224	4,966
112	1,532	1,786	2,047	2,560	3,070	3,585	4,347	5,115
113	1,581	1,842	2,102	2,631	3,164	3,683	4,471	5,263
114	1,619	1,891	2,159	2,698	3,244	3,776	4,588	5,396
115	1,662	1,941	2,213	2,771	3,329	3,882	4,712	5,546
116	1,706	1,997	2,277	2,848	3,417	3,988	4,842	5,692
117	1,755	2,040	2,338	2,920	3,503	4,087	4,961	5,842
118	1,791	2,089	2,394	2,989	3,585	4,180	5,080	5,972
119	1,835	2,145	2,449	3,065	3,671	4,285	5,202	6,121
120	1,878	2,196	2,504	3,131	3,764	4,385	5,334	6,269
121	1,923	2,245	2,566	3,206	3,852	4,495	5,452	6,418
122	1,960	2,288	2,616	3,274	3,932	4,588	5,563	6,548
123	2,009	2,344	2,678	3,348	4,018	4,687	5,692	6,697
124	2,059	2,400	2,742	3,424	4,106	4,787	5,823	6,846
125	2,097	2,444	2,798	3,498	4,192	4,893	5,942	6,994
126	2,139	2,494	2,853	3,566	4,273	4,992	6,052	7,125
127	2,188	2,560	2,920	3,653	4,378	5,109	6,207	7,299
128	2,238	2,604	2,982	3,721	4,465	5,209	6,331	7,446
129	2,271	2,654	3,026	3,783	4,540	5,297	6,437	7,564
130	2,312	2,698	3,081	3,852	4,620	5,390	6,548	7,702
131	2,356	2,748	3,144	3,924	4,706	5,496	6,672	7,851
132	2,400	2,798	3,201	3,998	4,792	5,600	6,796	8,000
133	2,444	2,853	3,255	4,074	4,886	5,700	6,927	8,142
134	2,487	2,902	3,312	4,137	4,966	5,792	7,039	8,279
135	2,525	2,947	3,367	4,211	5,054	5,898	7,162	8,427

ARTICLE 20 – ABSENCE

1 Absence in General

An employee who is to be absent for any reason shall promptly notify his or her supervisor with the reason for the absence and its probable duration, in order that proper consideration may be given to the employee's request. In the event the employee cannot reach his or her supervisor, then a message left with the supervisor's designee or an electronic messaging unit approved by the supervisor shall be appropriate notification, provided the employee leaves a reach number. Absences with or without pay because of other reasons not outlined in this Article may be granted at the discretion of the Company.

2 Personal Illness

(a) Payment for full or partial days scheduled in a normal work week but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis:

- (1) Less than three (3) years – Pay for full or partial scheduled day after the second full consecutive scheduled day of work not worked due to personal illness absence with a maximum of five (5) paid days in a calendar year.
- (2) During each calendar year beginning with the calendar year in which a term of employment of three (3) years of service but less than six (6) years of service is completed - Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of five (5) paid days in a calendar year.
- (3) During each calendar year beginning with the calendar year in which a term of employment of six (6) years of service but less than eleven (11) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of seven (7) paid days in a calendar year.
- (4) During each calendar year beginning with the calendar year in which a term of employment of eleven (11) years of service but less than twenty-five (25) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of ten (10) paid days in a calendar year.
- (5) During each calendar year beginning with the calendar year in which a term of employment of twenty-five (25) years of service or more is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness.

NOTE: The maximum number of paid days may be converted to an equivalent number of hours based on the employee's normal scheduled daily tour.

(b) Payments to employees pursuant to this Paragraph shall be limited to scheduled days of work in a normal work week and may be suspended or discontinued for just cause.

3 Payment for Other Absence

(a) **Jury or Witness Duty**

An employee who is not a party to the action and who is absent in compliance with a summons for jury duty or a subpoena requiring the employee to appear in court as a witness shall be excused with pay for the period during which the employee is absent on scheduled days because of such jury service or court appearance. When an employee is excused from jury or witness duty for part of a day or for an entire day, the employee shall report to his or her supervisor in person or by telephone for an assignment.

(b) **Election Board Service**

An employee who requests an absence to serve on an election board in connection with a Federal, State, County, or Municipal election shall ordinarily be excused with pay for the scheduled days during the period the employee serves and deductions from pay for such absence shall be made only when in the opinion of the Company the circumstances in a particular case make such action advisable.

(c) **Voting**

Subject to service and coverage conditions and the provisions of applicable state laws, an employee who is scheduled to work and who is eligible to vote in a National, State, County or Municipal general election shall, upon request, be excused with pay for a reasonable period on such election day to enable the employee to vote; provided, however, that the Company shall specify the period during which such an employee will be excused.

(d) **Quarantine**

In case of unavoidable absence due to contagious disease and quarantine in an employee's immediate household or unavoidable quarantine elsewhere, the employee shall be paid on the same basis as if the absence were caused by personal illness of the employee and as specified in Paragraph 2 (Personal Illness).

(e) **Visit to Medical Office**

An employee who reports for work and is directed by management to visit a medical office during the employee's scheduled working hours that day shall be excused without loss of pay.

(f) **Death or Funeral**

(1) An employee who is required to be absent for one (1) day or more because of a death in the employee's immediate family shall be excused for such day or days, but not to exceed five (5) scheduled regular tours or their equivalent, with pay. Immediate family means parents, grandparents, husband or wife (including legally recognized partner (LRP)), children, grandchildren, brothers or sisters, mother-in-law, father-in-law, brother-in-law, or sister-in-law. The provisions of this Paragraph shall also be applicable in the event of the death of a relative or very close friend living in the same household with the employee.

- (2) Any employee who requests an absence to attend the funeral or a memorial service, when the memorial service is being held in lieu of the funeral, of a more distant relative or a very close friend may be excused for such time as is necessary under the circumstances but not to exceed three (3) scheduled regular tours or their equivalent with pay.

(g) **Accidental Injury**

If an employee is injured in the course of his or her employment and it is necessary for the employee to cease work during an assigned tour, payment for that tour shall be at the rate in effect during the time worked.

- 4 When payment for absence is made, the payment shall be at the employee's Adjusted Rate plus any tour differential to which the employee would have been eligible had they not been absent.

ARTICLE 21 - EXCUSED WORK DAYS

- 1 Each regular employee who has at least six (6) months of net credited service on January 1 of each calendar year during the life of the Agreement, shall be eligible for four (4) Excused Work Days with pay and one (1) Excused Work Day without pay during each of such years.
- 2 Employees who do not work on their paid Excused Work Day shall be paid at their Adjusted Rate plus any applicable tour differential (excluding any wage incentive or productivity payments) provided they are on the active payroll of the Company on that Excused Work Day.
- 3 One (1) paid Excused Work Day in each calendar year may be designated by the Company for employees in an administrative work group (as designated by the Company) or in any larger group, including the entire Company. Employees in any such group for which an Excused Work Day is designated by the Company and who are not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day as set forth in the preceding Paragraph, provided they are on the active payroll of the Company on the designated Excused Work Day.
- 4 Employees shall select their Excused Work Days (except those Excused Work Days designated by the Company) in accordance with Article 22 (Vacations).
- 5 Employees who are on vacation or absent with pay on their paid Excused Work Day for reasons other than having observed it as an Excused Work Day shall have their paid Excused Work day rescheduled, if a vacation day would have been rescheduled under the same circumstances.
- 6 If employees agree to work on their paid Excused Work Day and the Company determines that the day cannot be rescheduled, they shall be paid as applicable in accordance with the following Subparagraphs:
 - (a) Employees who agree to work before the work schedule becomes fixed shall receive one (1) day's pay as set forth in Paragraph 2 in lieu of their Excused Work Day and shall, in addition, be paid in accordance with the provisions of this Agreement covering work on a scheduled day of work.
 - (b) Employees who agree to work after the work schedule becomes fixed shall receive one (1) day's pay as set forth in Paragraph 2 in lieu of their Excused Work Day and shall, in addition, be paid in accordance with the provision of this Agreement covering work on a Non-Scheduled Day.

- (c) Time worked by an employee on his or her Excused Work Day shall be considered time worked on a regularly scheduled day of work for all purposes, except as is otherwise expressly provided in this Article.
- 7 The Company and the Union recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for each calendar year during the life of the Agreement, up to three (3) Excused Work Days (EWDs) may be used as follows:
- (a) An employee may designate and schedule, as applicable, three (3) EWDs to be used flexibly. This provision shall apply to an employee's unpaid EWD and/or his/her paid EWD(s) which are not designated by the Company.
 - (b) Each flexible EWD may be divided into increments of one (1) hour for an increment, provided, however, that where the length of an employee's Scheduled Daily Tour is not evenly divisible by one (1), the last increment of each EWD may be less than one (1) hour.
 - (c) An increment may be taken at any time during the vacation schedule period up to and including the actual scheduled Excused Work Day provided:
 - (1) His/her supervisor is notified before the beginning of the tour, or
 - (2) In the case of emergent circumstances arising after reporting to work, the employee notifies his/her supervisor of the need for time off, and
 - (3) In either case, not more than twenty-five percent (25%) of the work group has already been granted time off. In the event more than twenty-five percent (25%) of the work group is scheduled off, then the time may be granted consistent with the needs of the business.
 - (d) The time may be taken based on the employee's personal need to take the time.
 - (e) If there is unused time available on the day of the so-scheduled EWD, the employee must take the remaining time on the scheduled day even if that increment is less than one (1) hour.

ARTICLE 22 - VACATIONS

1 Eligibility

- (a) Subject to the provisions of paragraph 7 and 8, effective January 1, 2013 employees with six (6) or more months of continuous service since the date of the employee's most recent engagement shall be eligible to accrue annual vacations as follows:
 - (1) One (1) week of vacation after the completion of a term of employment of six (6) months.
 - (2) Two (2) weeks of vacation after the completion of a term of employment of twelve (12) months. When terms of employment of six (6) and twelve (12) months are both completed in the same calendar year, employees shall be eligible to accrue a maximum of two (2) weeks of vacation during that year.
 - (3) Two (2) weeks during each calendar year after the year in which a term of employment of twelve (12) months is completed.

- (4) Three (3) weeks beginning with the calendar year in which a term of employment of seven (7) years is completed.
- (5) Four (4) weeks beginning with the calendar year in which a term of employment of fifteen (15) years is completed.
- (6) Five (5) weeks beginning with the calendar year in which a term of employment of twenty-five (25) years is completed.

NOTE: After employees reach their initial six (6) months of net credited service, vacation days are accrued proportionately during the calendar year.

- 2 Part-time employees shall receive a vacation allowance equal to their applicable part-time equivalent work week if eligible under Paragraph 1 (Eligibility) at the time of their vacation.
- 3 An employee's vacation assignment in a particular vacation week or on a particular vacation day shall not be modified because of illness or accident which occurs after that vacation assignment has begun.

4 **Day-at-a-Time Vacation**

An employee may select vacation on a day-at-a-time basis during the vacation selection process described in Paragraph 8 (Scheduling of Time Off).

5 **Carry Over Vacation**

- (a) Employees may select all of their vacation during the carry-over period of the following year during the vacation selection process as described in Paragraph 8 (Scheduling of Time Off).
 - (b) Subject to needs of the business and force requirements, employees may reschedule a vacation period selected in the current calendar year to an available vacation carry-over period in the following year.
 - (c) Any week or weeks of vacation carried over from one (1) calendar year into the next must be completed no later than the last week ending in April of the year into which they are carried over.
- 6 If an authorized holiday occurs during an employee's vacation, an additional day off with pay will be scheduled. This additional day off will be considered a vacation day for the purpose of determining work schedules, but need not be taken contiguous to a vacation week.

7 **Payments in Lieu of Vacation**

- (a) In the event of an employee's resignation or discharge (for other than misconduct) before using all the vacation which the employee is eligible to accrue under Paragraph 1 (Eligibility), an amount equivalent to such unused accrued vacation shall be paid to the employee.
- (b) To determine the number of "accrued" current year vacation hours for employees who have completed at least six (6) months of service and who are eligible as noted in Paragraph 1 (Eligibility), see the chart below:

Month Employee Leaves Company or (Credited Months)	Annual Eligible Vacation Hours				
	5 Days or 1 Week (40 Hours)	10 Days or 2 Weeks (80 Hours)	15 Days or 3 Weeks (120 Hours)	20 Days or 4 Weeks (160 Hours)	25 Days or 5 Weeks (200 Hours)
	Number of "Accrued" Current Year Vacation Hours				
Jan. (1)	3	7	10	13	17
Feb. (2)	7	13	20	27	33
Mar. (3)	10	20	30	40	50
Apr. (4)	13	27	40	53	67
May (5)	17	33	50	67	83
Jun. (6)	20	40	60	80	100
Jul. (7)	23	47	70	93	117
Aug. (8)	27	53	80	107	133
Sep. (9)	30	60	90	120	150
Oct. (10)	33	67	100	133	167
Nov. (11)	37	73	110	147	183
Dec.(12)	40	80	120	160	200

- (c) In the event of an employee's retirement, layoff, or death before using all the vacation which the employee is eligible to receive under Paragraph 1 (Eligibility), an amount equivalent to such unused vacation, as though it was granted based on the number of years net credited service and not based on the accrual language, shall be paid to the employee or his/her beneficiary or estate.

8 Scheduling of Time Off

- (a) Employees will select available time off for which they are eligible from the schedule as determined by the Company in accordance with the procedures provided in this Article. The period during which time off may be scheduled shall extend through the last full week ending in April of the following calendar year.
- (b) Time off for this purpose includes full weeks of vacation, day-at-a-time vacation, Excused Work Days (paid or non-paid), floating holidays, and days in lieu of holidays which occur during a scheduled vacation week. Employees may not select half-tour vacations during the vacation selection process. However, employees may subsequently request five (5) vacation days on a half-tour basis and such request shall be granted if service and coverage conditions permit.

The assessment, discussion, and decision whether to grant additional vacation days in half-day increments will take place annually prior to the vacation selection process as set forth in Article 22, Paragraph 8(d).

- (c) Employees shall select time off in seniority order within each vacation selection universe, in the priority set forth in this Article, as determined by the Company. It is the intent of the parties that the employees' selection will be granted to the extent practicable consistent with force requirements and the needs of the business.
- (d) The vacation selection process in a vacation selection universe will begin no earlier than November 1. The entire process of scheduling time off shall be completed by December 31, for employees covered by Article 37 (Operator Services). For all other employees, the vacation selection process should ordinarily be completed by December 31, but in any event should be completed no later than April 1. Employees who will not be readily available between November 1 and December 31 may express their preference for choices in advance of November 1 and, if available, their choices will be assigned as chosen in accordance with seniority provided that service requirements permit. Prior to the beginning of the calendar year, management will canvass the vacation selection universe to allow the employees to select scheduled vacation weeks from the available dates. Only full weeks of vacation are included in this first selection priority.
- (e) In addition to the time off scheduled under Paragraph 8(d) above, employees shall also select all other time off for which they are eligible, and such time will be referred to as "Reserve Time" on the second selection priority canvass.
- (f) An employee who is contacted must select the vacation period desired in a reasonable period of time or that employee will be passed. Employees who are passed shall have the right to make a selection from the remaining available periods in accordance with their seniority, but may not preempt the period selected by any other employee. For employees who have not selected their vacation by the end of the selection period, the Company will have the option to assign their remaining vacation.
- (g) Subject to the needs of the business and force requirements, employees may reschedule any of their vacation, whether assigned by the Company or selected by the employee, to available vacation periods, but may not preempt the period selected by any other employee.
- (h) Employees shall not be permitted to exchange seniority rights in the selection of vacation periods. After vacation schedules have been posted, however, employees covered by Article 37 (Operator Services) shall be permitted to exchange vacation periods subject to service and coverage conditions.

9 Rescheduling Vacation Due to Permanent Transfers, Assignments, or Reassignments

- (a) If an employee is permanently transferred, assigned, or reassigned to a different work group as a result of a Company initiated transfer, assignment or reassignment, then to the extent that needs of the business permit, the employee will retain the vacation schedule that was approved in the prior work group.
- (b) If an employee initiates a transfer, he or she is required to reselect his or her vacation from those days available within the new work group.

- 10 The decision of the Company on service and coverage requirements in this section shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretations or applications of this Article may be taken up as a grievance and, if necessary, submitted to arbitration, in accordance with Article 10 (Arbitration).
- 11 Payment for vacation shall be at the employee's Adjusted Rate plus any applicable tour differential.

ARTICLE 23 - HOLIDAYS

1 The following days shall be observed as holidays:

New Years Day - January 1

Inaugural Day - January 20 of the year following Presidential Election for employees located in Washington, DC; Montgomery and Prince Georges Counties, Maryland; Alexandria, Arlington and Fairfax Counties, Virginia

Memorial Day - Last Monday in May

Independence Day - July 4

Labor Day - First Monday in September

General Election Day - In even numbered years in New Hampshire only

Thanksgiving Day - Fourth Thursday in November

Christmas Day - December 25

An Employee on the payroll in the calendar year in which the holiday would be observed will have the option to select one of the following holidays as a fixed recognized holiday that year:

Martin Luther King Jr.'s Birthday

Good Friday

Veterans Day

The Employee's Birthday

Presidents Day

Day After Thanksgiving – Fourth Friday in November

Eligible Employees will be provided the option to select a day during the normal vacation scheduling process. An eligible Employee who does not select one of these days as a fixed recognized holiday may select an additional Floating Holiday under the normal scheduling process for a Floating Holiday.

Three (3) Floating Holidays; except that in the State of New York, the number of floating holidays shall be four (4). One (1) of the floating holidays may, at the option of the Company, be designated as a local or national holiday, provided the Company so designates prior to the scheduling of vacations pursuant to Article 22 (Vacations), Paragraph 8 (Scheduling of Time Off).

NOTE: When a holiday occurs on a Sunday, the following Monday shall be observed as the holiday for employees not scheduled to work on Sunday, and such employees shall be compensated pursuant to Paragraphs 4 and 5, as appropriate. If a holiday in a calendar year occurs on a Saturday, the preceding Friday will be observed as the holiday for employees not scheduled to work on Saturday, and such employees shall be compensated pursuant to Paragraphs 4 and 5, as appropriate.

- 2 Floating holidays must be taken on a normally scheduled day of work and will be scheduled in accordance with the scheduling provisions of Article 22 (Vacations), Paragraph 8 (Scheduling of Time Off).
- 3 New employees are eligible for all designated holidays occurring after their date of hire, and they will be eligible for floating holidays in accordance with the schedule below:

Eligibility:

Date of Hire	Floating
January 1 - June 30	3
July 1 - September 30	2
October 1 - November 30	1

4 Holiday Compensation for Full-Time Employees Shall be as Follows:

- (a) Full-time employees who are excused from work on the day a holiday is observed shall be paid a holiday allowance equal to one fifth (1/5) of their Adjusted Rate, including any tour differential to which the employees would have been eligible had they not been excused.
- (b) Full-time employees who work on the day a holiday is observed shall be paid, in addition to the holiday allowance, at one and one-half (1 1/2) times the Hourly Adjusted Rate for time worked during their Scheduled Daily Tours. Hours worked outside the Scheduled Daily Tour shall be compensated at the Double Time and One Half Overtime Rate.

5 Holiday Compensation for Part-Time Employees Shall be as Follows:

- (a) A part-time employee shall be paid a holiday allowance equal to one fifth (1/5) of that employee's "equivalent work week classification."
- (b) A part-time employee who works on a holiday shall be paid pursuant to Article 18 (Classification and Treatment of Part-Time Employees).

- 6 Any employee who is absent and unexcused on the scheduled work day before and after the holiday shall not be paid the holiday allowance.
- 7 An employee who is scheduled for work on a holiday but who fails to report for work and is not excused shall receive no payment for the holiday.

ARTICLE 24 - FORCE ADJUSTMENT - LAYOFF, PART-TIMING, AND RECALL

1 Layoffs and Part-Timing

Whenever force conditions are considered by the company to warrant part-timing or layoff of regular employees, such force adjustments as the Company may deem necessary, shall be made among those regular employees in a Geographical Commuting Area (GCA) as defined in Article 16 (Transfers, Travel Allowances, and Moving Expenses), in the same Organization having the same job title (except for force adjustments affecting Construction Technicians or Senior Construction Technicians, where the geographical area shall be a Region of the company), through part-timing or layoffs or both, subject to the following conditions:

- (a) Prior to any regular employee being laid off or part-timed pursuant to this Article, temporary and term employees in the same job title, same Organization, and GCA shall be work completed. However, such temporary or term employees may be retained or employed temporarily to meet peak load situations or other temporary situations unless there are qualified volunteers from among those at-risk employees in the same job title, same Organization and GCA scheduled to be laid off who will assume the duties of the temporary or term employees.
- (b) In the event that further force adjustments by means of layoff are deemed by the Company to be necessary, the Union shall be advised by the Company as to its proposed plan for accomplishing such further force adjustments sixty (60) days before the adjustment is to become effective. During the first forty-five (45) calendar days of the sixty (60) day period, the Union may offer the Company, in writing, a plan to accomplish the force adjustments deemed by the Company to be required. If the Union's plan meets the foregoing requirements, the Company agrees to consider the plan proposed by the Union. If no such written plan is received by the Company from the Union within said forty-five (45) days, or if the parties are unable to agree upon a plan, the Company will proceed with the force adjustments according to the plan the Company proposed.
- (c) Whenever such force adjustments are accomplished by layoffs, such layoffs shall be among those regular employees in the same Organization having the same job title, in the GCA. Layoffs shall be in inverse order of seniority except that employees who (1) have been assigned to a management title, other than as a result of a temporary promotion, for a continuous period of twelve (12) or more months prior to their most recent return to the bargaining unit and (2) whose most recent return to the bargaining unit from a management title other than one arising from a temporary promotion is within twelve (12) months of a declaration of surplus in the bargaining unit title in the GCA and Organization to which they are assigned at the time of the surplus declaration (hereinafter referred to as a returning manager), shall be laid off prior to any other employee in the same title in the same Organization and the same GCA being laid off. For employees in the titles of Customer Engineer I, Customer Engineer II, and Customer Engineer III, however, the Company may retain three percent (3%) of the total employees in the same job title within the same Organization in any GCA despite lesser seniority. In each GCA, when the provisions of this Article are implemented, at least one (1) employee may be protected. An individual may only be protected two (2) times during the life of the Agreement.
- (d) When employees other than a returning manager (as described in Paragraph 1(c)) in the affected job title within the same Organization of the Company in the GCA (as identified in Paragraph 1) who have five (5) or more years net credited

service are notified by the Company that they are to be laid off, those employees shall have the right to select in order of seniority, another job from a list of jobs with the same job title, in the same Organization of the Company held by employees having the least seniority within the employee's Force Adjustment Region (as outlined in the note below) provided (1) the selecting employee is qualified to perform the selected job; (2) the employee holding the selected job is not one of the employees designated for retention by the Company in accordance with Paragraph 1(c) above; and (3) the employee holding the selected job has less seniority than the selecting employee. The list of jobs held by the least senior employees identified above shall not be greater than the number of jobs declared surplus, or the number of employees who have indicated a desire to select from this list another job within the applicable Force Adjustment Region, whichever is less.

NOTE: The Force Adjustment Regions shall be comprised of the following groups of states:

REGION 1: NY, ME, NH, VT, MA, CT, RI, NJ, PA, DE, MD, WV, VA, DC

REGION 2: NC, SC, GA, KY, TN, MS, LA, FL, AL, AR, MO, KS, OK, TX

REGION 3: OH, IN, IL, MI, MN, WI, NE, IA, ND, SD

REGION 4: AZ, NM, CO, CA, MT, WY, UT, ID, WA, OR, NV, HI, AK

- (e) When the affected title exists in only one GCA within a Force Adjustment Region, the provisions of 1(d) will apply as if the Force Adjustment Regions were the entire country.

2 Pooled Titles

- (a) When the affected title in Paragraph 1 (Layoffs and Part-Timing) above is Communications Technician, Service Coordinator, Marketing Support Specialist, Administrative Clerk, Word Processing Specialist, Records Clerk, or Office Clerical Assistant, all employees in the GCA in each specific title shall be treated as though they are in the same organization of the Company for force adjustment purposes.
- (b) When the affected title in Paragraph 1 (Layoffs and Part-Timing) above is Operator or Bi-Lingual Operator, all employees in these titles in the same GCA shall be treated as though they have the same title and are in the same organization of the Company for force adjustment purposes.
- (c) When the affected title in Paragraph 1 (Layoffs and Part-Timing) above is Account Representative or Customer Representative, all employees in these titles will be treated as though they have the same title for force adjustment purposes.

3 Recall

If additions of regular employees to the work force are required in the affected job titles, Organization, and GCA within three (3) years of the last layoff therein, the Company shall proceed as follows before hiring new employees:

- (a) Former regular employees, who held the affected job titles within the Organization and the GCA at time of layoff, shall be offered recall to their prior job title (or its successor title or for a title of equivalent status for which they qualify), in the GCA in inverse order in which such employees were laid off, provided:

- (1) Their period of layoff has not exceeded three (3) years; and,
 - (2) They are physically able to perform the duties of the work available.
- (b) Notice for recall shall be mailed by certified or registered letter, return receipt requested, to the employee's last mailing address known to the Company's employment office.
 - (c) The Company will assume that failure on the part of any former employee to notify the Company within fifteen (15) days concerning acceptance of an offer of recall or to report for duty within fifteen (15) calendar days from the date of the offer, constitutes a rejection.
 - (d) It shall be the responsibility of such former employees to notify the Company, at the employment office, of their desire for recall and to keep the Company currently informed of their correct address.
 - (e) Nothing in this agreement shall limit the engagement of term or temporary employees in the event of an emergency or to meet peak load or other temporary situations.

4 Layoff Payments

Employees laid off under the provisions of this Article will be entitled to a payment as specified in Article 25 (Termination Payments).

5 Relocation Expenses

A Surplus Placement employee who accepts a position that is outside his/her Local Placement Area (LPA) will receive a lump sum relocation allowance, provided the new reporting location exceeds thirty-five (35) road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location.

Provided the employee actually relocates his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of: (1) the termination allowance for which they would have been eligible upon layoff; or (2) \$13,000.00.

Surplus employees who are placed via the AT&T Transfer System (ATS) Surplus Placement program, meet the ATS relocation criteria, and are compensated for actually relocating their residence shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon layoff; or (2) \$13,000.00; however, in no case shall an allowance for a relocating employee be less than \$7,000.00, provided the following conditions are met:

- (a) the employee is laid off at the new site within three (3) years of placement,
- (b) the employee relocates back to the original geographic location,
- (c) the employee does not qualify for any other AT&T provided relocation compensation program.

ARTICLE 25 - TERMINATION PAYMENTS

- 1 A termination payment, plus compensation for any vacation to which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee who is laid off or may be offered by the Company to an employee as an inducement to voluntarily leave the Company.
- 2 The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate, except that for an employee who received an evening or night differential payment for the week in which the date of the layoff or resignation occurred, the rate of pay shall include the evening or night differential payment.

YEARS OF NET CREDITED SERVICE	AMOUNT OF PAYMENT
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
12 years but less than 13 years	28 weeks' pay
13 years but less than 14 years	32 weeks' pay
14 years but less than 15 years	36 weeks' pay
15 years but less than 16 years	40 weeks' pay
16 years but less than 17 years	44 weeks' pay
17 years but less than 18 years	48 weeks' pay
18 years but less than 19 years	52 weeks' pay
19 years but less than 20 years	56 weeks' pay
20 years but less than 21 years	60 weeks' pay
21 years but less than 22 years	64 weeks' pay
22 years but less than 23 years	68 weeks' pay
23 years but less than 24 years	72 weeks' pay
24 years but less than 25 years	76 weeks' pay
25 years but less than 26 years	80 weeks' pay
26 years but less than 27 years	84 weeks' pay
27 years but less than 28 years	88 weeks' pay
28 years but less than 29 years	92 weeks' pay
29 years but less than 30 years	96 weeks' pay
30 years but less than 31 years	100 weeks' pay
31 years but less than 32 years	104 weeks' pay

Note: The maximum amount of termination payment shall not exceed twice the basic annual salary plus the applicable differential or one hundred four (104) weeks.

- 3 The termination allowance shall, at the option of the employee, be paid in a lump sum, less applicable deductions, as income continuation in periodic installments, subject to the limitations in Subparagraphs 3(a) and 3(b) below, or in two (2) equal payments (the first payment to be made within thirty (30) calendar days of date of termination and the second payment to be made on or about January 15th of the following year). If an employee elects to receive income continuation periodic installments, each installment will be equal to one (1) week of the Adjusted Rate, for each week in the employee's normal payroll period, less applicable deductions, and will be paid during the normal payroll period. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:

Article 25

- (a) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
 - (b) The employee is recalled or rehired as a regular employee by AT&T Corp. or any of its affiliates, subsidiaries or entities.
- 4 Employees who have received or elect to receive a termination allowance in a lump sum or in two equal payments shall, as a condition precedent to being recalled or rehired as regular employees of AT&T Corp. or any AT&T affiliate, subsidiary or entity, repay that portion of the termination allowance they received that is equal to their Adjusted Rate multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of AT&T Corp. or any AT&T affiliate, subsidiary or entity. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph 4 based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.
- 5 The amount of termination allowance for an individual (1) who has been previously laid off or terminated by AT&T Corp. or any AT&T affiliate, subsidiary or entity; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments or in two equal payments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:
- The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph 4 shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.
- 6 **The provisions of Paragraph 1 do not apply in case of:**
- (a) An employee leaving the Company voluntarily without inducement by the Company;
 - (b) An employee on a leave of absence;
 - (c) An employee transferred to or employed by AT&T Corp., its affiliates or subsidiaries, or their affiliates or subsidiaries;
 - (d) An employee who is dismissed for misconduct;
 - (e) An employee who is classified as Term or Temporary at the time they are work completed.

ARTICLE 26 - TECHNOLOGICAL DISPLACEMENT

- 1 If during the term of this Agreement, the Company notifies the Union in writing that technological change (defined as changes in equipment or methods of operation) has or will create a surplus in any job title in a work location which will necessitate reassignments of regular employees to different job titles involving a reduction in pay or to locations requiring a change in residence, or if a force surplus necessitating any of the above actions exists for reasons other than technological change and the Company deems it appropriate, any regular employee who is in the affected job titles and work locations may elect not to accept such reassignment to a job title involving a reduction in pay or to a location requiring a change in residence and shall be paid a termination payment. Any such regular employee who refuses to accept a transfer to a job title having the same or greater rate of pay and which does not require a change in residence shall not be paid a termination payment.
- 2 Employees eligible for a termination payment under the terms of this provision may alternatively elect to participate in the AT&T Option Program (ATTOP) providing they meet the eligibility requirements of that program.

ARTICLE 27 - REASSIGNMENT PAY PROTECTION PLAN

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

0-10 YEARS

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

10-15 YEARS

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

15+ YEARS

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

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

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

Article 27

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

- 3 An employee, who would be eligible to receive Reassignment Pay Protection pursuant to Paragraph 1, and who is not otherwise eligible for provisions of Paragraph 2, may decline such assignment. Such employee shall be paid a lump sum payment equal to the sum of periodic RPPP payments the employee would otherwise have received and shall voluntarily resign from the Company without a termination payment.

ARTICLE 28 - SENIORITY

- 1 Length of service (Net Credited Service as determined by the Employee's Benefit Committee) shall be taken into account in the treatment of employees insofar as the conditions of the business and the abilities of the employees permit.
- 2 It is understood by the parties that the provisions of Paragraph 1 apply to all Articles of the contract.

ARTICLE 29

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ARTICLE 30 - CONTRACTING OF WORK

- 1 In making decisions regarding contracting of work, it is management's objective to consider carefully the interests of both customers and employees along with all other considerations essential to the management of the business. Some of these considerations include but are not limited to law, regulations, changing industry structure, economic conditions, and business considerations.
- 2 Projects involving types of traditional telephone work which have been regularly performed by bargaining unit members in a work group will not be contracted out if the contracting out of traditional telephone work on such a project will currently and directly cause layoffs or part-timing of regular employees in the same work group which would have otherwise performed the work. "Work group" as used in this article shall be deemed to refer to the group of employees normally treated as a unit for purposes of part-timing or layoff under Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall).
- 3 From time to time, but no less frequently than every six (6) months, the Director of Labor Relations, or his or her designated representative, and the Union's Vice President, or his or her designated representative, will meet to review traditional telephone work which has been contracted out which, heretofore, was performed in a given locality by bargaining unit members. Such information shall include the frequency and volume of traditional work sub-contracted on behalf of the Business Operating Unit/Division. The focus of the meetings will be to afford the Union's Vice President, or his or her designated representative, an opportunity to suggest ways in which the Company could, in the future, use bargaining unit members in the same or other localities to perform the contracted out work at competitive total cost to the Company and within the same completion time requirements. Where such methods are presented by the Union, the Company will give them due consideration and will advise the Union of its determination. Where appropriate (such as when there is no functioning Planning Council in a particular Business Operating Unit or Division), the Director of Labor Relations, or his or her designated representative, and the Union's Chair, or his or her designated representative, will mutually authorize the formation of Business Operating Unit/Division Joint Committees on sub-contracting or local committees to examine the contracted work to suggest ways that the work could be performed, in the future, by bargaining unit members in a given locality at competitive costs and within the same completion time requirements and to discuss the need for, and nature of, information which would assist the committee in performing its function.
- 4 The provisions of this article will be subject to the grievance procedure contained in Article 9 (Grievance Procedure), but shall not be subject to the arbitration provisions contained in Article 10 (Arbitration).

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

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

- 5 In furtherance thereof, the parties have agreed as follows:
- (a) In lieu of all other procedures set forth in Article 10 (Arbitration), the following procedure shall apply to grievances alleging that the Company has contracted work which would otherwise have been performed by bargaining unit employees in a GCA in which (1) layoffs of such employees are pending, (2) in which employees are on layoff with recall rights and are available to do the work which has been contracted.
 - (1) Within thirty (30) days of the denial of the Union's grievance at the third step, the Union's national office may request, in writing, that the grievance be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties.
 - (2) The parties shall schedule a meeting with the neutral third party within thirty (30) days of the Union's appeal. At a meeting with the neutral, the Union shall have the opportunity to explain why it believes that the contracting at issue either currently and directly caused layoffs or part-timing of employees in circumstances set forth in Article 30, Paragraph 2 or whether, in circumstances addressed by the Williams/Bahr letter, the Company had no other reasonable alternative but to contract the work in dispute. The Company shall then have the opportunity to respond.
 - (3) Except as agreed upon by the parties, the meeting shall be informal. Normally witnesses shall not be called. No transcript shall be made. The neutral shall issue a written decision within thirty (30) days of the meeting on the form shown in Paragraph 6 below, and both parties hereto agree to be bound by the neutral's decision. No other decision or opinion shall issue, and the decision of the neutral shall not be used or cited as precedent in any future cases. If the neutral's decision upholds the Union's grievance, an amount of money, computed by using the Adjusted Rate, including premium payments (such as overtime and holiday allowance if appropriate) of the employees on layoff, and the number of hours of work contracted which would otherwise have been performed by employees who have been laid off as a current and direct result of the contracting, or who are on layoff with recall rights in that GCA and who were available to do the contracted work, shall be distributed among those individuals as determined by the parties and the contracted work will be returned to the bargaining unit.
 - (b) The compensation and expenses of the neutral third party and the general administrative expenses of the meeting with the neutral shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives.
 - (c) No less than one (1) such meeting shall be held in each calendar quarter and the selected neutral shall hear all grievances which have been appealed to this dispute resolution process at least seven (7) days prior to the selection of the neutral.
 - (d) These procedures shall be the sole and exclusive means by which contracting grievances unresolved after the exhaustion of the procedures set forth in Article 9 (Grievance Procedure) may be addressed.

6 Decision of Neutral Third Party

(a) Did the contracting involved in the grievance currently and directly result in the layoff or part timing of employees in the circumstances set forth in Article 30, Paragraph 2 of the Agreement? (If this answer is "yes", then the union's case is sustained.)

Yes No

(b) Was a surplus of employees declared and in effect at the time the contracting took place in the GCA in which the contracting took place?

Yes No

(c) Were employees in the GCA in which the contracting took place on layoff with recall rights and available to do the work which was contracted?

Yes No

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

Yes No

ARTICLE 31 - EMPLOYEES IN MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING

1 A regular employee (not temporary or term) who enters the United States Uniformed Services for Active Duty for Military Service, shall be granted a Military Leave of Absence for the period of his/her necessary absence. Voluntary extension of military service beyond five (5) years shall not be construed as necessary absence. A regular employee (not temporary or term) who is a member of a reserve component or organized militia of the state and enters upon Military Training Duty will be granted a Military Leave of Absence for the period of the necessary absence for such training. The term "Uniformed Services" as used herein shall mean Uniformed Services of the United States as specified in the Uniformed Services Employment and Reemployment Rights Act of 1994.

A term employee who is a member of a reserve component or organized militia of the state and enters upon Military Training Duty will be granted a Military Leave of Absence for not more than two (2) weeks per year. The term "Uniformed Services" as used herein shall mean Uniformed Services of the United States as specified in the Uniformed Services Employment and Reemployment Rights Act of 1994.

An employee, on a Military Leave of Absence for Active Duty for Military Service or military training duty and who has re-employment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and who makes application for reinstatement within the period provided in the law will receive upon reinstatement, full service credit for the period of absence for military service or training duty.

- 2 Military Leaves of Absence will be with eligibility to sickness disability benefits at the termination of the leave if the employee is then disabled but otherwise entitled to reinstatement in accordance with the terms of the AT&T Benefit Plans.

In death cases occurring during a Military Leave of Absence, sickness death benefits, where payable, shall be based upon the term of net credited service at the time the leave was granted, plus the elapsed time of Military Leave of Absence to the date of death, and shall be computed at the time the leave began.

Sickness disability benefits, where payable, shall be granted upon the net credited service at the time the leave was granted plus the elapsed time on Military Leave of Absence to the termination of such leave, and shall be computed on the basis of AT&T pay in effect at the time of the employee's reinstatement.

- 3 It is the policy of AT&T to pay a Military Differential Pay to regular employees (not temporary or term) who receive and provide the Company with a copy of military orders for military service in the U.S. Armed Forces subject to conditions imposed by federal law.

It is the policy of AT&T to pay a Military Differential Pay for a maximum of thirteen (13) scheduled work days to Term Employees who receive and provide the Company with a copy of military orders for military service in the U.S. Armed Forces subject to conditions imposed by the federal law.

Military Differential Pay is the excess of AT&T pay over military pay received by an eligible employee while on a Military Leave of Absence.

AT&T pay is an employee's Adjusted Rate (excluding overtime) in effect at the time the Military Leave of Absence begins. Night work differentials, seven-day coverage and transition payments (non-lump sum) are included. Military pay is an employee's military basic pay rate in effect when the Military Leave of Absence begins. All allowances and supplementary pay elements [i.e., BAS (Basic Allowance for Subsistence), BAQ (Basic Allowance for Quarters), Hazardous Duty Pay, Proficiency Pay, Special Duty Pay] are not included.

The Military Differential Pay shall be up to the limits prescribed in the following or the period of Military Service, whichever is shorter:

If the leave of absence and duration are...	And the date the leave begins the employee's net credited service is...	Then the duration of Military Differential Pay is...
Active Duty for Military Service (normally 2-5 years)	1 year or less	First 15 weeks
(See Note 3)	More than 1 year	First 26 weeks
Military Training Duty-normally 2 weeks (See Note 1)	No minimum	A maximum of 13 scheduled work days (including holidays) in each military fiscal year (October 1 - September 30)

If the leave of absence and duration are...	And the date the leave begins the employee's net credited service is...	Then the duration of Military Differential Pay is...
Term Employee Military Training Duty (not to exceed 2 weeks)	No minimum	A maximum of 13 scheduled work days (including holidays) in each military fiscal year (October 1 - September 30)
Initial Active Duty for Training (at least 3 consecutive months but no more than 18 months)	No minimum	First 2 weeks (10 days)
Emergency Service	No minimum	A maximum of 13 scheduled work days (including holidays) in each calendar year (See Note 2)

Note 1: Includes attendance at schools for special military courses of instruction which may last several months.

Note 2: An absence for Emergency Service does not affect an employee's right or eligibility with respect to Military Training Duty, Initial Active Duty for Training, or Active Duty for Military Service. If the local emergency situation exceeds 13 scheduled workdays, pay treatment for additional time must be approved by the AT&T Pension Plan Administrator.

Note 3: Payment of Military Differential Pay, for up to the maximum durations described above, is limited to the time when an employee initially enters Active Duty for Military Service. The employee is not again eligible for the maximum payments, regardless of the number of times the employee enters Active Duty for Military Service.

Regular employees who volunteer for Military Training Duty (including attendance at schools for special military courses or instruction) or Emergency Service without receiving military pay, will be authorized time off but without AT&T pay or Military Differential Pay.

Upon furnishing official written documentation to his/her supervisor, a regular employee may be granted up to three (3) scheduled workdays off with pay to report for registration, testing and/or a physical examination for induction into Active Duty for Military Service or Initial Active Duty for Training.

- 4 An employee who receives a notice to report for Active Duty for Military Service or any Military Training Duty, shall immediately present such notice to his/her supervisor.

The Company may extend the duration of Military Differential, but when it does so, the Union will be notified at least two (2) work days prior to implementation.

ARTICLE 32 - MESSAGING APPLICATION SERVICES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

TECHNICAL

Computer Center Plant Engineer
Computer Network Associate - II
Computer Network Associate - III
Customer Support Technician - II

TECHNICAL SUPPORT

Computer Network Clerk
Customer Service Associate - I
International Process Associate

ADMINISTRATIVE

Administrative Associate - I
Administrative Associate - II
Drafting Associate
Reprographics Associate

FINANCIAL

Billing Associate - II
Billing Associate - III

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the work group to which the employee is assigned. When an employee is assigned temporarily to a different work group within an office or to a similar or different work group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each work group shall be as specified by the ranking Manager.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) The total normal hours worked for full-time employees per week shall be forty (40) hours.
- (3) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) Tour Selection

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least two (2) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in work groups where employees' scheduled hours of work do not normally vary.

(d) Hours of Work - Scheduling

- (1) Work schedules will be established for each calendar week, designating days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 P.M. of the preceding week.
- (2) Work schedules for the following week may be changed at or before 3:00 P.M. Thursday of the current week.
- (3) After 3:00 P.M. Thursday of the current week, an employee's schedule for the following week shall not be changed with respect to his or her basic tour, scheduled days or length of scheduled tour on each day, except that, if an employee is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an employee is required to travel on a non-scheduled Sunday on Company business in accordance with Article 16 (Transfers, Travel Allowances, and Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a scheduled day and the Company shall designate one (1) of the employee's scheduled days in that week as a Non-Scheduled Day. If the employee is not notified of such designation before the end of the Sunday work, the last scheduled day of the employee's work week shall become a Non-Scheduled Day.
- (4) The starting time of an employee's scheduled tour on any day may be changed provided the employee is given adequate notice and provided further that no tour so scheduled shall start more than two (2) hours before, or after, the starting time of the employee's basic tour unless it starts four (4) hours or more before or after such starting time. When a tour is changed in accordance with the foregoing the rescheduled tour becomes the scheduled tour for that day.
- (5) Adequate notice of a change in schedule shall be notice given at least thirty-six (36) hours prior to the starting time of the tour originally scheduled or the starting time of the rescheduled tour, whichever is earlier.

(e) **Relief/Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 Overtime

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous with a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 Differentials and Other Payments

(a) **Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential of one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-time Employees).

Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.

- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) On-Call Payments

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be required to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. Employees with necessary skills will be solicited on a voluntary basis; however, if there are an insufficient number of volunteers, the Company will assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those employees required to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b).
- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) Sunday Payments

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(f) Management Relief Differential

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.

- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(h) Temporary Assignment for Formal Training Delivery

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(i) Holidays

Article 23 (Holidays) is replaced by the following provisions for employees covered by this Article 32.

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

New Years Day	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Christmas Day	(December 25)

An Employee on the payroll in the calendar year in which the holiday would be observed will have the option to select one of the following holidays as a fixed recognized holiday that year:

- Martin Luther King Jr.'s Birthday
- Good Friday
- Veterans Day
- The Employee's Birthday
- Presidents Day
- Day after Thanksgiving (Fourth Friday in November)

Eligible Employees will be provided the option to select a day during the normal vacation scheduling process. An eligible Employee who does not select one of these days as a fixed recognized holiday may select an additional Floating Holiday under the normal scheduling process for a Floating Holiday.

- (2) In addition to the holidays listed in Paragraph 4(i)(1) above, employees shall be granted three (3) floating holidays of which two (2) may be designated by the Company. Such Company designated floating holidays will be established prior to employee vacation scheduling.
- (3) New employees are eligible for all designated holidays occurring after their date of hire, but they will be eligible for non-designated floating holidays in accordance with the following schedule:

<u>DATE OF HIRE</u>	<u>ELIGIBILITY</u>
January 1 - June 30	3
July 1 - September 30	2
October 1 - November 30	1

- (4) When a holiday occurs on a Sunday, the following Monday will be observed as the holiday. When a holiday occurs on a Saturday, the preceding Friday shall be observed as the holiday.
- (5) Compensation for employees shall be as follows:
 - (i) Employees who are not scheduled to work on the day a holiday is observed, as provided in Paragraph 4(i)(1) above, shall be paid at their Adjusted Rate, including any tour differential to which the employee would have been eligible had they not been excused as provided in Paragraph 4(i)(1) above.
 - (ii) Full-time employees who are excused from work on the day a holiday is observed shall be paid a holiday allowance equal to one-fifth (1/5) of their Adjusted Rate, including any tour differential to which the employees would have been eligible had they not been excused.
 - (iii) Full-time employees who work on the day a holiday is observed shall be paid, in addition to the holiday allowance, at one and one-half (1-1/2) times the Hourly Adjusted Rate for time worked during their Scheduled Daily Tours. Hours worked outside the Scheduled Daily Tour shall be compensated at the Double Time and One-Half Overtime Rate.
 - (iv) A part-time employee shall be paid a holiday allowance equal to one-fifth (1/5) of that employee's "equivalent work week classification."
 - (v) A part-time employee who works on a holiday shall be paid pursuant to Article 18 (Classification and Treatment of Part-time Employees).

(vi) An employee who is scheduled pursuant to Paragraph 2(d)(1) to work on a Company designated holiday, as provided for in Paragraph 4(i)(2) above, shall receive another day excused with pay in lieu of the designated holiday. Such day in lieu of the designated holiday shall be selected by the employee and granted based on the needs of the business. Employees shall not be required to work on a day selected in lieu of a holiday.

(6) Any employee who is absent and not excused on the scheduled work day before and after the holiday shall not be paid a holiday allowance.

(7) An employee who is scheduled to work on a holiday but who fails to report for work and is not excused shall receive no holiday allowance.

(j) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 P.M. and 12:00 Midnight.

(k) **Bi-lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

ARTICLE 33 - COMPUTER SERVICES

1 Titles

The provisions set forth in this Article apply to employees assigned to the following titles with the exception of Paragraphs 4(a) and 5 which shall only apply to the Technical titles listed below:

ADMINISTRATIVE AND SUPPORT

Administrative Clerk - Data
Clerical Typist - Data
Customer Service Representative - Data
Data Service Coordinator
Dispatch Clerk - Data
Inventory Specialist - Data

TECHNICAL

Customer Engineer I
Customer Engineer II
Customer Engineer III

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) Tour Selection

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.

- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) Except as provided in Article 18 (Classification & Treatment of Part-Time Employees), when an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One-Half.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) **Relief/Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) **Daylight Savings Time**

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 Overtime

(a) Overtime Payments

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) Double Time Payments

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) Overtime Continuous with a Tour

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 Differentials and Other Payments

(a) Night Differential

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) Call-In Payments

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-time Employees). Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an

authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) Call-Up Payments

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.

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

(d) **On-Call Payments**

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be required to remain in contact with the Company outside of scheduled hours by use of a beeper or other communication device. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company will assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those employees required to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment.

Employees called-up will be eligible for call-up treatment as provided for in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b).

- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) **Sunday Payments**

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(f) **Management Relief Differential**

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 P.M. and 12:00 midnight.

(h) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(i) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(j) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

5 Motor Vehicle Usage Program

- (a) There will be established in the Company a Motor Vehicle Usage Program to provide, in those administrative work units where implemented, that employees who participate will be assigned a motor vehicle for use in their work and for traveling between their work locations and places of residence or other designated places for the vehicle storage.
- (b) The Motor Vehicle Usage Program will be implemented only within administrative work units where some or all of the employees normally use a Company-provided motor vehicle in order to perform their work. The decision to implement and to continue the program within any such administrative work unit will be within management's discretion.
- (c) When the Motor Vehicle Usage Program is introduced within an administrative work unit, all employees within that unit who normally use a Company-provided motor vehicle in the performance of their work assignment will be eligible to participate. Participation by any such employees will be on a voluntary basis. If an employee elects not to participate, management will determine where the motor vehicle assigned to that employee is to be stored and that location will become the employee's work reporting location.
- (d) Employees who participate in the Program will be expected to provide normally secure and legal storage for the vehicle at their places of residence. If the vehicle cannot be properly stored at an employee's place of residence, the Company may arrange for appropriate storage at its expense.
- (e) The Company will make arrangements for maintenance of the vehicle; however, it will be the responsibility of the employee to whom the vehicle is assigned to assure that the vehicle is properly maintained.

- (f) For employees who participate in the Motor Vehicle Usage Program, a work reporting area will be established on a local basis before implementation. Such work reporting area will be designed so as to serve the interests of the customer, reasonably accommodate the employee, and be satisfactory to management and the Union. The work reporting area normally will be a circular geographic area. In large congested metropolitan locations or where natural barriers render a circular work reporting area impractical, other suitable parameters will be established.
- (g) Each participating employee will be expected to begin and end the work tour at any assigned location within the established work reporting area. Prior to implementation of the Program, the Company and Union will determine a method of compensation for employees who begin or end a work tour outside an established work reporting area.

ARTICLE 34 - AT&T LABS - SUPPORT

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

Control Room Operator
General Utility Worker
GPM Carpenter
GPM Electrician
Hazardous Materials Technician
Print Reprographics Operator
Receiver-Shipper/Store Keeper
Reprographics Specialist
Instrument and Control Mechanic
Plant Operation Mechanic

2 Wages

(a) Occupational Classification

- (1) The work performed by employees in the bargaining unit shall be classified as to occupation in accordance with the several occupations set forth in Exhibit IV, and an employee shall be classified in the occupation covering the major portion of his/her regular work assignment. No provision of this agreement shall restrict the company's right to establish new occupational classifications and the applicable wage structure as changes in the work may require, to assign employees to such classifications or to transfer employees from one occupational classification to another in accordance with regular work assignments.
- (2) Whenever the company determines it appropriate to create a new job title or job classification in the bargaining unit, or to restructure or redefine an existing one, it shall provide advance notice of that action to the union. Such notice shall include the job title or classification, a job description of the duties for such job title or classification, and the initial wage rates and schedule for such job title or classification. Following such notice, the company may proceed to staff such job title or classification.
 - (i) Within thirty (30) days from receipt of such notice, the union may initiate negotiations concerning the initial wage rates or schedules which the company has established for the new or restructured job title or classification.
 - (ii) If negotiations are not so initiated, the initial wage rates and schedules set by the company shall remain in effect.
 - (iii) If agreement is reached between the parties within sixty (60) days following the union's receipt of notice from the company concerning the initial wage rates and schedules, the agreed-upon wage rates and schedules shall be implemented as of the date of such agreement.

- (iv) If negotiations are initiated pursuant to Paragraph 2(a)(2)(i) above, and if the parties are unable to reach agreement on a schedule of wage rates for the new or restructured job title or classification within sixty (60) days following the union's receipt of notice from the company, the union may, within thirty (30) days of the expiration of the sixty (60) day period for negotiations, demand that the issue of an appropriate schedule of wage rates for the new or restructured job title or classification be submitted for resolution to a neutral third party, to be selected by mutual agreement from among those who possess acknowledged expertise in the area of employee compensation. The parties may submit all evidence deemed relevant to the issue to the neutral third party. At the request of either party, a hearing shall be held to receive such evidence. Any such meeting or hearing shall be held within thirty (30) days after the matter is referred to the neutral third party, who shall render a written decision as to an appropriate schedule of wage rates for the new or restructured job title or classification within sixty (60) days of the date that the matter is first referred for resolution. In the event the neutral third party determines that a different schedule of rates is appropriate, the new schedule shall be placed in effect as of the date of the neutral third party's decision.
- (v) The procedures set forth in Paragraph 2(a)(2)(iv) above shall be the exclusive means by which the union may contest the schedule of wage rates which the company set for any new or restructured job title or classification.

(b) Schedule of Wage Rates

(Paragraph 2(b) though (h) inclusive in lieu of Article 15)

- (1) For the several occupations of the bargaining unit, minimum and top rates for the appropriate year shall be as shown in Exhibit IV. These wage rates shall be for the scheduled weekly tours as set forth in Exhibit IV.
- (2) No employee in any occupation shall be paid at a rate less than the minimum rate for that occupation as shown in Exhibit IV.
- (3) An employee's rate of pay may be increased within the rate range for his/her job classification, commensurate with his/her demonstrated performance, within a period not to exceed one year after his/her employment. An employee shall be entitled, upon request, to meet with his/her supervision and union representative prior to the end of the one-year period for purposes of reviewing the employee's performance.
- (4) When an employee is given special training by the company in connection with his/her work, his/her rate of pay may be increased at the completion of the training period.

(c) General Wage Schedule Increases

The increases in the wage schedules set forth below shall be computed on an exponential basis. Hourly Wage Schedules shall be rounded to the nearest penny. Weekly Wage Schedules shall be rounded to the nearest dollar.

(1) **Initial Wage Increase**

Wage schedules shall be increased by 2.25% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 7, 2012. The initial general wage increase shall be effective on Sunday, April 8, 2012. The retroactive wages from April 8, 2012 to the date of ratification will be paid as soon as practicable after ratification if the contract is ratified on or before August 17, 2012.

(2) **Second Wage Increase**

Effective April 7, 2013, wage schedules shall be increased by 2.75% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 6, 2013.

(3) **Third Wage Increase**

Effective April 6, 2014, wage schedules shall be increased by 3.0% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 5, 2014.

(d) **Automatic Progression**

- (1) When an employee completes an indicated period of equivalent service entitling the employee to a progression wage increase, such wage increase will be effective on the first day of the week in which such period of service is completed.
- (2) Employees whose last progression increase brings them within \$1.00 of the top rate, shall receive with that increase the amount necessary to bring them to the top rate.
- (3) Employees shall not receive a progression increase unless they have completed at least six weeks service.

(e) **Promotional Increases**

- (1) A full-time employee who is promoted into a higher-rated classification shall receive an immediate increase in accordance with the provisions of Exhibit I, Promotional Increase Treatment, of this Agreement.
- (2) Notwithstanding the provisions of Exhibit I of the current Agreement, the company may grant promotional increases in excess of those specified when in its judgment, the rate determined by Exhibit I, or the minimum rate specified in Exhibit IV as the case may be, does not reflect the employee's worth in the new classification.
- (3) An employee's rate of pay may be increased within the rate range for his/her job classification, commensurate with his/her demonstrated performance, within a period not to exceed one year after a promotion. An employee shall be entitled, upon request, to meet with his/her supervision and union representative prior to the end of the one-year period for purposes of reviewing the employee's performance.
- (4) When an employee holds a Note (Exhibit IV) on a regular basis, he/she will receive as a promotional increase, the value of the Note or the increase stated in Exhibit I, whichever is greater.

- (5) No employee shall receive a promotional increase which would cause him/her to exceed the top rate of the classification into which he/she is promoted.

(f) **Effective Date of Rate Changes**

An increase scheduled to become effective while an employee is absent shall not become effective until the first day of the payroll period during which he/she returns to work.

(g) **Temporary Promotion Allowance**

- (1) An employee who is temporarily promoted (assigned) to a job in a higher occupational classification (wage schedule) shall be eligible to receive a temporary promotion allowance (TPA) in the amount of \$8.00 per day for each day such employee is assigned to work in the higher Occupational Job Classification. While on such temporary assignment, the employee shall continue to receive the standard rate he or she would have been paid in the lower Occupational Job Classification.
- (2) However, in no event shall the combination of a TPA when divided by the number of hours worked in a day and added to the employee's standard rate exceed the maximum rate of the Occupational Job Classification which the employee is temporarily promoted.

(h) **Definitions**

The following definitions are applicable to terms in this Article and are in lieu of the same or similar terms in Article 3:

(1) **Adjusted Rate**

An employee's total rate, resulting from the sum of his or her standard rate and any applicable wage protection allowance and base rate supplements (Notes).

(2) **Night Work Bonus**

A bonus of 10% of an employee's adjusted rate.

(3) **Overtime**

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

Pay at 150% of an employee's adjusted rate plus applicable night work and seven-day coverage bonuses.

(ii) **Double Time**

Pay at 200% of an employee's adjusted rate plus applicable night work and seven-day coverage bonuses.

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

Pay at 250% of an employee's adjusted rate plus applicable night work and seven-day coverage bonuses.

(iv) **Standard Rate**

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

(4) **Seven-Day Coverage**

(i) **Day in Lieu of Saturday**

The first scheduled day off in the work week when operations are on a five-day schedule basis, or the sixth scheduled day in the work week when operations are on a six-day schedule basis.

(ii) **Day in Lieu of Sunday**

The second scheduled day off in the work week when operations are on a five-day schedule basis, or the one scheduled day off in the work week when operations are on a six-day schedule basis.

(iii) **Seven-Day Coverage Bonus**

A bonus of 10 percent of an employee's adjusted rate.

(iv) **Seven-Day Coverage Employee**

An employee whose scheduled weekly tour involves special or rotating tours which frequently include working on calendar Saturdays and/or Sundays, and who works on a seven-day coverage job.

(v) **Seven-Day Coverage Job**

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

3 **Hours of Work**

(a) **Workweek**

The workweek shall be established as seven consecutive calendar days beginning with Sunday, except that for employees on tours which start less than four hours before Saturday midnight and extend into Sunday, the work week shall be considered as beginning with the start of such tours.

(b) **Work Schedules**

- (1) A scheduled daily tour shall be the hours in a day an employee is scheduled to work, excluding any unpaid meal periods of not more than one hour or overtime periods. An entire tour which begins four hours or less before midnight shall be considered to be a tour on the following calendar day.
- (2) The scheduled weekly tour is the portion of the work week comprised of scheduled daily tours, but excluding nonscheduled days which for:
 - (i) Other than a rotating shift (or special schedule) assignment, shall be from Monday through Friday, including the Friday night shift which extends into Saturday when the employee was not scheduled to work the previous Sunday night shift extending into Monday.
 - (ii) A rotating shift (or special schedule) assignment shall be arranged by the company on any days within the work week, frequently including Saturdays and/or Sundays.
- (3) A nonscheduled day is a day outside the scheduled weekly tour.

- (4) Scheduled weekly tours of 37 ½ to 40 hours shall be known as full-time schedules.
- (5) Scheduled weekly tours of less than 37 ½ hours shall be known as part-time schedules.
- (6) The standard number of scheduled hours of work per day or week for each classification shall be as shown in Exhibit IV.

(c) **Sunday Assignment**

Sunday work shall not be assigned except where necessary to maintain plant security and building service and to meet urgent work requirements. For employees whose scheduled weekly tour is Monday through Friday, pay at double time shall apply to time worked on Sunday. For seven-day coverage employees, pay at double time shall apply to time worked on the employee's day in lieu of Sunday. (Refer to Definitions, Paragraph 2(h)(4).

(d) **Change in Schedule**

- (1) If the company requires a change in the schedule of an employee whose standard weekly work schedule is Monday to Friday, inclusive, such an employee shall be notified of such change not later than noon Wednesday of the week preceding the week in which the change is to be effective, and the changed schedule shall be considered to be the standard work schedule.
- (2) If a change in the standard work schedule of an employee whose standard weekly work schedule is Monday to Friday, inclusive, is required by the company on short notice (after noon Wednesday of the preceding week), all time worked on the new schedule in such week which falls outside the hours of the original standard schedule shall be paid for at time and one-half, whether or not the regularly scheduled hours are worked.
- (3) Employees on rotating shifts or special schedule assignments shall be notified of a change in their standard work schedules no later than noon Wednesday of the preceding week. If this advance notice is not given, all time worked on the new schedule in such week which falls outside the hours of the original schedule shall be paid for at time and one-half.
- (4) Where a changed schedule results from an employee's request for time off received after noon on Wednesday, employees working the new schedule shall not be paid at the time and one-half rate for time which falls outside the hours of the original standard schedule. No pay shall be allowed for time not worked because of a change in schedule.

(e) **Job Training**

- (1) Training of employees required by the company, except as covered in (e)(2), will be done during scheduled daily tours and, if so, will be considered as time worked.
- (2) Employees classified as trainees in the Building Shop Group as set forth in Exhibit IV, are employees whose principal activity is work-training. They shall not be paid for time spent in attending classroom exercises or lecture courses held outside of scheduled daily tours.

(f) **Occasional and Part-Time Employees**

(1) **Definitions (Applicable to Employees Covered by this Article)**

(i) **Occasional Employee**

An occasional employee is one who is engaged on a daily basis for a period of not more than three consecutive weeks, or for a cumulative total of not more than thirty (30) days, in any calendar year, regardless of the length of the daily or weekly assignments. An occasional employee who actually works or is engaged to work in excess of three consecutive weeks or thirty (30) days in a calendar year shall be reclassified as a regular or temporary, full-time or part-time employee as appropriate.

(ii) **Part-Time Employee**

A part-time employee is one who is employed and normally scheduled to work less hours per average month than a comparable full-time employee in the same job title, classification and work group working the same normal daily tour. Scheduled weekly tours of less than 37 ½ hours shall be known as part-time schedules.

4 Call-Ins

- (a) When employees are called during their off time to report for a work assignment outside their scheduled daily or weekly tour, it shall be considered a call-in. However, when employees are requested to remain late on a day on which they have reported to work or when, prior to leaving work, they are requested to report for work on a subsequent day at either their standard or nonstandard starting time, it shall not be considered a call-in.
- (b) Employees responding to a call-in shall be paid for time worked outside their standard daily or weekly tour at the applicable overtime rate. When employees are required to make extra trips from their residence to their place of work and return as a result of a call-in, they shall be paid at the applicable overtime rate for reasonable time spent traveling both ways. When the call-in does not require extra trips but does involve reporting earlier than the employee's standard starting time, reasonable traveling time shall be paid at the applicable overtime rate for the trip from their residence to their place of work.
- (c) Total payment for time worked on a call-in including pay for traveling time as specified above, shall not be less than three hours pay at the applicable overtime rate plus applicable night work and seven-day coverage bonuses on Monday through Friday, and not less than four hours pay at the applicable overtime rate plus applicable night work and seven-day coverage bonuses on Saturday or Sunday or day in lieu of Saturday or Sunday.

5 Differentials

(a) **Definitions**

(1) **Night Tour**

When an employee's scheduled daily tour falls wholly or in part between 6 p.m. and 6 a.m.

(2) **Night Work Bonus**

An employee on a night tour shall be paid a night work bonus of 10 percent of adjusted rate for all time worked on such tours.

(3) **Other Differentials**

For differentials to employees in certain classifications as listed performing special assignments, see Notes h, k, l, n, t and w in Exhibit IV.

(4) **Seven-Day Coverage Bonus**

A seven-day coverage employee shall be paid a seven-day coverage bonus of 10 percent (10%) of the employee's adjusted rate for all time worked.

(5) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

6 Force Adjustment (In Lieu of Article 24)

(a) **Notice of Layoff**

When the company considers it necessary to reduce its working force due to lack of work, such reduction will be regarded as a layoff and the following shall apply:

- (1) The company shall determine the effective date of layoff, the occupational classifications and locations to be affected, and the number of employees to be laid off in each classification and location.
- (2) The union will be notified fourteen (14) days in advance of any layoff of the number, names, occupational classifications, and locations of those employees in the bargaining unit who are to be affected by the layoff.
- (3) The union will be notified thirty (30) days in advance before any union officer or steward is laid off.

(b) **Layoff Procedure**

Layoffs shall take place within each occupational classification in the following order:

- (1) Temporary employees shall be laid off first, then
- (2) Regular employees shall be laid off in inverse order of seniority.

(c) Surplus Employees Movement of Personnel

- (1) Employees will be declared surplus by location within the state and will be the least senior employee in the classification at that location(s) as defined in the terms of this Article.
- (2) In an effort to reduce or eliminate a surplus condition, ATTOP options will be offered, in accordance with the AT&T Option Program, across the state for a classification(s) in which a surplus condition has been declared or is created by displacement. Any opening would be filled in accordance with Paragraph 6(c)(1) of this Article.
- (3) Employees who have eighteen (18) months or more of net credited service and are declared surplus shall have the following options:
 - (i) Fill a vacancy within the state in the same classification. Should the vacancy be at a different location than the surplus employee, the vacancy will be filled by asking for volunteers in that classification from the surplus location. If two or more employees volunteer, seniority will be the determining factor. If there are no volunteers, the least senior employee in that classification in the surplus location shall be transferred to fill the vacancy.
 - (ii) If no vacancy exists, then the surplus employee may displace the least senior employee in the same classification within the state. In cases of multi-surplus within the same classification, seniority shall be the determining factor in location preference until exhausted.
 - (iii) If the surplus employee does not elect the option set forth in Paragraph 6(c)(3)(ii) above or is not eligible by seniority, then the surplus employee, if senior, shall displace the least senior employee in the next lower available classification by corridor as set forth in Paragraph 6(i), Job Corridors Chart. Any move under the terms of this paragraph shall be by region.
 - (iv) In the event that the next lower job classification in the region is not populated or populated with more senior employees within the region, the surplus employee may displace the least senior employee in that job classification across the state.
 - (v) Employees displacing least senior service employees in a lower-rated classification in (iii) or (iv) above must have a satisfactory or better annual appraisal and, in the judgment of the company, perform the job within a reasonable training period not to exceed two weeks.
 - (vi) An employee who elects option (i), (ii) or (iv) above, will receive, if eligible, relocation expenses as set forth in Paragraph (8), Relocation Expenses, of the AT&T Transfer System.

(vii) An employee who has been notified of his/her opportunity to displace the least senior employee under (ii), (iii) or (iv) above, may elect to be laid off. In such case, the employee must notify the company in writing within five calendar days of his/her being notified by the company of his/her opportunity to continue employment under the provisions of (ii), (iii) or (iv) above, that he/she elects to be laid off. If an employee elects to be laid off under this option, then the provisions of Paragraph 6(k), Termination Pay Schedule, shall apply. The provisions of Paragraph (f), Recall Procedure, shall also apply to such employee.

- (4) A surplus employee or employee who becomes surplus by displacement and has no options referenced above shall be laid off and subject to the provisions of Paragraph (f), Recall Procedure, and Paragraph 6(k), Termination Pay Schedule.
- (5) Any option requiring a decision as set forth in this Article, unless otherwise specified, shall be made within five calendar days.

(d) Reclassification of Former Bargaining Unit Employees

The company may consider for such reclassification to occupational classifications in the bargaining unit, employees who have at any time been members of the bargaining unit. The company will not, however, exercise such right to reclassify if in doing so, a surplus condition would be created.

(e) Return to Former Classification

If a vacancy is not filled in accordance with Paragraph 6(c), the following will apply:

- (1) Current employees within the classification where a vacancy exists with more seniority than downgraded or laid off employees, shall be given an opportunity to fill those vacancies before downgraded or laid off employees. The opening will be advertised to the union and the Request for Change in Work Assignment (RCWA) must be submitted within five business days.
- (2) If there are no current employees with more seniority who submit a RCWA to fill a vacancy per (e)(1) above, then based on seniority, laid off employees who are currently on the recall list and were laid off from the classification in which the vacancy exists or current employees who have been downgraded within the last eighteen (18) months from the classification in which the vacancy exists will be offered the opportunity to fill that vacancy. Where multiple vacancies exist in the same classification, seniority will be the determining factor for location preferences.
- (3) If an employee refuses the above options of Paragraphs (1) or (2) above or does not respond within two working days of receipt of the offer, the company considers its obligation to that employee completed.

(f) Recall Procedure (In Lieu of Article 24)

In recalling after a layoff, the company agrees to offer reemployment within the occupational classification or job corridor(s) (Paragraph 6(i) in which the

vacancy exists to former employees who have one year or more of net credited service. Such offers of reemployment shall be made in the inverse order in which such former employees were laid off, provided, however, that the obligation of offering reemployment to former employees shall not apply to such former employees who:

- (1) Have been off the company's payroll for a period of more than eighteen (18) months; or
- (2) Were placed with other companies as a result of direct efforts of the company and have not notified the Employment Department that they are no longer employed; or
- (3) Are employed by an affiliate or subsidiary company; or
- (4) Do not meet all the tests and conditions required for the available job, however, physical defects possessed by such former employees and known to the company prior to layoff shall not of themselves debar them from reemployment unless further aggravated during the period of layoff to the extent that they cannot perform their duties efficiently; or
- (5) Have refused an offer of reemployment at the same work location and same classification that had been held prior to layoff; or
- (6) Do not respond within two working days of receipt of a company offer of recall. (The company shall send a copy of this offer to the union.)

(g) Part-Timing

- (1) When the company considers it necessary to part-time, it shall notify the union at least twenty-eight (28) days in advance of placing such program in effect and shall negotiate with the union concerning the best methods of accomplishing the necessary reduction in work time. If no agreement is reached within twenty-eight (28) days, the company shall reduce the work time to that required.
- (2) If at any time it becomes necessary for the company to reduce the hours of work, weekly compensation may be proportionately reduced.

(h) AT&T Transfer System (ATS)

Effective January 18, 1990, the company implemented the AT&T Transfer System (ATS). This plan does not replace any contractual, internal movement of personnel procedures contained in this Article. ATS supplements the procedures in paragraphs 6 and 7 and shall only be applied after the movement of personnel procedures in these articles have been exhausted.

(i) Job Corridor Chart (See Appendix 8A)

(j) Definitions

(1) State

State of New Jersey covered by Local 1060, 1061 and 1062.

(2) Location

Whippany, Murray Hill, Holmdel, and their respective satellites are considered locations.

(3) **Region**

For the purposes of Paragraph 6 only. In New Jersey, there are two regions. The Northern Region consists of the Whippany and Murray Hill locations and their satellites. The Southern Region consists of the Holmdel location and its satellites.

(4) **Special Skills**

A surplus employee must have previously held the job classification in the company in order to displace into these job classifications.

(5) **Common Corridor**

A surplus employee need not have previously held the job classification in the company in order to displace into these job classifications.

(k) **Termination Payment Schedule (In Lieu of Article 25)**

- (1) Employees laid off because of lack of work shall be paid a termination allowance based on years of net credited service in accordance with the following schedule:

<u>YEARS OF NET CREDITED SERVICE</u>	<u>AMOUNT OF PAYMENT</u>
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
12 years but less than 13 years	28 weeks' pay
13 years but less than 14 years	32 weeks' pay
14 years but less than 15 years	36 weeks' pay
15 years but less than 16 years	40 weeks' pay
16 years but less than 17 years	44 weeks' pay
17 years but less than 18 years	48 weeks' pay
18 years but less than 19 years	52 weeks' pay
19 years but less than 20 years	56 weeks' pay
20 years but less than 21 years	60 weeks' pay
21 years but less than 22 years	64 weeks' pay
22 years but less than 23 years	68 weeks' pay
23 years but less than 24 years	72 weeks' pay
24 years but less than 25 years	76 weeks' pay
25 years but less than 26 years	80 weeks' pay
26 years but less than 27 years	84 weeks' pay
27 years but less than 28 years	88 weeks' pay
28 years but less than 29 years	92 weeks' pay
29 years but less than 30 years	96 weeks' pay

<u>YEARS OF NET CREDITED SERVICE</u>	<u>AMOUNT OF PAYMENT</u>
30 years but less than 31 years	100 weeks' pay
31 years but less than 32 years	104 weeks' pay

Termination Allowance payments shall be computed at an employee's Adjusted Rate plus applicable night work and seven (7) day coverage bonuses in effect as of the date of Layoff.

- (2) Effective June 1, 1986, the company will offer to regular employees who are laid off or terminated from the active payroll of the company due to force surplus conditions and who are eligible for a termination allowance, the option of receiving such payment (1) as income continuation in periodic installments, less applicable deductions, or (2) in a lump sum, less applicable deductions.

Such payments shall be in addition to earned pay, payment in lieu of advance notice, and any vacation payment to which employees may be eligible, but are subject to the following provisions:

- (i) If the periodic installment option is chosen, the frequency of these installments will match the employee's normal pay cycle. The amount of each income continuation installment will be determined by multiplying the number of weeks in the employee's pay cycle by the Termination Allowance Factor applicable to the employee. (Any odd balance will be carried forward into another pay cycle.) An employee's Termination Allowance Factor is the dollar figure used as a "week of pay" in calculating the total termination allowance to which that employee is entitled.
- (ii) Income continuation periodic installments shall continue until the earliest occurrence of any of the following events:
- (A) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
- (B) The employee is recalled or re-employed as a regular employee by AT&T or any of its affiliates, subsidiaries or entities.

- (iii) Employees who have received or elect to receive a termination allowance in a lump sum, shall as a condition precedent to being recalled or rehired as regular employees of AT&T or any AT&T affiliate, subsidiary or entity, make a repayment of any Excess Termination Allowance they may have received. As used in this Section, Excess Termination Allowance shall be the amount of Termination Allowance employees may have received which is over and above the figure derived by multiplying their Termination Allowance Factor by the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of AT&T or any AT&T affiliate, subsidiary or entity. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees shall, as a condition precedent to such reclassification, also make a repayment of the Excess Termination Allowance.
- (iv) The amount of Termination Allowance for an individual (1) who has been previously laid off or terminated by AT&T or any AT&T affiliate, subsidiary or entity; (2) who has received Termination Allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows: The number of weeks of Termination Allowance originally received (or, in the case of a lump sum payment, the number of weeks of pay received and not repaid as Excess Termination Allowance) shall be deducted from the number of weeks of Termination Allowance that is determined to be payable as of the date that the employee is again laid off or terminated.

7 Job Vacancies and Promotions

(For Vacancies in the titles covered by this Article not filled in Accordance with the Provisions of Paragraph 6).

(a) Job Vacancies

- (1) The company will provide the president of each local with a list of M&PS openings on a weekly basis and at least one week prior to the filling of any position. The presidents of Locals 1060, 1061 and 1062 will receive New Jersey M&PS openings. The union may share this information with bargaining unit members and may post it.
- (2) The company shall furnish to employees, upon their request, a form which can be used to indicate the employees interest in a change of work assignment. In New Jersey, employees with one year or more in their current classification will be given first consideration for:
 - (i) All lateral transfers from one unit to another; and/or
 - (ii) All promotions to Control Room Operator.

Should it be found that there are no employees who have spent one year in their present classification and who are qualified for Control Room Operator, other employees with less than one years service who have previously submitted a request will be considered prior to hiring new employees into those classifications.

(b) Filling of Job Vacancies

- (1) In the filling of job vacancies, the following locations will each be considered as a promotional unit:
 - (i) Holmdel, New Jersey (including the company locations at Crawford Hill, West Long Branch and the company's Research and Development location at Freehold, Lincroft and Middletown).
 - (ii) Whippany, New Jersey (including Chester, Liberty Corner and Morristown).
 - (iii) Murray Hill, New Jersey (including company locations at Piscataway, Warren Township, Union and Short Hills, and the company's Research and Development location at Summit.)

All job vacancies within a unit will be filled by considering only the employees within that unit. However, if an employee wishes to be considered for a job vacancy outside his/her unit, he/she will be considered if he/she files the form provided for in 7(a)(2).

- (2) The factors to be taken into consideration in the filling of a job vacancy with an employee from a lower-rated classification shall be seniority and necessary qualifications for the job to be filled. Seniority shall determine the selection of an employee for a higher-rated classification where two or more employees have in the opinion of the company, substantially equal qualifications for the job to be filled.
- (3) AT&T Transfer System (ATS)
(See Paragraph 6, Force Adjustment)

8 Jurisdiction of Work

(a) Work Done by Supervisors

Supervisors will not perform work normally assigned to employees within the bargaining unit except when necessary in meeting emergency situations or for training purposes, with the exception of those employees classified as nonexempt supervisors under the Fair Labor Standards Act.

9 Protective Clothing

- (a) The company will provide clothing and such other accessories as required by the company for the physical protection of the employees. Such clothing and accessories shall be those as now provided by the company plus any which may later be required by the company or by state law.
- (b) The company shall be responsible for the clearing of company-provided coveralls and uniforms.

10 Holidays

In addition to the three (3) Floating Holidays provided in Article 23, the employees covered by this Article shall be eligible to one (1) additional Floating Holiday.

AT&T LABS SUPPORT - JOB CORRIDOR CHART

Appendix 8A

PROPERTY MANAGEMENT	BUILDING SHOPS	*SPECIAL SKILLS	**COMMON CORRIDOR
MAINT	GPMs		
*ICM POM CRO (Note 2)	*ELECT *CARP	*HMT *RS (Note 1)	*RS (Note 1) CRO (Note 2) RSS GUW PRO

* Special Skills Requirements

**Common Corridor

(See Paragraph 6 (c)(3) (iii))

(Note 1): RS may bump to Common Corridor in Force Adjustment

(Note 2): CRO enters Common Corridor if bumped under RS

**EXHIBIT I
PROMOTIONAL INCREASE TREATMENT**

- 1 **Employees promoted into the following occupational classifications shall receive a promotional increase of \$3.00 per week:**

Print Reprographics Operator	Control Room Operator
General Utility Worker	Hazardous Materials Technician
Receiver-Shipper/Storekeeper	Reprographics Specialist

- 2 **Employees promoted into the following occupational classifications shall receive a promotional increase of \$4.00 per week:**

General Plant Mechanic (Carpenter)	Plant Operation Mechanic
General Plant Mechanic (Electrician)	Instrument & Control Mechanic

EXHIBIT IV
Schedule of Wage Rates
For Bargaining Unit Occupations

Wage rates exclude night bonus and are for a forty (40) hour week (five (5), eight (8) hour days) unless otherwise noted.

	Notes	Wage Rates
POWER SERVICE GRP. Operations Sub-Grp Control Room Operator - 415 Maintenance Sub-Grp Plant Op. Mech.-439 Instrument & Control Mechanic - 448		See Appendix 5 See Appendix 5 See Appendix 5
<u>Occupational Class</u>		
PRINT REPRO. GRP. Print Repro Opr.- 407 Reprographics Specialist - 474		See Appendix 5 See Appendix 5
GENERAL SER. GRP. Gen. Utility Worker - 409 Receiver-Shipper/Storekeeper - 413 Hazardous Materials Technician - 464	h,n,w h	See Appendix 5 See Appendix 5 See Appendix 5
BUILDING SHOP GPM (Carpenter) - 442 GPM (Electrician) - 447	t	See Appendix 5 See Appendix 5

NOTE DIFFERENTIALS

Note h: An employee who drives an auto, truck, or highlift fork lift as part of his/her regular job duties, except where he/she drives the vehicle for the sole purpose of transporting himself/herself and material or equipment to or from his/her place of work and the use of a public highway is not required, shall receive a pay differential of \$4.00 per day.

Note i: A nonsupervisory employee in any classification, who in addition to the work of his/her occupational classification, is designated by supervision to make operational setups for others, give instruction, or assign and check the work of a group in similar occupational classifications or on a job project, shall be called a leader and shall receive a pay differential of \$3.50 per day. A part-time employee shall receive a pay differential of \$1.00 per day.

A leader is not responsible for disciplining personnel, or for reporting on or passing judgment on the individual performance of other employees with respect to production, quality, or attendance.

Note k: An employee who is assigned to a higher-rated classification shall receive a Temporary Promotion Allowance pay differential of \$8.00 per day. (See Paragraph 2(g), Temporary Promotion Allowances.)

Note n: A Receiver-Shipper/Storekeeper assigned to work in a metals storeroom shall receive a pay differential of \$2.00 per day.

Note o: Wage rates shown are for a twenty (20) hour week (five (5), four (4) hour days).

Note t: A General Plant Mechanic assigned to work with a General Plant Mechanic-Trainee shall receive a pay differential of \$3.00 per day.

Note w: An employee assigned to work at the Warren Service Center location as a Receiver-Shipper/Storekeeper shall receive a pay differential of \$1.00 per day.

Definitions

Truck: Motor vehicle registered with Motor Vehicle Bureau as a truck.

ARTICLE 35 - SALES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

TITLE	TITLE
Account Representative	Federal Account Representative
Account Representative-Leveraged	Federal Business Representative
Account Support Representative	Federal Sales Representative
Business Inquiry Representative	Lead Catalog Associate
Catalog Support Clerk	Marketing Associate
Commercial Account Specialist	Marketing Support Specialist
Commercial Telemarketing Representative	Sales Associate-N
Customer Representative	Sales Representative-C
Customer Representative-Business	Sales Representative-C-Commission
Customer Representative-Leveraged	Sales Representative-I
Customer Representative-Residence	Senior Catalog Associate
Customer Sales Associate	Senior Catalog Support Clerk
Customer Sales Associate-Bi-Lingual	Telecommunications Attendant
Customer Sales & Service Specialist	Telemarketing Sales Representative
Customer Sales & Service Specialist-Commission	

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) Tour Selection

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) Hours of Work - Scheduling

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) Except as provided in Article 18 (Classification & Treatment of Part-time Employees), when an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One-Half.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) Relief/Meal Period

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than seventy-five (75) minutes from the beginning or end of the tour. Relief periods at the end of the tour should not start less than seventy-five (75) minutes before the end of the tour unless mutually agreed to.

(f) Daylight Savings Time

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.

- (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 Overtime

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous with a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 Differentials and Other Payments

(a) **Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-time Employees). Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For

such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day, or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.

(iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.

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

(d) **Sunday Payments**

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(e) **Management Relief Differential**

(1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.

(2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(f) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 P.M. and 12:00 midnight.

(g) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(h) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(i) **Customer Premise Visit Differential**

When an employee in the title of Account Support Representative, Commercial Account Specialist, Commercial Telemarketing Representative, Telemarketing Sales Representative, Customer Representative, Customer Sales and Service Specialist, Customer Sales and Service Specialist - Commission, or Sales Associate - N is required to make visits to customers' premises, the employee shall be paid a differential of five dollars (\$5.00) for each tour during which one or more such visits is required.

(j) **Metro Segment Compensation**

Employees in the titles of:

Commercial Account Specialist
Commercial Telemarketing Representative
Customer Sales and Service Specialist - Commission
Sales Representative - C - Commission

shall be compensated in accordance with a sales compensation program developed in a manner consistent with the AT&T Metro Segment Incentive Compensation Plan which is attached hereto as Appendix 4. For the purposes of this Article for employees covered by this compensation plan, the hourly adjusted rate and the overtime rate shall be calculated using the Adjusted Rate.

Additional information pertaining to the Metro Segment Compensation Plan can be found in Appendix 4, Part II of this Agreement.

(k) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

ARTICLE 36 - SUPPORT

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

Title	Title
Account Assistant	Facilities Engineering Clerk
Account Service Representative	Federal Administrative Clerk
Accounts Receivable Specialist	Federal Graphics Specialist
Administrative Clerk – I	Federal Office Assistant
Administrative Clerk – C	Federal Order Administrator
Analytical Clerk	Federal Records Clerk
Apparatus Cleaner	Federal Senior Clerk
Assistant Graphics Specialist	Federal Senior Graphics Specialist
Bi-Lingual Billing Clerk	General Clerk
Bill Processing Clerk	General Service Clerk
Billing Clerk	General Services Senior Clerk
Building Attendant	Graphics Assistant
Business Systems Service Representative	Graphics Specialist
CSDG Assembler	Leasing Associate
CSDG Technician	Lounge Attendant
Clerical Assistant	Mechanic – I
Clerical Stenographer	Network Security Representative
Combination Typist	Office Associate
Commercial Sales Support Associate	Office Clerical Assistant - I
Communications Operator	Office Clerical Assistant - C
Contract Clerk	Office Clerk
Correspondence Clerk	Office Support Clerk
Credit Representative	Operator Service Center Clerk
Credit Support Clerk	Order Typist
Customer Contact Agent – I	Order Writer
Customer Service Clerk	Project Coordinator
Customer Software Administrator – I	Records Clerk – I
Customer Support Associate	Records Clerk – C
Data Processing Clerk	Reports Clerk
Desk Top Publishing Coordinator	Revenue Results Clerk
Desk Top Publishing Specialist	Secretarial Associate
Design Associate - HITS	Secretarial Stenographer
Engineering Associate	Security Clerk
Engineering Data Clerk	Security Reports Clerk
Estimate Clerk	Security Representative
Facilities Clerk	Senior Account Service Representative

Title	Title
Senior Bill Processing Clerk	Service Order Administrator
Senior Clerk	Service Order Typist
Senior Communications Operator	Services Associate
Senior Data Processing Clerk	Software Associate
Senior Facilities Clerk	Special Billing Clerk
Senior File Clerk	Special Clerk
Senior Graphics Specialist	Special Reports Clerk
Senior Office Associate	Staff Assistant I
Senior Office Clerk	Staff Assistant II
Senior Operator Service Center Clerk	Stenographer
Senior Records Clerk	Subpoena Clerk
Senior Secretarial Associate	Subpoena Management Clerk
Senior Stenographer	Systems Applications Specialist
Service Attendant - HITS	Systems Support Specialist
Service Bureau Assistant	Teller
Service Coordinator	Traffic Routing Clerk
	Warehouse Shipping & Receiving Clerk - HITS
	Word Processing Specialist

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) Tour Selection

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.

- (2) Tour selection shall occur at least three (3) times during each calendar year except for Credit Representatives in Consumer Products where tour selection shall be at least two (2) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.
- (6) Notwithstanding the provisions of Paragraph 2(c)(2) above, in work centers where support employees are co-located with, and exclusively support employees covered under the tour selection provisions of Article 38 (Information Management Services) and/or Article 41 (Communications Services), the tour selection frequency shall be that of the employees in Article 38 and/or 41.

(d) Hours of Work - Scheduling

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) Except as provided in Article 18 (Classification & Treatment of Part-Time Employees), when an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One Half.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) Relief/M meal Period

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) Daylight Savings Time

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) Minimum Scheduling - Part-Time

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 Overtime**(a) Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) Double Time Payments

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) Overtime Continuous With a Tour

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 Differentials and Other Payments**(a) Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) Call-In Payments

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-time Employees).

Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.

- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) On-Call Payments

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be requested to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the Company will be rotated among all qualified volunteers in the work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those employees who have agreed to remain in contact will receive a payment dollars equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided for in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b). In the absence of sufficient volunteers, the local manager will meet and discuss the need for volunteers with the local Union.
- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) Sunday Payments

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(f) Management Relief Differential

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.

- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 PM and 12:00 midnight.

(h) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(i) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(j) **Customer Premise Visit Differential**

When an employee in the title of Accounts Receivable Specialist is required to make visits to a customers' premises, the employee shall be paid a differential of five dollars (\$5.00) for each tour during which one or more such visits is required.

(k) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

ARTICLE 37 - OPERATOR SERVICES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

- Bi-Lingual Operator
- Communications Assistant
- Operator
- Service Assistant
- Teleconference Specialist

2 Work Hours and Assignments

All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling except as qualified in those cases specifically covered by Paragraph 2(f)(3). The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.

(a) Working Hours Per Day

(1) Normal tours shall be as follows:

Day Tours (Starting at or after 5:00 A.M. and ending not later than 7:00 P.M.) 7 1/2 hours

Split Tours (Ending after 7:00 P.M. but not later than 10:00 P.M.) 7 hours

Split tours shall not have less than 4 hours between sessions and their overall length shall not exceed 13 hours

Afternoon-Evening Tours (Ending after 7:00 P.M. but not later than 10:30 P.M.) 7 hours

Short-Evening Tours (Ending between 11:00 P.M. and 3:00 A.M. inclusive) 6 hours

Night Tours (Ending from 5:30 A.M. to 7:00 A.M. inclusive) 7 hours

(2) Part-Time Employees

The working hours on any day shall ordinarily not be less than a half tour. The working hours in any calendar week shall not be less than a half tour and shall ordinarily not exceed the equivalent of five (5) full tours.

(3) Relief Period

An employee shall be assigned one (1), fifteen (15) minute relief period in each session not less than seventy-five (75) minutes from the start or end of the session.

The two (2), fifteen (15) minute relief periods of the night tour may be combined into one (1), thirty (30) minute relief period at any office in accordance with local arrangements. When the two (2), fifteen (15) minute relief periods of a short hour evening tour are combined into one (1), thirty (30) minute relief period, they will be scheduled so that neither session of the tour is more than three and one-half (3 1/2) hours in length.

Employees who work two and one-half (2 1/2) or more continuous hours in excess of their normal scheduled tour shall be assigned one (1) additional fifteen (15) minute relief period.

(4) Incidental Relief Periods

Under normal circumstances, an employee is not entitled to relief periods other than those scheduled. However, incidental relief periods will be granted under reasonable circumstances upon request.

(5) Meal Periods

Employees working on a continuous tour of seven (7) hours or more shall be assigned a meal period normally one-half (1/2) hour or one (1) hour in length. Meal periods shall be scheduled as far as practicable in the same order as the starting time of the employees' tours.

(b) Work Schedules

(1) Scheduled Days Per Week

- (i) An employee shall ordinarily be scheduled to work normal tours on any five (5) days of the calendar week.
- (ii) When an employee is scheduled to work more than five (5) normal tours, the additional tours shall be shown as scheduled premium tours. Any day of the calendar week may be designated a scheduled premium day except a Sunday or an authorized holiday.
- (iii) When scheduled to work on an authorized holiday, an employee will usually be scheduled to work a normal tour although a half tour may be scheduled on the holiday.
- (iv) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(2) Weekly Schedules

A schedule shall be set up for each calendar week and shall show each employee's scheduled and non-scheduled work days. The term "scheduled day" when used in Paragraphs 2(b) (Work Schedules) through 2(f) (Tour Selection) shall refer to both scheduled regular and scheduled premium days.

(3) Interval Between Tours

The interval between the end of one scheduled tour and the beginning of the next scheduled tour shall normally be at least ten (10) hours except when an employee is exercising his/her seniority under an open end scheduling arrangement. If the parties desire a minimum interval less than ten (10) hours, the local Union and Company will meet and agree, at the District/Area level, to implement a minimum separation between tours.

Individual employees may waive the minimum interval if they desire through their selection of tour preference.

(c) **Assignments**

(1) **Sunday and Holidays**

In general, Sunday and holiday work shall be assigned in rotation with night forces treated as a separate unit under a basic schedule environment or where local practice currently exists.

(2) **Non-scheduled Days**

In the assignment of non-scheduled days, service requirements are controlling, but to the extent that it is feasible to do so, except for assignments made on a rotation basis, an employee's preference shall be given consideration in the order of seniority if such preference is indicated not later than Thursday preceding the Wednesday schedule posting date.

(3) **Working on Day Off on Account of Absence**

An employee who has been absent without pay because of illness or other emergent reason may be permitted to work on a subsequent non-scheduled day during the same calendar week if service requirements warrant. In such case the employee shall be compensated for the non-scheduled day worked as though it were a scheduled day. This provision is an exception to Paragraph 3(a)(1)(iii).

(4) **Exchanges of Tours, Scheduled Days and Non-scheduled Days**

Arrangements between employees for the exchange of tours, or for the exchange of scheduled and non-scheduled working days, or both, for their own convenience, may be made if properly approved by the Company provided the resulting total number of days to be paid at rates in excess of the basic rates of the employees involved does not exceed that to which the Company was committed prior to the exchange.

(d) **Posting Schedules (Showing Scheduled and Non-scheduled Days)**

(1) Schedules for the following week shall be posted not later than Wednesday of the current week except that when Monday, Tuesday or Wednesday is a holiday the schedule may be posted on Thursday.

(2) Holiday schedules shall be posted at least two (2) weeks prior to the holiday and subsequent changes shall be kept at a minimum.

(e) **Changes in Schedules/Hours of Operation**

(1) Changes in scheduled and non-scheduled days for the following week may be made provided the employee is notified personally of the change at or before 5:00 P.M. Thursday of the current week. After 5:00 P.M. Thursday of the current week an employee shall not be required to change his or her scheduled and non-scheduled days for the following week but an employee may be requested to work on a non-scheduled day; provided, however, that if an employee is called in on a non-scheduled Sunday and works the equivalent of a full tour, that Sunday shall become a scheduled day and the Company may designate one of the employee's scheduled days in the week as a non-scheduled day by notifying the employee of

such designation before the end of the Sunday work.

- (2) When the Company modifies the hours of operation of an office with the result of adjusting the opening or closing time of the office by more than one (1) hour, the Company will provide written notification to the Local Union President at least thirty (30) days prior to the change. Temporary changes for emergent situations and special occasions are exempt.

(f) **Tour Selection**

(1) **Regular and Term Full-Time Employees**

In the assignment of tours, service requirements are controlling. Tours will be assigned using one of the following processes:

(i) **Basic Scheduling**

Employees may be given their choice of available tours, at least three (3) times during a calendar year at tour selection periods to be designated by the Company, in order of seniority determined in accordance with Article 28 (Seniority) Insofar as practicable, an employee assigned to a basic tour will continue on that assignment for the duration of the seasonal schedule. Variation in tour assignment from day to day shall be kept to a minimum consistent with load and service requirements. Locations presently using basic tour scheduling will continue except where the Company and Union agree to implement open end scheduling in accordance with Paragraph 2(f)(1)(ii) (Open End Scheduling).

(ii) **Open End Scheduling**

In offices on an open end scheduling basis, tours shall be assigned on the basis of the highest preference available for the employee in the order of seniority. Locations presently using open end scheduling will continue this practice.

(2) **Temporary Full-Time Employees**

When it is feasible to do so, temporary employees shall be given their choice of tours in the order of seniority determined in accordance with Article 28 (Seniority) after regular and term full-time employees have been given their choice of tours.

- (3) The decision of the Company on service requirements and feasibility shall be controlling in the choice of tour selection alternatives unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance and if necessary, submitted to arbitration in accordance with Article 10 (Arbitration).

(g) **Daylight Savings Time**

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for the evening and night tours.

- (2) When the change is made from daylight savings time to standard time, an employee working a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3(a) (Compensation for Extra Work Time).

3 Extra Work Time

Extra work time is time worked in excess of an assigned tour on a scheduled day, time worked in excess of a normal work week, or time worked on a non-scheduled day. Extra work time continuous with a preceding tour worked, shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding tour shall be considered as occurring on the day such period of extra work time started. Time allowed an employee for a meal period (although not paid time) shall not be considered as a break in the continuity of work time.

(a) Compensation for Extra Work Time

- (1) Compensation for extra work time, except for certain periods when Christmas Eve and New Year's Eve differentials apply, shall be as follows:
- (i) On any day except an authorized holiday for time worked in excess of a normal tour, at the employee's Time and One-Half Overtime Rate.
 - (ii) On any day, except a Sunday or an authorized holiday, for time worked by a part-time employee in excess of the employee's scheduled hours but not in excess of a normal tour, at the employee's Hourly Overtime Base Rate, except such time in excess of a normal work week, for which the compensation shall be at the employee's Time and One-Half Overtime Rate.
 - (iii) On a Non-Scheduled Day for time worked up to a normal tour at the employee's Time and One-Half Overtime Rate. This provision does not apply:
 - 1. To time worked on Sundays and holidays, or
 - 2. To time worked, not in excess of a normal work week, at the employee's request because of unpaid absence earlier in the week.
 - (iv) On an authorized holiday, for time worked in excess of a normal tour, at the employee's Double Time and One-Half Overtime Rate.
 - (v) On any scheduled premium day for time worked at the employee's Time and One-Half Overtime Rate or Double Time Overtime Rate, as applicable.
- (2) Compensation for extra work time for overtime hours worked will be paid at the double time overtime rate when the employee's overtime hours paid at the Time and One-Half Overtime Rate are in excess of eight (8) hours in a calendar week. This provision does not include time worked in excess of a normal work week at the employees request because of unpaid absence earlier in the week.

4 Differentials and Other Payments

(a) Sunday Differential

Compensation for time worked during a scheduled tour on a Sunday shall include a differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate with the following exceptions:

- (1) Employees in Illinois, New York and the Pittsburgh IOC who work subsequent Sundays in a calendar month at the request of the Company shall receive additional compensation of one-half (1/2) the employee's Hourly Overtime Base Rate.
- (2) Employees in Indiana who work two (2) or more consecutive Sundays at the request of the Company shall receive, for time worked on the second consecutive Sunday and each subsequent consecutive Sunday, additional compensation of one-half (1/2) the employee's Hourly Overtime Base Rate.
- (3) Employees in New Jersey, Arkansas, Kansas, Oklahoma, Missouri, Texas, Maryland, Virginia, West Virginia and Washington, D.C., who work three (3) or more consecutive Sundays at the request of the Company shall receive, for time worked on the third consecutive Sunday, and each subsequent consecutive Sunday, additional compensation of one-half (1/2) the employee's Hourly Overtime Base Rate.
- (4) Employees must be scheduled by the Company to work either subsequent or consecutive Sundays and actually work the Sunday in order to receive the double time pay specified in sub-paragraphs 4(a)(1), 4(a)(2), and/or 4(a)(3).

(b) Evening and Night Differential

- (1) An employee shall be entitled to a daily evening or night differential when the employee is assigned and works a tour for which a differential is specified in sub-paragraph 4(b)(2) below. If an employee is absent without pay for the last half of a tour, the applicable differential payment shall not be made unless the tour is a night tour or a continuous tour of less than seven (7) hours.
- (2) The weekly evening or night differentials based on the starting or ending time of assigned tours (regardless of overtime) shall be as follows:

<u>TIME OF TOUR</u>	<u>WEEKLY EVENING AND NIGHT DIFFERENTIALS</u>
Evening tours, excluding split tours, ending after 7:00 PM but not later than 10:30 PM	\$10.00
Evening tours ending 11:00 PM to 3:00 AM	\$3.00
Night tours ending 5:30 AM to 7:00 AM	\$45.00

- (3) Differentials shall be paid on a daily basis, the daily differential being one-fifth (1/5) of the weekly differential.

(c) Christmas Eve and New Year's Eve Payment

- (1) An employee who works a scheduled day or evening tour shall be compensated at three (3) times the employee's Hourly Overtime Base Rate, for all time worked after 7:00 PM.
- (2) An employee who works a scheduled night tour shall be compensated at three (3) times the employee's Hourly Overtime Base Rate for all time worked.

(d) Minimum Interval Differential

If the interval between the end of one assigned tour and the beginning of the next assigned tour is less than the agreed upon interval as provided for in Paragraph 2(b)(3) (Interval Between Tours) all time worked during the second of the two tours will be compensated for at Time and One-Half; except that this will not apply when the interval is such because of a change in tour assignment made at the employee's request, or when an employee is exercising his or her seniority.

(e) Management Relief Differential

- (1) A Management Relief differential payment shall be made to an Operator Services Employee assigned to replace a management employee for a period of four (4) or more hours during a tour.
- (2) The Management Relief differential shall be ten dollars (\$10.00) per day and shall be paid as follows:
 - (i) For each scheduled tour worked within a normal work week on which an employee qualifies under Paragraph 4(e)(1), the Management Relief differential is paid in addition to the employee's Daily Adjusted Rate for that tour.
 - (ii) For extra work time, the Management Relief differential, where applicable, is included in the overtime adjustment.
- (3) Employees assigned to relieve a management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action.

(f) Split Tour Differential

When an employee works in both sessions of a split tour, the employee shall receive a split tour differential in the amount of six dollars (\$6.00).

(g) Temporary Assignment to Higher Occupational Job Classification

- (1) Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

- (2) When an employee is temporarily assigned to a position in Operator Services with a higher wage rate for a continuous period in excess of eight (8) weeks, he or she shall then be given the title of the higher position with the understanding, however, that it may be necessary to reassign him or her to a position with a lower wage rate upon the return of the employee who originally held the higher position or upon termination of the need for such position.

(h) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

This differential is not applicable to employees who perform the duties of a Service Assistant.

(i) **Customer Premise Visit Differential**

When an employee is required to make visits to customers' premises, the employee shall be paid a differential of five dollars (\$5.00) for each tour during which one or more such visits is required.

(j) **Mother's Day Payment**

Employees in Paragraph 1 (Titles) scheduled to work on Mother's Day shall be compensated at three (3) times the employee's Hourly Overtime Base Rate for all time worked.

(k) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

5 Extended Vacation

During the term of this Agreement, employees covered by Paragraph 1 (Titles) shall be eligible, upon request, to an additional vacation of one week without pay and without a break in service subject to the following conditions:

- (a) An employee eligible to a vacation of two, three, four, or five weeks with pay shall be eligible, beginning the year in which the employee will complete seven years of net credited service, to this extended vacation without pay at least once in every three year period.
- (b) Extended vacation may be granted to an employee in the two calendar years following that in which the employee was granted an extended vacation.

- (c) For eligible employees, an extended vacation shall be selected after the first selection canvass of the vacation selection universe and only for those full weeks still available during the second selection priority canvass. Extended vacation weeks may only be scheduled for the full calendar year for which vacation is being selected.

ARTICLE 38 - INFORMATION MANAGEMENT SERVICES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

- Data Processing Associate I (DPA I)
- Data Processing Associate II (DPA II)
- Data Processing Associate III (DPA III)
- Data Processing Associate IV (DPA IV)

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

3 Weekly Work Schedules

(a) Scheduled Days Per Week

- (1) An employee shall be scheduled to work normal tours on any five (5) days of the calendar week.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(b) Weekly Schedule

A schedule shall be set up for each calendar week and shall show each employee's scheduled working days, the employee's scheduled tour for each of these days and the employee's basic tour. Where service or coverage conditions require, an employee may be called on to work in excess of the employee's scheduled assignments.

(c) Interval Between Tours

The interval between the end of one scheduled tour and the beginning of the next scheduled tour shall normally be at least a normal tour.

(d) Start of Tours

Scheduled tours may start at any time of the day and the starting time may vary from day to day, provided, however, that on weekdays, exclusive of authorized holidays, no scheduled tour shall start more than two (2) hours before or after the starting time of the employee's basic tour unless it starts four (4) hours or more before or after such starting time.

(e) **Schedule Following an Absence**

An employee's schedule for the week in which he or she returns to duty following a period of absence of indefinite duration shall be a normal day tour for that work location either Monday through Friday or Tuesday through Saturday provided Saturday is an authorized holiday, unless before 3:00 P.M. Thursday of the preceding week, (1) the employee notifies his or her supervisor of the employee's intention to report for duty starting with the first scheduled tour for the week, in which case the employee's schedule shall be set up in the normal manner, or (2) the employee is notified by his or her supervisor that the employee's schedule will be other than as prescribed above.

(f) **Posting Schedules**

Insofar as is practicable, schedules shall be posted not less than two (2) weeks in advance of the first assignment shown thereon, but in no case shall a schedule for the following week be posted later than 3:00 P.M. Thursday of the current week.

(g) **Changes in Schedule**

- (1) Work schedules for the following week may be changed at or before 3:00 P.M. Thursday of the current week.
- (2) After 3:00 P.M. Thursday of the current week, an employee's schedule for the following week shall not be changed with respect to his or her basic tour, scheduled days or length of scheduled tour on each day, except that, if an employee is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an employee is required to travel on a non-scheduled Sunday on Company business in accordance with Article 16 (Transfers, Travel Allowances, and Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a scheduled day and the Company shall designate one (1) of the employee's scheduled days in that week as a Non-Scheduled Day. If the employee is not notified of such designation before the end of the Sunday work, the last scheduled day of the employee's work week shall become a Non-Scheduled Day.
- (3) The starting time of an employee's scheduled tour on any day may be changed provided the employee is given adequate notice and provided further that no tour so scheduled shall start more than two (2) hours before, or after, the starting time of the employee's basic tour unless it starts four (4) hours or more before or after such starting time. When a tour is changed in accordance with the foregoing the rescheduled tour becomes the scheduled tour for that day.
- (4) Adequate notice of a change in schedule shall be notice given at least thirty-six (36) hours prior to the starting time of the tour originally scheduled or the starting time of the rescheduled tour, which is earlier.

(h) **Tour Selection - Regular Full-Time Employees**

- (1) An employee shall be permitted to select the basic tour the employee desires to work subject to the following conditions:

- (i) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
 - (ii) Each employee in a group which is treated as a unit for scheduling purposes may select a tour only during January or early February and during July or early August, the time of selection within such periods being determined by the supervisor in charge, provided however that when the Company determines that service and coverage conditions require, a selection shall be held prior to either of the above periods and such selection shall, at the discretion of the Company, be in lieu of or in addition to the next selection period.
 - (iii) An employee may select only from the tours available in the group. At the time of selection a list of available tours shall be referred to each employee in order of seniority and the employee may indicate thereon his or her selection of the open tour (one not previously selected by an employee with greater seniority) the employee wishes to work.
- (2) To the extent that service and coverage conditions and training requirements permit, weekly assignment of scheduled tours shall be made in accordance with the selections indicated at the last selection period. If an employee is not assigned to the tour the employee selects under 3(h)(1)(iii) above, because of the employee's lack of qualifications, the Company will give due regard to the employee's request for the required training. However, necessary changes in assignments because of absences or changes in requirements between tour selection periods shall, except when the tour assignment is in connection with training requirements, be made with due consideration to seniority.
 - (3) Seniority for the selection of tours shall be determined in accordance with Article 3 (Definitions), Paragraph 4(b).
 - (4) The decision of the Company on service and coverage conditions and training requirement shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance, and if necessary, submitted to arbitration in accordance with Article 10 (Arbitration).

4 Tour Selection

- (a) The following provisions shall govern the administration of Paragraph 3(h):
 - (1) The Company agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of more than thirteen (13) normal work weeks, within the current tour selection period, such a tour shall be offered for selection in the manner provided in Paragraph 3(h)(1)(iii) it being understood, however, that not more than the two (2) next succeeding tour vacancies, if any, created by the filling of the aforescribed vacated or added tour shall be offered for selection in the manner provided in Paragraph 3(h)(1)(iii). If more than two (2) such tour vacancies are created by the filling of the aforescribed tour originally vacated or added all tour vacancies in

excess of the two (2) next succeeding vacancies shall be replaced in the manner provided in Paragraph 4(a)(2) below.

- (2) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of one (1) or more normal work weeks but less than fourteen (14) normal work weeks within the current tour selection period, such a tour shall be offered for selection in order of seniority to employees in the appropriate tour selection unit, who, in the Company's judgment, are qualified to perform the work and available at that time for release from current work assignments without the necessity of replacement.
 - (3) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of less than one (1) normal work week, it shall fill such a tour by the selection of an employee from the appropriate tour selection unit.
- (b) Except as otherwise provided in this Section, all of the provisions of Paragraph 3(h)(1)(iii) of the Contract shall apply with full force and effect to the tours filled in accordance with the provisions of this Section.

5 Meal Period

Time allowed an employee for a meal period (although not paid time) shall not be considered as a break in the continuity of work time.

6 Daylight Savings Time

- (a) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (b) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 8 (Overtime).

7 Minimum Scheduling - Part-Time

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

8 Overtime

(a) Extra Work Time

- (1) Extra work time is time worked in excess of an assigned tour on a scheduled day, time worked in excess of a normal work week, or time worked on a Non-Scheduled Day. Extra work time shall be reported in actual hours to the nearest one-quarter (1/4) hour.
- (2) Extra work time continuous with a preceding tour worked, shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding tour shall be considered as occurring on the day such period of extra work time started.

(b) Compensation for Extra Work Time

Compensation for extra work time shall be as follows:

- (1) Equivalent time off with pay may be granted an employee in the current or following calendar week, provided, however, that equivalent time off shall not be granted in the following week to an employee if his or her total work time exceeds forty (40) hours in the current calendar week.
 - (2) If equivalent time off is not granted, compensation shall be at the employee's Hourly Adjusted Rate, provided, however, that compensation for time worked in excess of forty (40) hours in a calendar week by an employee shall be at the employee's Time and One-Half Overtime Rate
 - (3) On an authorized holiday, for time worked in excess of a normal tour, at the employee's Double Time and One-Half Overtime Rate.
- (c) Compensation for extra work time for hours worked in excess of eight (8) hours of extra work time which is paid at the employee's Time and One-Half Overtime Rate, as defined in Article 3 (Definitions), Paragraph 2(f)(1)(i), shall be at the employee's Double Time Overtime Rate.

9 Differentials and Other Payments

(a) Night Differential

- (1) An employee shall be entitled to a weekly night differential for each week the employee's basic tour is a night tour. An employee assigned to a night tour for the duration of a tour selection period, or who has been assigned a permanently vacated night tour for the remainder of a tour selection period, shall retain his or her night differential while assigned to a Company school if not otherwise eligible for night differential while attending the Company school.
- (2) For the purposes of this Article, a basic tour is the scheduled tour which is most nearly representative of all an employee's scheduled tours during a normal work week and is used for the purpose of determining eligibility for a shifted tour or night differential.
- (3) The weekly night differential shall be ten percent (10%) of the employee's Adjusted Rate.

(b) Call-In Payments

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-time Employees). Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee

shall be paid as set forth herein, except that two and one-half (2 1/2) times the employee's Hourly Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 9(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods, and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours pay at the applicable overtime rate. The time thus paid, including travel time, shall not be less than the equivalent of two (2) hours at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to paragraphs 9(b)(1) or 9(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) Call-Up Payments

- (1) The parties agree that at times it may be necessary that a telephone call be made by or authorized by a management employee to a non-supervisory employee during periods that the non-supervisory employee is not on work time. The parties further agree that supervisory calls to employees should be kept to a minimum consistent with the needs of the business. The parties agree that when an employee is called by a management employee outside of work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour, a non-scheduled day, or on an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:

- (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour of overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour, but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) On-Call Payments

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be required to remain in contact with the Company outside of scheduled hours by use of a beeper or other communications device. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company will assign this requirement to employees having the necessary skills in the aforementioned work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those employees required to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment.

Employees called-up will be eligible for call-up treatment as provided in Paragraph 9(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 9(b).

- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 9(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) Sunday Payments

Compensation for all time worked on a Sunday shall include a Sunday differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate.

(f) Management Relief Differential

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) Christmas Eve and New Year's Eve Payments

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at twice the employee's Hourly Overtime Base Rate, for all time worked between 7:00 P.M. and 12:00 Midnight.

(h) Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(i) Temporary Assignment for Formal Training Delivery

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(j) Shifted Tour Differential

(1) An employee shall be paid a shifted tour differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate for time worked within a tour that has been shifted on any day except a Sunday or an authorized holiday, under the following conditions:

- (i) When the employee works a normal tour which starts four (4) or more hours before, or after, the starting time of the employee's basic tour.
- (ii) When the employee works a scheduled half tour all of which is outside the employee's basic tour.
- (iii) For the purposes of this article a basic tour is the scheduled tour which is most nearly representative of all an employee's scheduled tours during a normal work week and is used for the purpose of determining eligibility for a shifted tour or night differential.

(2) Expense Payment

- (i) When an employee works a period of two (2) or more hours (a) immediately before or after the employee's scheduled normal tour, (b) immediately before or after a shifted tour on a scheduled day other than an authorized holiday or (c) in excess of a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall be paid for the convenience of the employer an expense reimbursement of eight dollars (\$8.00). An employee shall be entitled to only one (1) such expense reimbursement per calendar day or per continuous period of work, except that an employee shall be entitled to two (2) such expense reimbursements when an

employee works periods of two (2) or more hours immediately before and after the employee's scheduled normal tour.

- (ii) When an employee works up to a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall not be entitled to an expense reimbursement unless the employee is compensated for such work by equivalent time off.

(k) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

ARTICLE 39 - INFORMATION SERVICES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

Information Services Agent
Information Services Clerk
Relay Associate

2 Definitions

(a) Definitions Relating to Tours and Hours of Work and Other Terms

The following definitions relating to tours and hours of work are applicable to this Article and are in lieu of those set forth in Article 3.

(1) Calendar Year

A calendar year is the period beginning January 1 and ending December 31.

(2) Calendar Week

A calendar week is the period of seven (7) consecutive days commencing on Sunday.

(3) Normal Work Week

The normal week consists of five (5) normal tours or their equivalent during a calendar week.

(4) Calendar Day

A calendar day is the twenty-four (24) hour period beginning at midnight.

(5) Scheduled Day

A calendar day on which an employee is scheduled to work.

(6) Non-Scheduled Day

A calendar day on which an employee is not scheduled to work.

(7) Scheduled Premium Day

When an employee is scheduled to work more than five (5) normal tours, the additional tour(s) shall be shown as a scheduled premium tour(s). A scheduled premium day is a calendar day on which an employee will be paid at the overtime rate for time worked in excess of his or her normal work week.

(8) Work Time

Work time consists of all time spent on the job in the performance of Company duties. Work time excludes meal periods.

(9) **Tours**

A tour is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any unpaid meal period. The starting time of a tour determines the day on which the tour occurs.

(10) **Scheduled Daily Tour**

The hours of work scheduled for an individual employee for a particular day, beginning and ending at a specified time, exclusive of any unpaid meal periods and overtime.

(11) **Normal Tour**

The number of hours of work, exclusive of a meal period, which constitutes a full day's work for a full-time employee.

(12) **Session**

A session is the continuous time, including any relief periods, which an employee works without a meal period. The term session shall refer to both scheduled regular days and scheduled premium days.

(13) **Net Credited Service**

Net credited service shall mean "term of employment" as set forth in the Pension Plan applicable to employees covered by this Agreement.

(14) **Hourly Standard Rate**

The hourly standard rate is the rate of pay assigned to an employee based on the employee's job title.

(15) **Hourly Adjusted Rate**

The Hourly Adjusted Rate is an employee's total rate, resulting from the sum of his or her Hourly Standard Rate and any applicable wage protection allowance. Such Hourly Adjusted Rate shall be used to calculate overtime payments, paid absences, termination payments, and basic pay for group insurance and Savings and Security Plan allotments.

(16) **Seniority**

Seniority shall be determined by the net credited service of the employees affected. Where more than one employee has the same net credited service date, the last four positions of the social security number will determine the seniority order with 0000 being the lowest and 9999 being the highest seniority.

(b) **Definitions Relating to Types of Employees**

The term "employee(s)", for the purpose of the terms of this Agreement, shall refer only to employees of the Company included within the bargaining unit as defined in Article 1 (Recognition).

(1) Regular Employee

A regular employee is one whose employment is reasonably expected to continue for longer than twelve (12) months. A regular employee may be either full-time or part-time.

(2) Temporary Employee

A temporary employee is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary employee may be either full-time or part-time. A temporary employee is not eligible to participate in the Tuition Assistance Plan, Military Leave of Absence, the AT&T Options Program, or for the receipt of a termination payment.

(3) Term Employee

A term employee is a regular employee who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period. A term employee shall be treated the same as regular employees, except that he or she is not eligible to participate in the Tuition Assistance Plan, and the following Articles shall not apply to them:

- (i) Article 25 (Termination Payments)
- (ii) Article 26 (Technological Displacement)
- (iii) Article 27 (Reassignment Pay Protection Plan)
- (iv) Article 31 (Employees in Military Service) except as noted in Article 31

(4) Full-Time Employee

A full-time employee is one who is employed for not fewer than forty (40) hours per week.

(5) Part-Time Employee

A part-time employee is one who is employed and is normally scheduled to work fewer than forty (40) hours per week.

3 Temporary Change of Classification

Employees who are classified as full time may request once during a calendar year to have a temporary classification change to regular part time. Such request must be made at least thirty (30) days in advance of the desired change date and can take effect for a maximum period of three (3) months. Consideration of any such requests will be based on current and projected business needs.

4 Wages (in Lieu of Article 15)

The titles and hourly standard wage rates for all employees subject to this Agreement or who enter the bargaining unit covered by this Agreement are listed below.

Employees below will be paid at the appropriate wage step based on the schedule below according to their net credited service (NCS), and progress to the next wage step when their NCS dictates.

Information Services Agent

(Pension Band 101)

GENERAL WAGE INCREASE EFFECTIVE DATE

	4/8/2012 (2.25%)	4/7/2013 (2.75%)	4/6/2014 (3.0%)
Start	\$8.85	\$8.85	\$8.85
12M	\$10.55	\$10.84	\$11.17
24M	\$11.86	\$12.19	\$12.56

Information Services Clerk

(Pension Band 101)

GENERAL WAGE INCREASE EFFECTIVE DATE

	4/8/2012 (2.25%)	4/7/2013 (2.75%)	4/6/2014 (3.0%)
Hourly Wage Rate	\$16.03	\$16.47	\$16.96

**Relay Associate
(Pension Band 101)
GENERAL WAGE INCREASE EFFECTIVE DATE**

	4/8/2012 (2.25%)	4/7/2013 (2.75%)	4/6/2014 (3.0%)
Start	\$10.01	\$10.01	\$10.01
6M	\$12.79	\$13.14	\$13.54

(a) Promotions

- (1) In determining a candidate's qualifications for promotion within the bargaining unit, the Company will consider many factors including, but not limited to, seniority, attendance, job performance, technical skills and experience. If qualifications are substantially equal, the senior net credited service employee will be selected. The selection shall be subject to the procedures of Article 9 (Grievance) and of Article 10 (Arbitration). The decisions of the Company concerning whether qualifications of the candidates are substantially equal shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith.
- (2) Each employee promoted from one job to another with a higher maximum Standard Rate of pay shall have his or her Standard Rate of pay in the higher rated job determined by allowing the employee full wage experience credit, both in progression and at maximum, except that when an employee is promoted to a job having a longer progression schedule than that of the job from which the employee is promoted, an employee's wage experience credit shall not exceed:
 - (i) Two (2) steps down from maximum on the longer wage schedule if of sixty (60) months or less length;
 - (ii) Four (4) steps down from maximum on the longer wage schedule if of sixty-one (61) months or more in length;
- (3) If the effect of applying the step down is to decrease wages, then the employee will be placed on the first step of the new schedule that results in a wage increase.

5 Vacations (in Lieu of Article 22)

(a) Vacation Eligibility

Subject to the provisions of paragraph (e) and (g), effective January 1, 2013, employees with six (6) or more months of continuous service since the date of the employee's most recent engagement shall be eligible to accrue annual vacation as follows:

- (1) One (1) week of vacation after the completion of a term of employment of six (6) months.
- (2) Two (2) weeks of vacation after the completion of a term of employment of twelve (12) months. When terms of employment of six (6) and twelve (12) months are both completed in the same calendar year, employees shall be eligible to accrue a maximum of two (2) weeks of vacation during that year.
- (3) Two (2) weeks during each calendar year after the year in which a term of employment of twelve (12) months is completed.
- (4) Three (3) weeks beginning with the calendar year in which a term of employment of seven (7) years is completed.
- (5) Four (4) weeks beginning with the calendar year in which a term of employment of fifteen (15) years is completed.
- (6) Five (5) weeks beginning with the calendar year in which a term of employment of twenty-five (25) years is completed.

NOTE: After employees reach their initial six (6) months of net credited service, vacation days are accrued proportionately during the calendar year.

(b) Vacations - Part-Time Employees

Regular part-time employees shall accrue vacation equal to that employee's equivalent work week classification. For day at a time vacations, part-time employees will be paid one-fifth (1/5) of their Equivalent Work Week (EWW) Classification.

(c) Illness During Vacation

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

(d) Scheduling Time Off

- (1) Employees will select available time off for which they are eligible from the schedule as determined by the Company in accordance with the procedures provided in this Article.
- (2) Time off for this purpose includes full weeks of vacation, day-at-a-time vacation, Excused Work Days (paid or non-paid), floating holidays, and days in lieu of holidays which occur during a scheduled vacation week. Employees may not select half-tour vacations during the vacation selection process. However, employees may subsequently request five (5) vacation days on a half-tour basis and such request shall be granted if services and coverage conditions permit.

The assessment, discussion, and decision whether to grant additional vacation days in half-days increments will take place annually prior to the vacation selection process as set forth in Article 22.

- (3) Employees shall select time off in seniority order within each vacation selection universe, in the priority set forth in this Article, as determined by the Company. It is the intent of the parties that the employees' selection will be granted to the extent practicable consistent with force requirements and the needs of the business.
- (4) The vacation selection process in a vacation selection universe will begin no earlier than October 1. The entire process of scheduling time off shall be completed by November 30. Only full weeks of vacation are included in this first selection priority.
- (5) In addition to the time off scheduled under Paragraph 5(d)(4) above, employees shall also select all other time off for which they are eligible, and such time will be referred to as "Reserve Time" on the second selection priority canvass.
- (6) An employee who is contacted must select the vacation period desired in a reasonable period of time or that employee will be passed. Employees who are passed shall have the right to make a selection from the remaining available periods in accordance with their seniority, but may not preempt the period selected by any other employee. For employees who have not selected their vacation by the end of the selection period, the Company will have the option to assign their remaining vacation.
- (7) Subject to the needs of the business and force requirements, employees may reschedule any of their vacation, whether assigned by the Company or selected by the employee, to available vacation periods, but may not preempt the period selected by any other employee.

(e) **Rescheduling Vacation Due to Permanent Transfers, Assignments, or Reassignments**

- (1) If an employee is permanently transferred, assigned, or reassigned to a different work group as a result of a Company initiated transfer, assignment or reassignment, then to the extent that needs of the business permit, the employee will retain the vacation schedule that was approved in the prior work group.
- (2) If an employee initiates a transfer, he or she is required to reselect his or her vacation from those days available within the new work group.

(f) **Payment in Lieu of Vacation**

- (1) In the event of an employee's resignation or discharge (for other than misconduct) before using all the vacation which the employee is eligible to accrue under Paragraph 5 (Vacations (In Lieu of Article 22)), an amount equivalent to such unused accrued vacation shall be paid to the employee.
- (2) To determine the number of "accrued" current year vacation hours for employees who have completed at least six (6) months of service and who are eligible as noted in paragraph 5(a) (Vacation Eligibility), see the chart below:

Month Employee Leaves Company or (Credited Months)	Annual Eligible Vacation Hours				
	5 Days or 1 Week (40 Hours)	10 Days or 2 Weeks (80 Hours)	15 Days or 3 Weeks (120 Hours)	20 Days or 4 Weeks (160 Hours)	25 Days or 5 Weeks (200 Hours)
	Number of "Accrued" Current Year Vacation Hours				
Jan. (1)	3	7	10	13	17
Feb. (2)	7	13	20	27	33
Mar. (3)	10	20	30	40	50
Apr. (4)	13	27	40	53	67
May (5)	17	33	50	67	83
Jun. (6)	20	40	60	80	100
Jul. (7)	23	47	70	93	117
Aug. (8)	27	53	80	107	133
Sep. (9)	30	60	90	120	150
Oct. (10)	33	67	100	133	167
Nov. (11)	37	73	110	147	183
Dec (12)	40	80	120	160	200

(3) In the event of an employee's retirement, layoff or death before using all the vacation which the employee is eligible to receive under Paragraph 5(a) & (b) (Eligibility), an amount equivalent to such unused vacation, as though it was granted based on the number of years net credited service and not based on the accrual language, shall be paid to the employee or his/her beneficiary or estate.

(g) Exchanging Vacation Time

Employees shall not be permitted to exchange seniority rights in the selection of vacation periods. After vacation schedules have been posted, however, employees shall be permitted to exchange vacation periods subject to service and coverage conditions.

(h) Vacations During a Disability

Upon return from a disability, employees will take selected vacation weeks as scheduled. If the scheduled vacation occurs during a disability, employees will be eligible to take vacation as day at a time upon their return from disability provided the vacation is completed prior to the end of the calendar year for which the vacation was earned.

(i) Holiday During a Vacation Week

An employee scheduling a week of vacation which contains a holiday will be granted an additional day off with pay.

(j) Service and Coverage

The decision of the Company on service and coverage requirements in this section shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretations or applications of this article may be taken up as a grievance and, if necessary, submitted to arbitration, in accordance with Article 10 (Arbitration).

6 Absence (in Lieu of Article 20)

(a) Absence in General

- (1) An employee who is to be absent for any reason shall promptly notify his or her supervisor with the reason for the absence and its probable duration, in order that proper consideration may be given to the employee's request. In the event the employee cannot reach his or her supervisor, then a message left with the supervisor's designee or an electronic messaging unit approved by the supervisor shall be appropriate notification, provided the employee leaves a reach number. Absences with or without pay because of other reasons not outlined in this Article may be granted at the discretion of the Company.
- (2) When an employee is absent on a scheduled premium day, the employee shall not be paid.

(b) Jury or Witness Duty

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

Employees working evening or night shifts may be rescheduled to day shifts during the period they are required to be absent because of jury duty.

(c) Personal Illness

Payment for full or partial days scheduled in a normal work week but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis:

- (1) Less than three (3) years – Pay for full or partial scheduled day after the second full consecutive scheduled day of work not worked due to personal illness absence with a maximum of five (5) paid days in a calendar year.
- (2) During each calendar year beginning with the calendar year in which a term of employment of three (3) years of service but less than six (6) years of service is completed - Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of five (5) paid days in a calendar year.

- (3) During each calendar year beginning with the calendar year in which a term of employment of six (6) years of service but less than eleven (11) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of seven (7) paid days in a calendar year.
- (4) During each calendar year beginning with the calendar year in which a term of employment of eleven (11) years of service but less than twenty-five (25) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of ten (10) paid days in a calendar year.
- (5) During each calendar year beginning with the calendar year in which a term of employment of twenty-five (25) years of service or more is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness.

NOTE: The maximum number of paid days may be converted to an equivalent number of hours based on the employee’s normal scheduled daily tour.

Payments to employees pursuant to this Paragraph shall be limited to scheduled days of work in a normal work week and may be suspended or discontinued for just cause.

(d) Death of a Relative

An employee who is required to be absent for one (1) day or more because of a death in the employee's immediate family shall be excused with pay for a period not to exceed four (4) scheduled regular tours or their equivalent. For the purposes of this provision, immediate family is defined as parents, grandparents, spouse (including legally recognized partner (LRP)), spouse’s (including legally recognized partner’s (LRP’s)) grandparents, grandchildren, children, brothers, sisters, father-in-law, mother-in-law, brother-in-law, sister-in-law or any relative or significant other residing in the same household of the employee. Employees may request absence for the funeral or a memorial service, when the memorial service is being held in lieu of the funeral, of a more distant relative.

7 Holidays (in Lieu of Article 23)

(a) Holidays

(1) Recognized Holidays

The Company shall recognize the seven holidays herein specified during the calendar year.

Recognized Holiday	Day Celebrated
New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

An Employee on the payroll in the calendar year in which the holiday would be observed will have the option to select one of the following holidays as a fixed recognized holiday that year:

Martin Luther King Jr.'s Birthday
 Good Friday
 Veterans Day
 The Employee's Birthday
 Presidents Day
 Day after Thanksgiving (Fourth Friday in November)

Eligible Employees will be provided the option to select a day during the normal vacation scheduling process. An eligible Employee who does not select one of these days as a fixed recognized holiday may select an additional Floating Holiday under the normal scheduling process for a Floating Holiday.

One (1) Floating Holiday - the floating holiday must be taken on a normally scheduled day of work and will be scheduled in accordance with the provisions of Paragraph 5(d).

(2) Pay for Work on a Holiday

An employee who works on a recognized holiday shall be paid at the rate of one and one-half (1 1/2) times the Hourly Adjusted Rate for all time worked during his or her Scheduled Daily Tour.

(3) Holiday Excused

An employee who is not scheduled and does not work on a holiday shall receive a day's pay. Part-time employees will be paid one-fifth (1/5) of their Equivalent Work Week (EWW) Classification.

(4) Absence on a Holiday

An employee who is scheduled to work on the holiday but does not report, will not be paid.

8 Overtime and Other Payments

(a) Overtime Payments

Employees required to work overtime shall be paid at the overtime rate of one and one-half (1 1/2) times the Hourly Adjusted Rate for (a) time worked in excess of eight (8) hours actually worked in a day, or (b) time worked in excess of forty (40) hours actually worked in a calendar week, except for work scheduled and performed under Paragraph 7(a)(2).

(b) Other Duties

An Information Services Agent who performs clerical support duties, help desk or training functions will be provided an additional payment of one dollar (\$1.00) for each hour such duties are performed.

(c) Individual Performance Award/Team Performance Award

Employees whose performance is rated More Than Satisfactory or Outstanding in quality and productivity may be eligible for an Individual Performance Award. The maximum monthly individual payment for Individual/Team Performance Awards will be \$280.00.

The parties further agree to form a team to examine the Pay for Performance (PFP) process in total. Program elements will include all critical deliverables of the Information Services Organization and reflect current business needs. The team will be comprised of two (2) CWA members and an appropriate number of AT&T management members (not to exceed two (2)). The PFP processes that currently exist will continue with the new PFP awards until such time as the aforementioned team agrees to a new process.

The parties also agree to utilize the parties' representatives identified in Article 2 paragraph 1 to obtain approval for additional PFP awards or any other monetary incentive program.

(d) **Team Performance Award**

The Company and the Union agree to establish a joint committee whose goal is to develop a plan by which eligible employees are to be paid when selected expense and services parameters are exceeded for the Information Services Organization.

(e) **Perfect Attendance**

Employees with perfect attendance, as defined by the Company, for a consecutive twelve (12) month period will be entitled to either one day's pay or equivalent time off, at their request. When time off is selected, it is to be scheduled as soon as possible after the date of attaining perfect attendance. For part-time employees, pay in lieu of time off shall equal one-fifth (1/5) of an Equivalent Work Week (EWW) Classification.

(f) **Gainsharing**

The Company and the Union agree to explore the feasibility and desirability of negotiating a gainsharing program.

- (g) Employees whose weekly work schedules consist of regularly scheduled afternoon-evening, divided, or evening/night tours, as defined in Paragraph 10(b) of this Article, shall receive a weekly differential of ten (\$10) dollars. Employees who work fewer than five (5) afternoon-evening, divided, or evening/night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the differential for each scheduled tour so worked.

(h) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

9 Termination Payments (in Lieu of Article 25)

Regular employees having one (1) or more years of continuous service and who have been designated for layoff during a Company force adjustment program shall be eligible for a termination payment based on the schedule below. Agents who resign with a minimum of two weeks notice to the Company will be paid for any unused vacation time or personal time off. In unusual circumstances, management may waive this requirement.

Years of Net Credited Service	Termination Payments
1 year but less than 2 years	1 Week
2 years but less than 3 years	2 Weeks
3 years but less than 4 years	3 Weeks
4 years but less than 5 years	4 Weeks
5 years but less than 6 years	6 Weeks
6 years but less than 7 years	8 Weeks
7 years but less than 8 years	10 Weeks
8 years but less than 9 years	12 Weeks
9 years but less than 10 years	14 Weeks
10 years but less than 11 years	16 Weeks
11 years but less than 12 years	18 Weeks
12 years but less than 13 years	20 Weeks
13 years but less than 14 years	22 Weeks
14 years but less than 15 years	24 Weeks
15 years but less than 16 years	26 Weeks
16 years but less than 17 years	28 Weeks
17 years but less then 18 years	30 Weeks
18 years or more	32 Weeks

10 Work Schedules and Hours of Work

(a) Hours of Work

All assignments of working forces shall be subject to service and work requirements, and the decision of the Company with respect to service and work requirements shall be controlling.

(1) Full-Time Employees -- Normal Work Week

A full-time employee shall be scheduled to work normal day, afternoon, divided, and/or night tours of eight (8) hours in length on any five days of the calendar week.

(2) Part-Time Employees

Except in unusual circumstances, a part-time employee shall be scheduled to work a combination of morning, afternoon, and/or evening tours equaling less than forty (40) hours in a week.

(3) Scheduled Premium Tour

When an employee is scheduled to work more than five (5) normal tours, the additional tour(s) shall be shown as a scheduled premium tour(s). Any day of the calendar week may be designated a Scheduled Premium Day except an authorized holiday.

(b) Weekly Work Schedules

Tours available for scheduling are listed below by type.

<u>TYPE</u>	<u>START</u>	<u>END</u>
Day	5:00 AM	7:00 PM
Afternoon-Evening	10:45 AM	11:15 PM
Divided *	7:00 AM	11:00 PM
Evening/Night	3:00 PM	7:00 AM

* NOTE: Divided tours shall not have fewer than four (4) hours between sessions and their overall length shall not exceed thirteen (13) hours.

(c) Posting of Schedules

- (1) Work schedules will be posted for each calendar week, designating the days and hours of work for each employee. Such schedules will be posted no later than 3:00 PM on the Thursday immediately prior to the week for which such schedules are effective, except that when Monday, Tuesday, or Wednesday is a holiday the schedule may be posted on Friday. When it is practical to do so, the Company may post schedules covering more than one (1) week.
- (2) After 3:00 PM on Thursday of the current week, an employee shall not be required to change scheduled and nonscheduled days for the following week, but an employee may be requested to work on a nonscheduled day.
- (3) Holiday schedules and Christmas Eve and New Year's Eve schedules shall be posted at least two (2) weeks prior to the holiday and subsequent changes shall be kept to a minimum.

(d) Exchange of Tours

Employees may exchange assigned tours and days off, to include full and part-time tours, with management approval. Such changes shall be allowed to the extent permitted by service conditions.

(e) Relief Period

Employees shall be assigned one (1) fifteen (15) minute relief period in each session, and it shall begin or end not less than seventy-five (75) minutes from the start or end of the session, respectively. Employees who work two and one-half (2 1/2) hours or more connecting with and continuous with the end of their normal scheduled tour shall be assigned one (1) additional fifteen (15) minute relief period. Relief periods are paid time.

(f) Meal Period

Employees working a continuous tour of eight (8) hours shall be assigned a meal period of either one-half (1/2) hour or one (1) hour in length, as determined by management, consistent with service and work requirements. Meal periods are not paid time.

(g) Tour Selection

Tours and days off shall be assigned on the basis of the highest preference available for the employee in seniority order.

- (1) The Company has the right to require employees to work overtime to meet the needs of the business.
- (2) Changes of assignment of tours and days off which are requested by the employee may be made if approved.

(h) Interval Between Tours

The interval between the end of one scheduled tour and the beginning of the next scheduled tour shall normally be at least eight (8) hours except when an employee is exercising his/her seniority under an open end scheduling arrangement. If the parties desire a minimum interval less than eight (8) hours, the local Union and Company will meet and agree, at the District/Area level, to implement a minimum separation between tours. Individual employees may waive the minimum interval if they desire through their selection of tour preference.

(i) Daylight Savings Time

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one hour for the evening/night tours.
- (2) On the night the change is made from daylight savings time to standard time, employees working tours ending after 2:00 AM may be required to work additional time. Such additional work time shall be compensated for at the appropriate hourly rate.

11 Eligibility to Participate

Employees covered by this Article shall be eligible to participate in the programs set forth with a capital letter in Part III, Other Agreements, of this Memorandum of Agreement, provided each employee meets the specific eligibility requirements of the individual program and its respective provisions.

ARTICLE 40

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ARTICLE 41 - COMMUNICATIONS SERVICES

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

(a) **OPERATIONS EMPLOYEES**

Building Technician
Communications Technician
Customer Contact Agent - C
Customer Service Support Agent
Customer Software Administrator - C
Mechanic - C
Network Communications Technician –
Hawaii Information Transfer System (HITS)
Network Order Administrator
Operations Clerk
Operations Mechanic
Senior Operations Clerk
Special Operations Clerk

(b) **CONSTRUCTION EMPLOYEES**

Construction Technician
Senior Construction Technician

2 Weekly Work Schedules and Hours of Work

(a) **General**

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling except as qualified in those cases specifically covered by Paragraph 4(c).
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.

(b) **Operations Employees**

A normal tour shall be eight (8) hours except in those cases where a normal tour of different length has been specifically authorized. When for service reasons an employee cannot leave the job for a meal period, the meal period shall be included as part of the employee's tour.

(c) **Construction Employees**

A normal tour shall be the first eight (8) hours of work time on any scheduled calendar day and may consist of periods of work time that are not continuous.

3 Weekly Work Schedules

(a) Operations Employees

(1) Scheduled Days Per Week

- (i) An employee shall be scheduled to work normal tours on any five (5) days of the calendar week.
- (ii) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(2) Weekly Schedule

A schedule shall be set up for each calendar week and shall show each employee's scheduled working days, the employee's scheduled tour for each of these days and the employee's basic tour. Where service or coverage conditions require, an employee may be called on to work in excess of the employee's scheduled assignments.

(3) Interval Between Tours

The interval between the end of one scheduled tour and the beginning of the next scheduled tour shall normally be at least eight (8) hours.

(4) Start of Tours

Scheduled tours may start at any time of the day and the starting time may vary from day to day, provided, however, that on weekdays, exclusive of authorized holidays, no scheduled tour shall start more than two (2) hours before or after the starting time of the employee's basic tour unless it starts four (4) hours or more before or after such starting time.

(5) Schedule Following an Absence

An employee's schedule for the week in which he or she returns to duty following a period of absence of indefinite duration shall be either 8:00 AM to 5:00 PM Monday through Friday, or 8:00 AM to 5:00 PM Tuesday through Saturday provided Saturday is an authorized holiday, unless before 3:00 PM Thursday of the preceding week, (1) the employee notifies his or her supervisor of the employee's intention to report for duty starting with the first scheduled tour for the week, in which case the employee's schedule shall be set up in the normal manner, or (2) the employee is notified by his or her supervisor that the employee's schedule will be other than as prescribed above.

- (6) Insofar as is practicable, schedules shall be posted not less than two (2) weeks in advance of the first assignment shown thereon, but in no case shall a schedule for the following week be posted later than 3:00 PM Wednesday of the current week.

(7) Changes in Schedules

- (i) Work schedules for the following week may be changed at or before 3:00 PM Thursday of the current week, however, no changes will be made after 3:00 PM on Wednesday of the current week unless the Employee(s) receive(s) personal notification at or before 3:00 PM Thursday of the current week.

- (ii) After 3:00 PM Thursday of the current week, an employee's schedule for the following week shall not be changed with respect to his or her basic tour, scheduled days or length of scheduled tour on each day, except that, if an employee is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an employee is required to travel on a non-scheduled Sunday on Company business in accordance with Article 16 (Transfers, Travel Allowance & Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a scheduled day and the company shall designate one of the employee's scheduled days in that week as a Non-Scheduled Day. If the employee is not notified of such designation before the end of the Sunday work, the last scheduled day of the employee's work week shall become a Non-Scheduled Day.
- (iii) The starting time of an employee's scheduled tour on any day may be changed provided the employee is given adequate notice and provided further that no tour so rescheduled shall start more than two (2) hours before, or after, the starting time of the employee's basic tour unless it starts four (4) hours or more before or after such starting time. When a tour is changed in accordance with the foregoing the rescheduled tour becomes the scheduled tour for that day.
- (iv) Adequate notice of a change in a schedule shall be notice given at least thirty-six (36) hours prior to the starting time of the tour originally scheduled or the starting time of the rescheduled tour, whichever is earlier.

(b) Construction Employees

(1) Work Time

Work time consists of all time spent on the job in the performance of Company duties. Work time excludes meal periods. Additionally, work time consists of:

- (i) Time spent by an employee in traveling from the storeroom to the job, from one part of the job to another, and from the job to the storeroom, and delays on the job due to weather or other unavoidable causes shall be considered as work time.
- (ii) Time spent by an employee in the performance of duties incidental to the ordinary care and use of a Company motor vehicle and driving vehicle on Company business shall be considered as work time.
- (iii) When an employee is moved from one lodging place to another, reasonable time as determined by the Company, spent in traveling to the new location shall be considered work time.
- (iv) When an employee is on vacation and the employee's construction unit moves from one lodging place to another, the employee shall be allowed a reasonable amount of work time for travel to the new lodging place based on the amount of time required to travel from the construction unit lodging place at the time the employee went on

vacation to the construction unit lodging place at the end of the vacation. This work time shall be compensated at the overtime rate only if the Company requires the employee to report for duty at the new work location starting with the first scheduled tour in the normal work week following the employee's vacation.

(2) Scheduled Days Per Week

- (i) An employee shall be scheduled to work normal tours on any five (5) days of the calendar week.
- (ii) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(3) After 3:00 PM Thursday of the current week an employee's scheduled days for the following week shall not be changed.

(4) Regular Night Duty

An employee is considered to be scheduled to regular night duty when the employee is assigned to normal maintenance or construction work on night tours during the entire normal work week. If a night tour of an employee scheduled to regular night duty is changed to start at or after 6:00 AM or ends before 7:00 PM, the employee's assignment to regular night duty shall be considered canceled.

(5) When a Construction employee is notified that he or she is to work on a non-scheduled Saturday, weather permitting, and such notice is not canceled the day before or earlier, at least four (4) hours of work shall be provided for the employee on the non-scheduled Saturday regardless of weather conditions.

4 Tour Selection - Operations Employees (Regular Full-Time)

- (a) An employee shall be permitted to select the basic tour the employee desires to work, subject to the following conditions:
 - (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
 - (2) Each employee in a group which is treated as a unit for scheduling purposes may select a tour only during January or early February and during July or early August, the time of selection within such periods being determined by the supervisor in charge.
 - (3) An employee may select only from the tours available in the group. An employee temporarily reassigned to a location other than his or her permanent reporting location shall be permitted to select his or her tour at his or her permanent reporting location. At the time of selection a list of available tours shall be referred to each employee in order of seniority and the employee may indicate thereon his or her selection of the open tour (not one previously selected by an employee with greater seniority) the employee wishes to work.

- (b) To the extent that service and coverage conditions permit, weekly assignments of scheduled tours shall be made in accordance with selection indicated at the last selection period. If the employee is not assigned to the tour the employee selects under 4(a)(3) above, because of the employee's lack of qualification, the following will apply:
 - (1) Between tour selection periods, if the tour selected by the employee becomes available due to either the adding of a permanent tour or a permanent vacancy, and for which the employee is qualified, the employee shall be assigned to the tour under (b) above.
 - (2) The Company will give due regard to the employee's request for the required training.
- (c) Necessary changes in assignments because of absences or changes in requirements between tour selection periods, except as covered in (b)(1) above, shall be made with due consideration to seniority.
- (d) Seniority for the selection of tours shall be determined in accordance with Article 3 (Definitions), Paragraph 4(b).
- (e) The decision of the Company on service and coverage conditions and training requirements shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance, and if necessary, submitted to arbitration in accordance with Article 10 (Arbitration).

5 Tour Selection Administration - Operations Employees

- (a) The following provisions shall govern the administration of Paragraph 4:
 - (1) The Company agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of more than thirteen (13) normal work weeks, within the current tour selection period, such a tour shall be offered for selection in the manner provided in Paragraph 4(a)(3) it being understood, however, that not more than the two (2) next succeeding tour vacancies, if any, created by the filling of the aforescribed vacated or added tour shall be offered for selection in the manner provided in Paragraph 4(a)(3). If more than two (2) such tour vacancies are created by the filling of the aforescribed tour originally vacated or added all tour vacancies in excess of the two (2) next succeeding vacancies shall be replaced in the manner provided in Paragraph 5(a)(2) below.
 - (2) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of one (1) or more normal work weeks but less than fourteen (14) normal work weeks within the current tour selection period, such a tour shall be offered for selection in order of seniority to employees in the appropriate tour selection unit, who, in the Company's judgment, are qualified to perform the work and available at that time for release from current work assignments without the necessity of replacement.

(3) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour, or add a tour, which consists of less than one (1) normal work week, it shall fill such a tour by the selection of an employee from the appropriate tour selection unit.

(b) Except as otherwise provided in this Section, all of the provisions of Paragraph 4 of the Agreement shall apply with full force and effect to the tours filled in accordance with the provisions of this Section.

6 Daylight Savings Time

(a) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 AM.

(b) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 AM may be required to work additional time. That additional time will be paid in accordance with Paragraph 9 (Extra Work Time).

7 Minimum Scheduling - Part-Time

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

8 Work Performed by Managers/Supervisors

Work of the type usually done by a Communications Technician or Network Communications Technician (HITS) shall not be performed by supervisory employees except when in the judgment of the Company, exercised in good faith, such work is deemed necessary for the good of the service.

9 Extra Work Time

(a) General

(1) Extra work time is time worked in excess of an assigned tour on a scheduled day, time worked in excess of a normal work week, or time worked on a Non-Scheduled Day. Extra work time shall be reported in actual hours to the nearest one-quarter (1/4) hour.

(2) Extra work time continuous with a preceding tour worked, shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding tour shall be considered as occurring on the day such period of extra work time started.

(3) Time allowed an employee for a meal period (although not paid time) shall not be considered as a break in the continuity of work time.

10 Compensation for Extra Work Time

(a) Operations Employees

Compensation for extra work time, except minimum payments for call-in time as provided in Paragraph 10(g), shall be as follows:

(1) On a scheduled day except an authorized holiday, for time worked outside a scheduled normal or half tour, or outside a shifted normal or half tour if the employee's tour was shifted, at the employee's overtime rate.

- (2) On a Non-Scheduled Day, at the employee's overtime rate.
- (3) On an authorized holiday, for time worked in excess of a normal tour, at the employee's Double Time and One-Half Overtime Rate.

(b) Construction Employees

Compensation for extra work time, except minimum payments for call-in time as provided in Paragraph 10(g), shall be as follows:

(1) Employees Scheduled to Regular Night Duty

- (i) On a scheduled day, except an authorized holiday, for time worked in excess of eight (8) hours, at the employee's overtime rate.
- (ii) On a Non-Scheduled day, for time worked, at the employee's overtime rate.
- (iii) On an authorized holiday, for time worked in excess of eight (8) hours, at the employee's Double Time and One-Half Overtime Rate.

(2) Employees Not Scheduled to Regular Night Duty

- (i) On a scheduled day, other than a Sunday or an authorized holiday, for time worked in excess of the first eight (8) hours of work time, at the employee's overtime rate.
- (ii) On a scheduled Sunday, for time worked in excess of eight (8) hours, at the employee's overtime rate.
- (iii) On a Non-Scheduled Day, for time worked at the employee's overtime rate.
- (iv) On an authorized holiday, for time worked in excess of eight (8) hours, at the employee's Double Time and One-Half Overtime Rate.

- (c) Compensation for extra work time for hours worked in excess of eight (8) hours of extra work time which is paid at Time and One-Half, as defined in Article 3 (Definitions), Paragraph 2(e), shall be at the employee's double time overtime rate.

(d) Call-Up Payments

- (1) The parties agree that at times it may be necessary that a telephone call be made by or authorized by a management employee to a non-supervisory employee during periods that the non-supervisory employee is not on work time. The parties further agree that supervisory calls to employees should be kept to a minimum consistent with the needs of the business. The parties agree that when an employee is called by a management employee outside of work time, the employee will be compensated if the call meets all of the following criteria:
 - (2) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day, or on an excused holiday;
 - (3) The employee uses his or her job knowledge and skill; and
 - (4) The call was not necessitated by error or omission by the employee.

(e) **An employee who meets the preceding criteria will be compensated as follows:**

- (1) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
- (2) A call-up of one-quarter (1/4) hour, but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
- (3) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.

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

(g) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate except as provided for in Article 18 (Classification and Treatment of Part-Time Employees). Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours' pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 10(g)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.
- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours' pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed

for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.

- (3) Employee's receiving call-in payments pursuant to Paragraphs 10(g)(1) or 10(g)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(h) Overtime Assignments Not Continuous with a Tour on a Scheduled Day

An employee required to report to the work location for an overtime assignment not continuous with a tour on a scheduled day shall be paid for all time worked at the applicable overtime rate. To the extent the employee actually incurs an extra commute in connection with the overtime assignment, the employee will be paid for reasonable traveling time actually incurred in the extra commute between her/his residence and the work place. Employees receiving payments pursuant to this provision shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances, and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

11 Differential and Other Payments

(a) Night Differential

- (1) An Operations Employee shall be entitled to a weekly night differential for each week the employee's basic tour is a night tour. An employee assigned to a night tour for the duration of a tour selection period, or who has been assigned a permanently vacated night tour for the remainder of a tour selection period, shall retain his or her night differential while assigned to a Company school if not otherwise eligible for night differential while attending the Company school.
- (2) A Construction Employee shall be entitled to a weekly night differential for each week the employee is scheduled to regular night duty as prescribed in Paragraph 3(b)(3).
- (3) The weekly night differential shall be ten percent (10%) of the employee's Adjusted Rate.

(b) **On-Call Payments**

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be requested to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the Company will be rotated among all qualified volunteers in the work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those employees who have agreed to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided for in Paragraph 10(d). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 10(g). In the absence of sufficient volunteers, the Local Manager will meet and discuss the need for volunteers with the Local Union.
- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 11(d)(1) above) instead of the originally assigned employee for each day of substitution.

(c) **Sunday Differential**

(1) **Operations Employees**

Compensation for time worked during a scheduled tour on a Sunday shall include a Sunday differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate.

(2) **Construction Employees**

Compensation for a normal tour scheduled on a Sunday shall include a Sunday differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate.

(d) **Management Relief Differential**

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(e) **Non-Regular Night Duty Differential - Construction Employees**

On a scheduled weekday, exclusive of an authorized holiday, an employee who is not scheduled to regular night duty but does work a tour that starts before 6:00 AM or ends after 7:00 PM shall be paid a differential of one-half (1/2) time extra at the employee's Hourly Adjusted Rate for the time worked during such tour.

(f) Shifted Tour Differential - Operations Employees

An employee shall be paid a shifted tour differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate, for time worked within a tour that has been shifted on any day except a Sunday or an authorized holiday, under the following conditions:

- (1) When the employee works a normal tour which starts four (4) or more hours before or after, the starting time of the employee's basic tour.
- (2) When the employee works a scheduled half tour all of which is outside the employee's basic tour.

(g) Minimum Interval Differential - Operations Employees**(1) Interval between Tours - Work on Weekdays Exclusive of Authorized Holidays**

If the interval between the end of a scheduled tour or a shifted tour that has been worked, and the beginning of the next scheduled tour is less than eight (8) hours, an employee shall be paid a differential of one-half (1/2) time extra at the employee's Hourly Overtime Base Rate, for all time worked during the second of the two tours. The compensation on a time and one-half (1-1/2) basis as prescribed herein for hours worked during the second of the two tours is the full amount of compensation to which an employee is entitled for such work.

(2) Continuous Work Time - Operations and Construction Employees

When an employee works continuously during the sixteen (16) hour period immediately preceding the start of the employee's scheduled tour, the employee shall be paid a differential of one-half (1/2) time extra at his or her Hourly Overtime Base Rate, for all time worked within the scheduled tour unless the employee is paid in accordance with Paragraph 11(g)(1) above, or unless it is on a Sunday or an authorized holiday.

(h) Christmas Eve and New Year's Eve Payments - Operations Employees

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at twice the employee's Hourly Overtime Base Rate, for all time worked between 7:00 PM and 12:00 midnight.

(i) Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(j) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(k) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

12 Expense Allowance

(a) **Operations Employees**

- (1) When an employee works a period of two (2) or more hours (a) immediately before or after the employee's scheduled normal tour, (b) immediately before or after a shifted tour on a scheduled day other than an authorized holiday or (c) in excess of a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall be paid for the convenience of the employer an expense reimbursement of eight dollars (\$8.00). An employee shall be entitled to only one (1) such expense reimbursement per calendar day or per continuous period of work, except that an employee shall be entitled to two (2) such expense reimbursements when an employee works periods of two (2) or more hours immediately before and after the employee's scheduled normal tour.
- (2) When an employee works up to a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall not be entitled to an expense reimbursement unless the employee is compensated for such work by equivalent time off.

(b) **Building Technician, Communications Technician, Network Communications Technician (HITS) and Located Construction Technician**

- (1) When an employee works on outside plant activities at a work location other than his/her normal reporting location except in situations requiring an overnight assignment and such employee's normal scheduled noon-day meal period occurs and is taken while assigned to such work activities, the employee will be paid for the convenience of the employer an expense reimbursement of five dollars (\$5.00). An employee shall be entitled to only one (1) such expense reimbursement per calendar day.
- (2) Outside plant activities are defined as work associated with radio relay station, cable repeater station or cable routes.

ARTICLE 42

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ARTICLE 43 - NETWORK

1 Titles

The provisions of this Article apply only to employees assigned to the titles listed below:

Network Technical Specialist
IDC Technical Specialist
Operations Specialist

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling except as qualified in those cases specifically covered by Paragraph 4(c).
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) A normal tour shall be eight (8) hours except in those cases where a normal tour of different length has been specifically authorized. When for service reasons an employee cannot leave the job for a meal period, the meal period shall be included as part of the employee's tour.

Occasionally, a scheduled daily tour may be split into two non-consecutive work periods and staffed on a voluntary basis.

3 Weekly Work Schedules

(a) Scheduled Days Per Week

- (1) An employee shall be scheduled to work normal tours on any five (5) days of the calendar week.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(b) Weekly Schedule

A schedule shall be set up for each calendar week and shall show each employee's scheduled working days, the employee's scheduled tour for each of these days, and the employee's basic tour. Where service or coverage conditions require, an employee may be called on to work in excess of the employee's scheduled assignments.

(c) Schedule Following an Absence

An employee's schedule, for the week in which he or she returns to duty following a period of absence of indefinite duration, shall be either 8:00 AM to 5:00 PM Monday through Friday, or 8:00 AM to 5:00 PM Tuesday through Saturday; provided Saturday is an authorized holiday, unless before 3:00 PM

Thursday of the preceding week, (1) the employee notifies his or her supervisor of the employee's intention to report for duty starting with the first scheduled tour for the week, in which case the employee's schedule shall be set up in the normal manner, or (2) the employee is notified by his or her supervisor that the employee's schedule will be other than as prescribed above.

(d) Insofar as is practicable, schedules shall be posted not less than two (2) weeks in advance of the first assignment shown thereon, but in no case shall a schedule for the following week be posted later than 3:00 PM Wednesday of the current week.

(e) **Changes in Schedules**

(1) Work schedules for the following week may be changed at or before 3:00 PM Thursday of the current week; however, no changes will be made after 3:00 PM on Wednesday of the current week unless the employee(s) receive(s) personal notification (verbal contact) twenty-four (24) hours in advance of the start of the scheduled tour.

(2) If an employee is called in on a non-scheduled Sunday and works hours equivalent to a full tour, or when an employee is required to travel on a non-scheduled Sunday on Company business in accordance with Article 16 and its modifications noted within this Article in Paragraph 14, (Transfers, Travel Allowance & Moving Expenses), and such travel is equivalent to a full tour, that Sunday shall become a scheduled day and the company shall designate one of the employee's scheduled days in that week as a Non-Scheduled Day. If the employee is not notified of such designation before the end of the Sunday work, the last scheduled day of the employee's work week shall become a Non-Scheduled Day.

4 Tour Selection - (Regular Full-Time)

(a) An employee shall be permitted to select the basic tour the employee desires to work subject to the following conditions:

(1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.

(2) Each employee in a group which is treated as a unit for scheduling purposes may select a tour only during January or early February and during July or early August; the time of selection within such periods being determined by the supervisor in charge.

(3) An employee may select only from the tours available in the group. An employee temporarily reassigned to a location other than his or her permanent reporting location shall be permitted to select his or her tour at his or her permanent reporting location. At the time of selection, a list of available tours shall be referred to each employee in order of seniority, and the employee may indicate thereon his or her selection of the open tour (not one previously selected by an employee with greater seniority) the employee wishes to work.

- (b) To the extent that service and coverage conditions permit, weekly assignments of scheduled tours shall be made in accordance with selection indicated at the last selection period. If the employee is not assigned to the tour the employee selects under 4(a)(3) above because of the employee's lack of qualification, the following will apply:
 - (1) Between tour selection periods, if the tour selected by the employee becomes available due to either the adding of a permanent tour or a permanent vacancy, and for which the employee is qualified, the employee shall be assigned to the tour under (b) above.
 - (2) The Company will give due regard to the employee's request for the required training.
- (c) Necessary changes in assignments because of absences or changes in requirements between tour selection periods, except as covered in (b)(1) above, shall be made with due consideration to seniority.
- (d) Seniority for the selection of tours shall be determined in accordance with Article 3 (Definitions), Paragraph 4(b).
- (e) The decision of the Company on service and coverage conditions and training requirements shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretation or application of this clause may be taken up as a grievance, and if necessary, submitted to arbitration in accordance with Article 10 (Arbitration).

5 Tour Selection Administration

- (a) The following provisions shall govern the administration of Paragraph 4:
 - (1) The Company agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour or add a tour which consists of more than thirteen (13) normal work weeks within the current tour selection period, such a tour shall be offered for selection in the manner provided in Paragraph 4(a)(3); it being understood, however, that not more than the two (2) next succeeding tour vacancies, if any, created by the filling of the aforescribed vacated or added tour shall be offered for selection in the manner provided in Paragraph 4(a)(3). If more than two (2) such tour vacancies are created by the filling of the aforescribed tour originally vacated or added, all tour vacancies in excess of the two (2) next succeeding vacancies shall be replaced in the manner provided in Paragraph 5(a)(2) below.
 - (2) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour or add a tour, which consists of one (1) or more normal work weeks but less than fourteen (14) normal work weeks within the current tour selection period, such a tour shall be offered for selection in order of seniority to employees in the appropriate tour selection unit, who, in the Company's judgment, are qualified to perform the work and available at that time for release from current work assignments without the necessity of replacement.

(3) The Company further agrees that whenever, in its judgment, it becomes necessary between tour selection periods to replace a vacated tour or add a tour, which consists of less than one (1) normal work week, it shall fill such a tour by the selection of an employee from the appropriate tour selection unit.

(b) Except as otherwise provided in this Section, all of the provisions of Paragraph 4 of the Contract shall apply with full force and effect to the tours filled in accordance with the provisions of this Section.

6 Daylight Savings Time

(a) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 AM.

(b) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 AM may be required to work additional time. That additional time will be paid in accordance with Paragraph 9 (Extra Work Time).

7 Minimum Scheduling - Part-Time

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

8 Work Performed by Managers/Supervisors

Work of the type usually done by a Network Technical Specialist or IDC Technical Specialist shall not be performed by supervisory employees except when in the judgment of the Company, exercised in good faith, such work is deemed necessary for the good of the service.

9 Extra Work Time

(a) General

(1) Extra work time is time worked in excess of an assigned tour on a scheduled day, time worked in excess of a normal work week, or time worked on a Non-Scheduled Day. Extra work time shall be reported in actual hours to the nearest one-quarter (1/4) hour.

(2) Extra work time, continuous with a preceding tour worked, shall be considered as occurring on the same day as such tour. Extra work time not continuous with a preceding tour shall be considered as occurring on the day such period of extra work time started.

(3) Time allowed an employee for a meal period (although not paid time) shall not be considered as a break in the continuity of work time.

10 Compensation for Extra Work Time

(a) Overtime

(1) Overtime will be paid in the pay period following the one in which it was earned. Employees required to work overtime shall be paid at the overtime rate of one and one-half times (1 1/2) their adjusted rate for time worked under the following conditions:

(i) Time worked in excess of 40 hours in a calendar week

- (ii) Time worked on a non-scheduled day
- (iii) Time worked in excess of 8 hours in a scheduled day

(b) Call-Up Payments

- (1) The parties agree that at times it may be necessary that a telephone call be made by or authorized by a management employee to a non-supervisory employee during periods that the non-supervisory employee is not on work time. The parties further agree that supervisory calls to employees should be kept to a minimum consistent with the needs of the business. The parties agree that when an employee is called by a management employee outside of work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day, or on an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) By rounding the actual time spent on the call up to the nearest half (1/2) hour at the employee's applicable overtime rate.
 - (ii) When more than a single telephone call is involved in a given day, compensation will be based on the combined duration of each telephone call.

(c) Call-In Payments

- (1) An employee contacted by a supervisor at home during periods the employee is not on work time will be considered "called in." Employees responding to a call-in will receive a minimum payment of 2 hours at the employee's applicable overtime rate. Time spent traveling to and from the work site is counted as actual time worked. If a call-in occurs due to the employee's omission or error, the 2-hour minimum does not apply. The employee will be paid only for actual time spent on work activities.
- (2) Time not considered as call-in time includes time when employees are requested to:
 - (i) Remain late on a day which they have reported to work.
 - (ii) When prior to leaving work they are requested to report for work on a subsequent day at either their standard or non-standard starting time.
- (3) Employees receiving call-in payments pursuant to Paragraph 10(c)(1) above, shall not be entitled to payments or reimbursement as provided for in Article 16 and its modifications noted within this article in Paragraph 14 (Transfers, Travel Allowances and moving expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile for business travel which does not require inclusion of the amount in the employee's gross income per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(d) Overtime Assignments Not Continuous with a Tour on a Scheduled Day

An employee required to report to the work location for an overtime assignment not continuous with a tour on a scheduled day shall be paid for all time worked at the applicable overtime rate. To the extent the employee actually incurs an extra commute in connection with the overtime assignment, the employee will be paid for reasonable traveling time actually incurred in the extra commute between her/his residence and the work place. Employees receiving payments pursuant to this provision shall not be entitled to payments or reimbursement as provided for in Article 16 and its modifications noted within this Article in Paragraph 14 (Transfers, Travel Allowances, and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile for business travel which does not require inclusion of the amount in the employee's gross income per mile, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

11 Differential and Other Payments**(a) Night Differential**

- (1) Employees whose work week schedules consist of calendar day tours which fall solely between 4:00 PM and 12:00 AM will be paid an evening differential of 10% of their adjusted rate for all hours worked on such tours.
- (2) Employees whose work week schedules consist of calendar day tours which fall solely between 12:00 AM and 8:00 AM will be paid a night differential of 15% of their adjusted rate for all hours worked on such tours.
- (3) Employees whose work week schedules consist of calendar day tours having 50% or more time within a differential period are eligible for that differential for their entire tour. Employees whose work week schedules consist of calendar day tours having hours split evenly between the evening and night differential periods are eligible for the night differential rate for the entire tour.

Note: Employees who were in the title of Communications Technician on April 27, 2004, and are reassigned via company initiated move to the titles of Network Technical Specialist or IDC Technical Specialist, will continue to be covered by Article 41 for night differential as long as they remain within the titles of Network Technical Specialist or IDC Technical Specialist.

(b) On-Call Payments

- (1) Employees as shown in Paragraph 1 (Titles) with necessary skills may be requested to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the Company will be rotated among all qualified volunteers in the work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those employees who have agreed to remain in contact will be compensated as follows:
 - (i) Thirty dollars (\$30.00) per day (if on call for a non-scheduled day)

- (ii) Fifteen dollars (\$15.00) per day (if on call for the periods immediately before and after work on a scheduled workday)

Employees called-up will be eligible for call-up treatment as provided for in Paragraph10(b). Employees actually called in will be eligible for call-in payment as provided for in Paragraph10(c). In the absence of sufficient volunteers, the Local Manager will meet and discuss the need for volunteers with the Local Union.

- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 11(b)(1) above) instead of the originally assigned employee for each day of substitution.

(c) **Sunday Differential**

Employees who were in the title of Communications Technician on April 27, 2004, and are reassigned via company initiated move to the titles of Network Technical Specialist or IDC Technical Specialist, will continue to be covered by Article 41 for Sunday differential as long as they remain within the titles of Network Technical Specialist or IDC Technical Specialist.

(d) **Management Relief Differential**

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(e) **Shifted Tour Differential – Operations Employees**

Note: Employees who were in the title of Communications Technician on April 27, 2004, and are reassigned via company initiated move to the titles of Network Technical Specialist or IDC Technical Specialist, will continue to be covered by Article 41 for shifted Tour Differential as long as they remain within the titles of Network Technical Specialist or IDC Technical Specialist.

(f) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at twice the employee's Hourly Overtime Base Rate for all time worked between 7:00 PM and 12:00 Midnight.

(g) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(h) **Temporary Assignment for Formal Training Delivery**

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to 15% of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" or for rolling out employee programs (e.g., Violence in the Workplace).

(i) **Bi-Lingual Differential**

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

12 Force Adjustment (modification to Article 24)

(a) **Layoffs and Part-Timing**

For employees in the titles of Network Technical Specialist and IDC Technical Specialist, the Company may retain three percent (3%) of the total employees in the same job title within the same Organization in any GCA despite lesser seniority. In each GCA, when the provisions of this Article are implemented, at least one (1) employee may be protected. An individual may only be protected two (2) times during the life of the Agreement.

13 Termination Payments (In Lieu of Article 25)

- (a) A termination payment, plus compensation for any vacation which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee who is laid off or may be offered by the Company to an employee as an inducement to voluntarily leave the Company.
- (b) The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate. Except for an employee who received an evening or night differential payment for the week in which the date of layoff or resignation occurred, the rate of pay shall include the evening or night differential.

<u>Years Of Net Credited Service</u>	<u>Amount of Payment</u>
6 months but less than 1 year	5 week's pay
1 year but less than 2 years	6 week's pay
2 years but less than 3 years	7 week's pay
3 years but less than 4 years	8 week's pay
4 years but less than 5 years	11 week's pay
5 years but less than 6 years	12 week's pay
6 years but less than 7 years	13 week's pay
7 years but less than 8 years	14 week's pay
8 years but less than 9 years	15 week's pay
9 years but less than 10 years	16 week's pay
10 years but less than 11 years	17 week's pay
11 years but less than 12 years	18 week's pay
12 years but less than 13 years	19 week's pay
13 years but less than 14 years	20 week's pay
14 years but less than 15 years	25 week's pay
15 years but less than 20 years	35 week's pay
20 years but less than 30 years	40 week's pay
30 years+	45 week's pay

- (c) The termination allowance, shall at the option of the employee, be paid in a lump sum, less applicable deductions, or as income continuation in periodic installments, subject to the limitations in Subparagraphs 13(c)(1) and 13(c)(2) below, or in two (2) equal payments (the first payment to be made within thirty (30) calendar days of date of termination and the second payment to be made on or about January 15th of the following year). If an employee elects to receive income continuation periodic installments, each installment will be equal to one (1) week of the Adjusted Rate for each week in the employee's normal payroll period, less applicable deductions, and will be paid during the normal payroll period. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:
- (1) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
 - (2) The employee is recalled or rehired as a regular employee by AT&T Corp. or any of its affiliates, subsidiaries or entities.
- (d) Employees who have received termination allowance in a lump sum or in two equal payments shall, as a condition precedent to being recalled or rehired as regular employees of AT&T or any AT&T affiliate, subsidiary or entity, repay that portion of the termination allowance they received that is equal to their Adjusted Rate multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of AT&T or any AT&T affiliate, subsidiary or entity. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph 4 based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction

thereof) from the date of their termination to the date of their reclassification.

- (e) The amount of termination allowance for an individual: (1) who has been previously laid off or terminated by AT&T Corp. or any AT&T affiliate, subsidiary or entity; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments or in two equal payments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:
 - (1) The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph 13(d) shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.
- (f) **The provisions of Paragraph 13(a) do not apply in case of:**
 - (1) An employee leaving the Company voluntarily without inducement by the Company;
 - (2) An employee on a leave of absence;
 - (3) An employee transferred to or employed by AT&T Corp. its affiliates or subsidiaries, or their affiliates or subsidiaries;
 - (4) An employee who is dismissed for misconduct;
 - (5) An employee who is classified as Term or Temporary at the time they are work completed.
- (g) Employees who were in the title of Communications Technician and were covered by Article 25 of the 2003 AT&T/CWA Agreement on April 27, 2004, who are reassigned via company initiated move to the titles of Network Technical Specialist or IDC Technical Specialist and are subsequently laid off or induced by the company to voluntarily leave the company from the titles of Network Technical Specialist or IDC Technical Specialist will receive termination pay based on Article 25 of this AT&T/CWA Agreement. This language applies even if the reassigned employee subsequently initiates movement between other Network Technical Specialist or IDC Technical Specialist assignments.

14 Travel Allowances – Temporary Transfers, Assignments or Reassignments Within Commuting Distance and Beyond Commuting Distances (Modifications to Article 16)

For employees covered under this Article, travel within fifty (50) road miles from the permanent reporting location will be considered within Commuting Distance and will be compensated as follows:

- (a) An employee temporarily transferred, assigned or reassigned to a reporting location within commuting distance of the employee's regular reporting location (whether or not it is within the employee's GCA) which results in an increase in commuting miles and travel and occurs wholly outside the employees scheduled tour, he/she will be compensated at the highest allowable IRS rate per mile for business travel which does not require inclusion of the amount in the employee's gross income per mile for each mile over and above their normal commute if the employee uses their personal vehicle. If an employee uses mass transportation, he/she will be compensated for the use of their

personal vehicle to the location where mass transportation is available in addition to the cost of the mass transportation.

If an employee covered under this Article is temporarily assigned to a reporting location more than fifty (50) road miles, or to a location in which, in the judgment of the Company, daily commuting is not practical, the company will provide compensation to the employee per the provisions of Article 16, Paragraph 3.

15 Certification Incentive Payment Program

The Company and Union agree that it is in both parties' best interest to continue the certification incentive payment program for employees in the titles of Network Technical Specialist or IDC Technical Specialist. This certification program satisfies our mutual desire to have employees proceed thru a certification process focusing on the key skills and competencies required for the evolution of networking technology. Both parties agree that the Certification Incentive Oversight Committee will have periodic reviews of the program to ensure employees have appropriate access and certifications to match business needs as emerging technologies warrant.

(a) Training for Certification

Training for certifications under the program noted above will be offered by location by seniority.

(b) Payment for Certification

<u>Level Achieved</u>	<u>Maximum Bi-Weekly Payment (Not Cumulative)</u>
I	\$40
II	\$80
III	\$150

16 Variable Workforce Agreement

The parties agree to continue to support a variable workforce which may include former employees for the purposes of augmenting the primary workforce during peaks of the business.

In conjunction with the Labor Advisory Forum, the Company and Union will review the level of work performed by variable workers (contractors) in the prior 6 months and discuss any upcoming projects (work activities that have a defined start and end date) the Company is aware of at that time. If the review of the prior work indicates that the work is ongoing and is full-time, then the position will be brought back into an AT&T bargaining unit within AT&T Inc. In the event that a project requires an extension beyond the previously defined end date, the Company and Union will discuss and are required to reach mutual agreement on a new end date.

17 Company Initiated Moves

Company initiated moves include all Article 16 moves, job claiming, and rebalancing.

18 Qualifications

The Company agrees that those employees who were in the title of Communications Technician on April 27, 2004 and are reassigned via a Company initiated move to the title of Network Technical Specialist and remain in that title or the title of IDC Technical Specialist will continue to be qualified for the better and basic tests for the Communications Technician position previously held.

19 Time-in-Title/Time-in-Location

The Company agrees that those employees who were in the title of Communications Technician on April 27, 2004, and are reassigned via a Company initiated move to the title of Network Technical Specialist will carry forward their Time-in-Title and Time-in-Location.

20 Subcontracting Subcommittee

The Company agrees that consistent with the previously negotiated language in Letter B1, there will be periodic meetings with organizational leadership to discuss and review work that is currently subcontracted. The Company will make available the necessary data to facilitate productive discussions.

21 Force Levels

The Company agrees that it will establish and maintain a level or "watermark" number of employees in the combined Network Technical Specialist and IDC Technical Specialist titles during the life of the Agreement as follows:

<u>Year</u>	<u>Watermark</u>
2012	800
2013	800
2014	800
2015	800

22 Watermark

The Company agrees for the duration of this Agreement that the watermark is the number of employees in the combined Network Technical Specialist and IDC Technical Specialist titles below which represented headcount will not fall.

ARTICLE 44 – CUSTOMER NETWORK SERVICE CENTER

1 Titles and Wages (In Lieu of Article 15)

(a) General Wage Information

The provisions of this Article apply only to employees in the titles listed below:

LS Clerk
LS Associate
LS Specialist I
LS Specialist II

These titles will be for the exclusive use of the Customer Network Service Centers (CNSC).

(b) Starting Rates

Employees who are hired into or transfer into titles which are covered under this Article will be compensated in accordance with the starting wage as listed on the wage charts in Appendix 5 of this Agreement.

The Company maintains the right to temporarily increase the starting rate for a title based on market conditions. Employees in the same title and work location placed into the title prior to the increased starting rate and currently below the new temporary starting rate will have their wage rate increased to the temporary starting rate.

(c) Wage Increases

- (1) When an employee completes six (6) months of continuous service in a title, the employee will receive a wage increase to the six (6) month progression step as listed on the wage charts in Appendix 5 of this Agreement.
- (2) When an employee completes one (1) year of continuous service in a title and successfully completes the prerequisite qualification criteria for that title as determined by the company, the employee will receive a wage increase to the one (1) year progression step as listed on the wage charts in Appendix 5 of this Agreement.
- (3) When an employee completes eighteen (18) months of continuous service in a title and demonstrates the skill level required to perform the job (satisfactory or better performance appraisal [exclusive of attendance]) the employee will receive a wage increase to the eighteen (18) month progression step as listed on the wage charts in Appendix 5 of this Agreement.
- (4) When an employee completes two (2) years of service in a title and successfully completes the prerequisite qualification criteria for that title as determined by the Company and demonstrates the skill level required to perform the job (satisfactory or better performance appraisal [exclusive of attendance]) the employee will receive a wage increase to the top progression step as listed on the wage charts in Appendix 5 of this Agreement.

(d) Promotions

An employee must meet the prerequisite job requirements as specified by a

title's Job Brief in order to be promoted into a title.

Each employee promoted to a title covered by this Article will have his or her Standard Rate of pay adjusted to the starting wage of the promoted to job title.

(e) **Downgrades**

Exclusive of the provisions of ATS, the Company may consider employee requests to downgrade to a previously held title.

Employees who accept a downgrade to a previously held title will have his or her salary adjusted to the wage step last held in such title.

(f) **Tentative Wage Schedule Assignments**

If an employee in a title covered by this Article is assigned to a new territory or locality for which no wage zone is indicated for the team member's title, the Company shall make a tentative wage zone assignment to cover the situation. If the final wage zone assignment is different from the tentative assignment, a team member who holds such position during the period of the tentative assignment shall be eligible to receive wage treatment during such period in accordance with the final assignment.

(g) **Promotional Incentives**

Promotional Incentives, Recognition Awards, and discretionary time off may be used to focus and reward individual or team efforts.

(h) **General Wage Schedule Increases**

The increases in the wage schedules set forth below shall be computed on an exponential basis. Hourly Wage Schedules shall be rounded to the nearest penny. Weekly Wage Schedules shall be rounded to the nearest dollar.

(1) **Initial Wage Increase**

Wage schedules shall be increased by 2.25% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 7, 2012. The initial general wage increase shall be effective on Sunday, April 8, 2012. The retroactive wages from April 8, 2012 to the date of ratification will be paid as soon as practicable after ratification if the contract is ratified on or before August 17, 2012.

(2) **Second Wage Increase**

Effective April 7, 2013, wage schedules shall be increased by 2.75% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 6, 2013.

(3) **Third Wage Increase**

Effective April 6, 2014, wage schedules shall be increased by 3.0% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 5, 2014.

2 Definitions

The following definitions are applicable within this Article:

(a) **Definitions Relating to Hours of Work**

(1) **Calendar Year**

A calendar year is the period beginning January 1 and ending December 31.

(2) **Calendar Week**

A calendar week is the period of seven (7) consecutive days commencing on Sunday.

(3) **Normal Work Week**

A normal work week for a full-time employee may consist of four (4) or five (5) tours totaling forty (40) scheduled hours during a calendar week of Sunday through Saturday, inclusive.

(4) **Scheduled Weekly Tour**

The portion of the work week comprised of Scheduled Daily Tours, but excluding Non-Scheduled Days.

(b) **Day:**

(1) **Calendar Day**

The twenty-four (24) hour period beginning at midnight.

(2) **Weekday**

One (1) of the seven (7) days, Sunday through Saturday, inclusive.

(3) **Scheduled Day**

A calendar day on which an employee is scheduled to work.

(4) **Non-Scheduled Day**

A calendar day on which an employee is not scheduled to work.

(c) **Meal Period**

A meal period is an unpaid period not longer than one (1) hour during which an employee is excused for a meal.

(d) **Relief Period**

A relief period is a rest period of fifteen (15) minutes which shall be considered as work time.

(e) **Work Time**

Work time consists of all time spent on the job in the performance of Company duties.

(f) **Tours:**

(1) **Tour**

A tour is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any meal period. The starting time of a tour determines the day on which the tour occurs.

(2) **Scheduled Daily Tour**

The hours of work scheduled for an individual employee for a particular day, beginning and ending at a specified time, exclusive of unpaid meal periods and overtime.

(3) **Normal Tour**

A normal tour is the number of hours of work (exclusive of meal period) which constitutes a full day's work for a full-time employee.

(4) **Half Tour**

A half tour is one-half (1/2) the length of a normal tour.

(5) **Time of Day**

Where time of the day is specified herein, it shall be local time.

(6) **Premium Hours**

Premium Hours are those which fall within the timeframe of 8 PM - 7AM.

(g) **Definitions Relating to Wage Rates**

(1) **Standard Rate**

The Standard Rate is the rate of pay assigned to an employee based on the employee's job title.

(2) **Adjusted Rate**

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

(3) **Daily Adjusted Rate**

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

(4) **Hourly Adjusted Rate**

The Hourly Rate is the rate determined by dividing the Adjusted Rate by the number of hours in a full-time employee's normal work week.

(5) **Hourly Overtime Base Rate**

The Hourly Overtime Base Rate is the Employee's Hourly Adjusted Rate in effect at the time the overtime is worked, if applicable, per Paragraph 2(f)(6) above, will include a premium hour differential.

(h) **Overtime Rates:**

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

Pay at one hundred and fifty percent (150%) of an employee's Hourly Overtime Base Rate. Pay at Time and One-Half shall apply:

- (i) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.

- (ii) For hours worked in excess of forty (40) regularly scheduled hours during the work week.

(2) **Double Time**

Pay at two hundred percent (200%) of an employee's Hourly Overtime Base Rate. Pay at Double Time shall apply for overtime hours paid at Time and One-Half in excess of eight (8) in the work week including payments for call-ins and call-ups paid at Time and One-Half.

(i) **Definitions Relating to Types of Employees**

(1) **Employees**

The term "employee(s)", for the purpose of the terms of this Article, shall refer only to employees of the Company included within the bargaining unit as defined in Article 1 (Recognition) of this Agreement.

(2) **Regular Employees**

Regular employees are those whose employment is reasonably expected to continue for longer than twelve (12) months. A regular employee may be either full-time or part-time.

(3) **Temporary Employees**

A temporary employee is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary employee may be either full-time or part-time.

(4) **Term Employee**

A term employee is a regular employee who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period.

Term employees shall be treated the same as regular employees except that:

- (i) they are not eligible to participate in Tuition Assistance and,
- (ii) The following provisions of these Articles shall not apply to term employees:
 - (A) Article 25 (Termination Payments)
 - (B) Article 31 (Employees in Military Service) except as noted in Article 31

(5) **Full-Time Employees**

Full-time employees are those who are employed for not fewer than forty (40) hours per week.

(6) **Part-Time Employees**

Part-time employees are those who are employed and are normally scheduled to work fewer than forty (40) hours.

(j) **Definitions – Other**

(1) **Net Credited Service**

Net credited service shall mean "term of employment" as set forth in the pension plan applicable to employees covered by this Agreement.

(2) **Seniority**

Seniority shall be determined by the net credited service of the employees affected. In force adjustment situations, when the affected employees have the same net credited service, seniority shall be determined by using the last four (4) digits of the employees' social security numbers, 0000 being the lowest seniority, and 9999 being the highest seniority.

(3) **Temporary Assignment to Higher Job Classification**

Temporary assignments to higher occupational job classifications shall not exceed twelve (12) continuous months without consultation with the Union.

3 Weekly Work Schedules and Hours of Work

(a) **General**

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the work group to which the employee is assigned. When an employee is assigned temporarily to a different work group within an office or to a similar or different work group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each work group shall be as specified by the ranking Manager.

(b) **Weekly Work Schedules**

- (1) The normal work week may consist of four (4) or five (5) tours totaling forty (40) hours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) The total normal hours worked for full-time employees per week shall be forty (40) hours.
- (3) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) **Tour Preferencing**

An employee shall be permitted to preference the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to preference the days of the week the employee is to work or the type of work the employee is to perform.

Article 44

- (2) Tour preferencing shall occur at least two (2) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications, and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications, and needs of the business permitting.
- (5) The provision of Paragraph 3(c)(2) shall not apply in work groups where employees' scheduled hours of work do not normally vary.
- (6) Full-time Employees shall be scheduled not fewer than four (4) hours on any given day on which such employees are scheduled to work.
- (7) Part-time Employees shall be scheduled not fewer than three (3) hours on any given day on which such employees are scheduled to work.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating days and hours of work for each employee. Such schedules will be established no later than Wednesday, 5:00 PM of the preceding week.
- (2) Work schedules for the following week may be changed at or before 3:00 PM Thursday of the current week.
- (3) After 3:00 PM Thursday of the current week, an employee's schedule for the following week shall not be changed with respect to his or her scheduled tour, scheduled days or length of scheduled tour on each day, except that, if an employee is called in on a non-scheduled Sunday and works consecutive hours equivalent to a full tour, or when an employee is required to travel on a non-scheduled Sunday on Company business in accordance with Article 16 (Transfers, Travel Allowances, and Moving Expenses) and such travel is equivalent to a full tour, that Sunday shall become a scheduled day and the Company shall designate one (1) of the employee's scheduled days in that week as a Non-Scheduled Day. If the employee is not notified of such designation before the end of the Sunday work, the last scheduled day of the employee's work week shall become a Non-Scheduled Day.
- (4) The starting time of an employee's scheduled tour on any day may be changed provided the employee is given adequate notice. When a tour is changed in accordance with the foregoing the rescheduled tour becomes the scheduled tour for that day.
- (5) Adequate notice of a change in schedule shall be notice given at least forty-eight (48) hours prior to the starting time of the tour originally scheduled or the starting time of the rescheduled tour, whichever is earlier.

(e) **Relief/Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

4 Other Payments

(a) **Premium Hours Differential**

Employees whose weekly work schedules consist of scheduled hours during the premium hours as defined in this Article shall receive a premium differential of ten percent (10%) of their Hourly Adjusted Rate for such hours worked.

(b) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the applicable hourly rate. Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours' pay at the applicable hourly rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour.
- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour the employee shall be paid at the applicable hourly rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours' pay at the applicable hourly rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel-related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the highest IRS allowable rate per mile, plus actual out-of-pocket travel-related expenses incurred in connection with such travel.

(c) Call-Up Payments

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated by rounding the actual time spent on the call up to the nearest quarter (1/4) hour at the applicable hourly rate.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) On-Call Payments

- (1) Employees as shown in Paragraph 1 (Titles and Wages In Lieu of Article 15) with necessary skills may be required to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. Employees with necessary skills will be solicited on a voluntary basis; however, if there are an insufficient number of volunteers, the Company will assign this requirement to employees having the necessary skills in the aforementioned work group. Those employees required to remain in contact will receive a payment equal to one-half (1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b).
- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) Management Relief Differential

- (1) An employee who is assigned to relieve a management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(f) Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(g) Temporary Assignment for Formal Training Delivery

Employees temporarily assigned to deliver formal training shall receive a daily differential equivalent to fifteen percent (15%) of the employee's daily adjusted wage rate. The differential will be paid for each day in which an employee delivers such training for three (3) or more hours. The differential shall apply to employees who are assigned by management to perform formal training (not necessarily in a classroom) or to perform follow-up training in lieu of their normal work assignment. This differential will not apply to incidental "buddy training" nor for rolling out employee programs (e.g., Violence in the Workplace).

(h) Bi-Lingual Differential

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

5 Staffing

(a) In filling positions for titles covered by this Article, management may choose to advertise the position in ATS. There will be concurrent consideration of ATS non-surplus candidates and new hires.

(b) Management maintains the right to transfer and/or promote employees from one title to another within the titles covered by this Article.

(c) Employees who hold titles which are covered by this Article, are eligible for participation in ATS for movement outside of these titles after serving time in title in their current title. Time in title for these titles are as follows:

- (1) LS Clerk - 12 months
- (2) LS Associate - 18 months
- (3) LS Specialist I - 30 months
- (4) LS Specialist II - 30 months

(d) For the purposes of employee movement into titles covered by this Article, the following definitions apply, (exclusive of wage zone differentials):

(1) Promotion/Upgrade

A Promotion/Upgrade is movement from one title to another title where the maximum wage rate for the new title is higher than the maximum wage rate of the current title.

(2) **Lateral**

A Lateral is movement from one title to another title where the maximum wage rate for the new title is the same as the maximum wage rate of the current title.

(3) **Downgrade**

A Downgrade is movement from one title to another title where the maximum wage rate for the new title is lower than the maximum wage rate of the current title.

- (e) In determining a candidate's qualifications for promotion within the bargaining unit, the Company will consider many factors including, but not limited to, seniority, attendance, job performance, technical skills and experience. If qualifications are substantially equal, the senior net credited service employee will be selected. The selection shall be subject to the procedures of Article 9 (Grievance Procedures) and of Article 10 (Arbitration). The decisions of the Company concerning whether qualifications of the candidates are substantially equal shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith.

6 Statistical Sampling

- (a) Because of the requirement of maintaining customer satisfaction service levels due to the competitive nature of the local service business, the Company maintains the right to perform random sampling of quality of service being provided.
- (b) Data obtained as a result of sampling may be used in coaching employees as well as feedback in performance reviews. Feedback of observations of exceptional customer service as well as customer abuse will be communicated to the employee for performance evaluation purposes as soon as possible. Employees observed engaging in customer abuse will be provided re-training on customer relations.
- (c) The CNSC Planning Council will periodically review the results of statistical sampling.

7 Force Adjustment (In Lieu of Article 24)

(a) **Layoffs and Part-Timing**

Whenever force conditions are considered by the Company to warrant part-timing or layoff of regular employees, such force adjustments as the Company may deem necessary, shall be made among those regular employees in a Geographical Commuting Area (GCA) as defined in Article 16 (Transfers, Travel Allowances, and Moving Expenses), covered by this Article having the same job title through part-timing or layoffs or both, subject to the following conditions:

- (1) Prior to any regular employee being laid off or part-timed pursuant to this Article, temporary and term employees in the same job title covered by this Article and same GCA shall be work completed. However, such temporary or term employees may be retained or employed temporarily to meet peak load situations or other temporary situations unless there are qualified volunteers from among those at-risk employees in the same job title,

covered by this Article and same GCA scheduled to be laid off who will assume the duties of the temporary or term employees.

- (2) In the event that further force adjustments by means of layoff are deemed will proceed with the force adjustments according to the plan the by the Company to be necessary, the Union shall be advised by the Company as to its proposed plan for accomplishing such further force adjustments sixty (60) days before the adjustment is to become effective. During the first forty-five (45) calendar days of the sixty (60) day period, the Union may offer the Company, in writing, a plan to accomplish the force adjustments deemed by the Company to be required. If the Union's plan meets the foregoing requirements, the Company agrees to consider the plan proposed by the Union. If no such written plan is received by the Company from the Union within said forty-five (45) days, or if the parties are unable to agree upon a plan, the Company proposed.
- (3) Whenever such force adjustments are accomplished by layoffs, such layoffs shall be among those regular employees covered by this Article having the same job title, in the GCA. Layoffs shall be by inverse order of seniority, by group, in the following sequence:
 - (i) Group One: Employees who currently possess a "less than satisfactory" Performance Appraisal (exclusive of attendance) and who have received three (3) or more consecutive quarterly "less than satisfactory" Performance Appraisals (exclusive of attendance).
 - (ii) Group Two: Employees who currently possess a "satisfactory" or better Performance Appraisal (exclusive of attendance).

Each group will be depleted before proceeding to the next group.

(b) Recall

If additions of regular employees to the work force are required in the affected job titles and GCA covered by this Article within three (3) years of the last layoff therein, the Company shall proceed as follows before hiring new employees:

- (1) Former regular employees who held the affected job titles covered by this Article within the GCA at time of layoff, shall be offered recall to their prior job title (or its successor title), in the GCA in inverse order in which such employees were laid off, provided:
 - (i) Their period of layoff has not exceeded three (3) years; and
 - (ii) They are physically able to perform the duties of the work available; and
 - (iii) At the time of layoff their performance level (exclusive of attendance) was satisfactory or better.
- (2) Notice for recall shall be mailed by certified or registered letter, return receipt requested, to the employee's last mailing address known to the Company's employment office.

- (3) The Company will assume that failure on the part of any former employee to notify the Company within fifteen (15) days concerning acceptance of an offer of recall or to report for duty within fifteen (15) calendar days from the date of the offer, constitutes a rejection.
- (4) It shall be the responsibility of such former employees to notify the Company at the employment office of their desire for recall, and to keep the Company currently informed of their correct address.
- (5) Nothing in this Article shall limit the engagement of term or temporary employees in the event of an emergency or to meet peak load or other temporary situations.

(c) **Layoff Payments**

Employees laid off under the provisions of this Article will be entitled to a payment as specified in Paragraph 9 (Termination Payment In Lieu of Article 25) below.

8 Termination Payments (In Lieu of Article 25)

- (a) A termination payment, plus compensation for any vacation to which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee who is laid off, or may be offered by the Company to an employee as an inducement to voluntarily leave the Company.
- (b) The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate.

<u>Years of Net Credited Service</u>	<u>Amount of Payment</u>
Up to 5 years	4 week's pay
5 years but less than 10 years	12 week's pay
10 years but less than 15 years	24 week's pay
15 years but less than 20 years	36 week's pay
20 years but less than 30 years	50 week's pay
30 years +	60 week's pay

- (c) The termination allowance shall be paid in a lump sum, less applicable deductions.
- (d) Employees who have received termination allowance shall, as a condition precedent to being recalled or rehired as regular employees of AT&T or any AT&T affiliate, subsidiary or entity, repay that portion of the termination allowance they received that is equal to their Adjusted Rate multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of AT&T or any AT&T affiliate, subsidiary or entity. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph (d) based upon the difference between the number of weeks used to compute their termination allowance and

the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.

- (e) The amount of termination allowance for an individual (1) who has been previously laid off or terminated by AT&T or any AT&T affiliate, subsidiary or entity; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:

(1) Employee Recall

The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph 8(d) shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.

(2) Employee Rehire

An employee rehired from layoff from a title not covered by this Article and subsequently laid off from a title covered by this Article will be eligible to receive the greater of the following payments:

- (i) The amount of unused termination pay from their previous layoff, or
- (ii) The amount of termination pay as calculated from Paragraph 8(b) above less the number of weeks of termination pay received from their previous layoff and not repaid as a result of re-employment.

- (f) The provisions of Paragraph 8(a) do not apply in case of:

- (1) An employee leaving the Company voluntarily without inducement by the Company;
- (2) An employee on a leave of absence;
- (3) An employee transferred to or employed by AT&T Corp., its affiliates or subsidiaries, or their affiliates or subsidiaries;
- (4) An employee who is dismissed for misconduct;
- (5) An employee who is classified as Term or Temporary at the time they are work completed.

9 1996 Letters Extended

The following letters of agreement were agreed to in 1996 bargaining and will continue in accordance with their original terms.

- (3) Overtime Equalization
- (7) Performance Appraisal - Force Adjustment
- (10) Sub-Contracting

Article 44

(3) Overtime Equalization

September 10, 1996

Mr. Arthur Harris
Administrative Assistant to Vice President
Communications Workers of America
501 Third Street, N. W.
Washington, DC 20001

Dear Art,

This is to confirm our understanding reached in our CNSC (Customer Network Service Center) negotiations that each CNSC will develop local overtime equalization agreements with their respective CWA Local representative. These agreements will be subject to the grievance procedure of Article G of the CNSC Addendum to the 1995 AT&T/CWA agreement and letter (dd) (a) Local Agreements of that same agreement.

Regards,

/s/F. N. Murray

(7) Performance Appraisal - Force Adjustment

September 10, 1996

Mr. Arthur Harris
Administrative Assistant to Vice President
Communications Workers of America
501 Third Street, N. W.
Washington, DC 20001

Dear Art,

This is to confirm our understanding reached in our CNSC (Customer Network Service Center) negotiations. Prior to employees being placed in the less than satisfactory performance appraisal category, for purposes of layoff only, those employees must have received three (3) consecutive quarterly less than satisfactory performance appraisals prior to the declaration of a surplus.

In addition the employee may request, in the first five (5) days of the surplus declaration, that their appraisal be reviewed by the WPOF performance review team to insure that it is consistent with the performance (exclusive of attendance) standards.

Regards,

/s/ F. N. Murray

Article 44

(10) Sub-Contracting

September 10, 1996

Mr. Arthur Harris
Administrative Assistant to Vice President
Communications Workers of America
501 Third Street, N. W.
Washington, DC 20001

Dear Art,

This is to confirm our understanding reached during the CNSC (Customer Network Service Center) negotiations that in making decisions regarding contracting of work, it is management's objective to consider carefully the interests of both customer and employees along with all other considerations essential to the business. Some of these considerations include, but are not limited to law, regulations, changing industry structure, economic conditions, business considerations, and principles of the CWA/CNSC Planning Council's ideal future.

In response to the expression of concerns raised during these CNSC negotiations, the Company will not sub-contract work performed by regular employees of a CNSC to a vendor if such sub-contracting will currently and directly cause lay-offs or part-timing of employees in the same work group which would have otherwise performed the work.

Regards,

/s/ F. N. Murray

10 CNSC Performance Incentive Plan & Planning Council

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Ralph,

The Company agrees to annually design and implement an incentive plan that provides the potential to earn one-thousand dollars (\$1000) or more annually. The incentive plans for the two existing centers may be different based on the business needs of each center; such differences may include, but are not limited to, payment schedule and potential earnings; but the latter difference will be limited to no more than three-hundred dollars (\$300).

Incentive plan payments may be paid bi-weekly, monthly, quarterly, semi-annually, or annually. While the Company will have the unilateral right to design, implement, and modify the incentive plan(s), the Company will review the annual incentive plan thirty (30) days prior to planned implementation.

During the annual review, the Union's valid concerns will be considered. However, the Company will not be required to modify the incentive plan(s) based on those concerns.

Regards,

/s/Steven J. Leonard
Director, Labor Relations

11 Termination Pay

Employees who transfer from a position within AT&T Inc. into a position covered by this Article and are laid off from such position during the life of this Agreement, shall be eligible for termination pay in accordance with Paragraph 8 of this Article or the termination pay schedule applicable to them immediately prior to the transfer, whichever is greater.

12 Layoff Group

Employees who were covered by the 1995 AT&T/CWA Agreement and who had five (5) years of net credited service or more as of September 10, 1996, who transfer into a position covered by this Article and are subsequently laid off from a title covered by this Article, and are not in the top wage progression step will be placed in the top wage progression step universe for purposes of layoff only.

ARTICLE 45 – LOCAL NETWORK SERVICES (LNS)

1 Titles (listed in A and B)

The provisions of this Article apply only to employees assigned to the titles listed in A or B below:

(A)

Business Services Lead Provisioning Design Engineer
Business Services Provisioning Design Engineer
Business Services Secretarial Admin 3
Business Services Associate Switch Technician
Business Services Switch Technician
Business Services Field Operations Technician
Business Services Lead Field Operations Technician
Business Services Lead Switch Technician
Business Services Customer Service Provisioning Engineer

(B)

Network Test and Turn-up Analyst
Customer Switch Technician
Customer Maintenance Technician
Administrative Specialist
Production Specialist

2 Definitions (in lieu of Article 3)

(a) Definitions Relating to Hours of Work

(1) Calendar Year

A calendar year is the period beginning January 1 and ending December 31.

(2) Calendar Week

A calendar week is the period of seven (7) consecutive days commencing on Sunday.

(3) Normal Work Week

A normal work week consists of forty (40) scheduled hours during a calendar week.

(4) Scheduled Weekly Tour

The portion of the work week comprised of Scheduled Daily Tours, but excluding Non-Scheduled Days.

(b) Day:

(1) Calendar Day

The twenty-four (24) hour period beginning at midnight.

(2) Weekday

One (1) of the seven (7) days, Sunday through Saturday, inclusive.

(3) **Scheduled Day**

A calendar day on which an employee is scheduled to work.

(4) **Non-Scheduled Day**

A calendar day on which an employee is not scheduled to work.

(c) **Meal Period**

A meal period is an unpaid period not longer than one (1) hour during which an employee is excused for a meal.

(d) **Relief Period**

A relief period is a rest period of fifteen (15) minutes which shall be considered as work time.

(e) **Work Time**

Work time consists of all time spent on the job in the performance of Company duties.

(f) **Tours:**

(1) **Tour**

A tour is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any meal period. The starting time of a tour determines the day on which the tour occurs.

(2) **Scheduled Daily Tour**

The hours of work scheduled for an individual employee for a particular day, beginning and ending at a specified time, exclusive of unpaid meal periods and overtime.

(3) **Normal Tour**

A normal tour is the number of hours of work (exclusive of meal period) which constitutes a full day's work for a full-time employee.

(4) **Time of Day**

Where time of the day is specified herein, it shall be local time.

(5) **Premium Hours**

(i) Employees whose work week schedules consist of calendar day tours, which fall solely between 4:00 PM and 11:59 PM, will be paid an evening differential of ten percent (10%) of their base rate for all hours worked on such tours.

(ii) Employees whose work week schedules consist of calendar day tours which fall solely between 12:00 AM and 7:59 AM will be paid a night differential of fifteen percent (15%) of their adjusted rate for all hours worked on such tours.

(6) **Premium Hours Differential Considerations**

As outlined in Paragraph 14 - Other Payments.

(g) **Definitions Relating to Wage Rates**

(1) **Standard Rate**

The Standard Rate is the rate of pay assigned to an employee based on the employee's job title.

(2) **Adjusted Rate**

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

(3) **Daily Adjusted Rate**

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

(4) **Hourly Adjusted Rate**

The Hourly Rate is the rate determined by dividing the Adjusted Rate by the number of hours in a full-time employee's normal work week.

(5) **Hourly Overtime Base Rate**

The Hourly Overtime Base Rate is the Employee's Hourly Adjusted Rate in effect at the time the overtime is worked, if applicable, per 2(f)(5) above, will include a premium hour differential.

(h) **Overtime Rates:**

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

Pay at one hundred and fifty percent (150%) of an employee's Hourly Overtime Base Rate. Pay at Time and One-Half shall apply:

- (i) For hours worked in excess of forty (40) hours worked in the work week, including all paid absences, excused or unexcused.

(2) **Overtime Adjustment**

When an employee receives one or more of the following daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as described in Paragraph 2(h)(3) below:

- (i) Management Relief Differential
- (ii) On-Call Allowance
- (iii) Temporary Assignment to Higher Occupational Job Classification
- (iv) Bi-Lingual Differential

(3) **An Overtime Adjustment is made as follows:**

$$\frac{\text{Sum of Allowances Paid for Week}}{\text{divided by}} \frac{(\# \text{ of hours in Scheduled Weekly Tour} + \text{Overtime Hours Worked in Week})}{\text{times}} \frac{\text{Total Overtime Hours Worked in Week}}{\text{times}} \text{.5 plus .009}$$

(i) **Wage Protection Allowance**

The Wage Protection Allowance (WPA) consists of all forms of existing wage protection, including Green Circle, Red Line, Reassignment Pay Protection (RPPP), ATS Wage Treatment for Surplus/Lateral Placement, and any other forms of wage protection which result in a "protected" wage rate.

(j) **Employees**

The term "employee(s)", for the purpose of the terms of this Agreement, shall refer only to employees of the Company included within the bargaining unit as defined in Article 1, Paragraph 1 (Certification of Membership).

(1) **Regular Employees**

Regular employees are those whose employment is reasonably expected to continue for longer than twelve (12) months. A regular employee may be full time or part time.

(2) **Temporary Employees**

A temporary employee is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary employee may be full-time or part-time.

(3) **Term Employee**

A term employee is a regular employee who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period.

Term employees shall be treated the same as regular employees except that:

- (i) They are not eligible to participate in Tuition Assistance and,
- (ii) The following provisions shall not apply to term employees:
 - (A) Article 45, Paragraph 12 (Termination Payments)
 - (B) Article 31 (Employees in Military Service) except as noted in Article 31

(4) **Full-Time Employees**

Full-time employees are those who are employed for not fewer than forty (40) hours per week.

(5) **Part-Time Employees**

Part-time employees are those who are employed and are normally scheduled to work fewer than forty (40) hours per week.

(k) **Definitions – Other**

(1) **Net Credited Service**

Net credited service shall mean "term of employment" as set forth in the pension plan applicable to employees covered by this Agreement.

(2) **Seniority**

Seniority shall be determined by the net credited service of the employees affected. In force adjustment situations, when the affected employees have the same net credited service, seniority shall be determined by using the last four (4) digits of the employees' social security numbers, 0000 being the lowest seniority, and 9999 being the highest seniority.

(3) **Temporary Assignment to Higher Job Classification**

Temporary assignments to higher occupational job classifications will be determined based on needs of the business and normally will not exceed twelve (12) continuous months.

3 Authorized Union Representatives & Union Representation (in lieu of Articles 4 and 5)

(a) **Notices Regarding Union Organization**

The Union agrees that its President or a person duly empowered to act in the President's behalf shall keep the Director of Labor Relations, or his designate, currently advised, in writing, of the representatives of the National Union who are authorized to deal with the Company regarding employees in the bargaining unit and regarding such matters as designating the Locals which have been established, designating the officers or other authorized representatives of such Locals and indicating the jurisdiction of such Locals and their representatives. The Union agrees further that such notifications and authorizations shall designate the Union representative or representatives to whom notices, information, certifications and services by Company representatives, as are provided for in this Agreement, shall be directed or furnished.

(b) Promotion, Transfer Assignment of Union Officers

The Company shall give the union office notice, whenever possible, at least two (2) weeks prior to the effective date of the promotion or transfer of a duly elected or appointed steward or officer of the Union when the promotion or transfer affects the employee's status as a representative of the Union.

(c) Absence for Union Activities

- (1) Needs of the Business permitting, employees who are authorized representatives of the Union will be excused without pay, except as specified in Article 9 (Grievance Procedure) of this Agreement, at the request of an authorized representative of the Union to attend to the business of the Union. The Union shall make all requests for excused absences with as much advance notice as possible.
- (2) If an employee's total excused unpaid time off for Union business exceeds ninety (90) days in a calendar year, or exceeds thirty (30) consecutive calendar days, the employee shall take a formal leave of absence. Time spent in joint meetings with management held at the Company's request shall not be included in computing an employee's total excused unpaid time off for Union business. Meetings with management shall be considered as breaking a continuous period of absence.

(d) Leave of Absence for Union Activities

- (1) Requests for leaves of absence without pay while on business pertaining to the Union shall be made to the Company by the Union on the employee's behalf. The Union will give the Company two weeks advanced notice.
- (2) The requests shall be in writing and shall contain the reasons for such leaves of absence.
- (3) The leave of absence without pay granted by the Company for Union business shall be for an initial period of not less than thirty (30) calendar days and not to exceed one (1) year.
- (4) Additional leaves of absence for initial periods of thirty (30) days and not to exceed one (1) year, shall be granted, all of which shall be with service credit.
- (5) For such leaves of absence, an employee shall:
 - (i) receive full service credit for all purposes except wage progression;
 - (ii) remain under their current level of benefits for medical, dental, vision and life insurance plans with applicable contributions paid by employee.
- (6) Meetings with Management during a period of leave of absence shall not be considered as breaking a continuous period of leave of absence and shall be included in the period of such leave.
- (7) Upon application for reinstatement at or prior to expiration of leave of absence, employee(s) shall be returned to a job of like status and pay.

(e) **Union Representation**

- (1) At any meeting between a representative of the Company and an employee in which discipline (including warnings which are to be recorded in the personnel file, suspension, demotion or discharge for cause) is to be announced, a Union representative may be present if the employee so requests.
- (2) At an investigatory interview between a representative of the Company and an employee, wherein the employee reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed employee, a Union representative may be present if the employee so requests.

4 **Discipline (Modification to Article 12, Paragraph 6 – Discipline)**

A grievance appeal concerning a demotion, suspension, or dismissal of an employee who has twelve (12) months or more of net credited service may also be reviewed pursuant to the provisions of Article 10 (Arbitration) of this Agreement.

5 **Titles and Wages (in lieu of Article 15.4)**

Wage rates for job titles and wage schedules are contained in Appendix 5 of this Agreement. Such wage schedules shall apply to individual geographic locations as indicated in the referenced Appendices, and are for a basic work week, and are exclusive of differentials.

(a) **Starting Rates**

- (1) Employees who are hired into titles which are covered under this Article will be compensated in accordance with the minimum, high, and maximum wage range as listed on the wage charts in Appendix 5 to this Agreement.
- (2) The Company maintains the right to temporarily increase the starting rate for a title based on skills and/or market conditions.
- (3) Employees placed into jobs across collective bargaining agreements from a schedule having fixed periodic steps to a schedule with no fixed periodic steps shall be placed on the new schedule at the same wage rate as their old schedule.
- (4) Employees placed into jobs from employee pay plans that do not have fixed periodic steps to a schedule with no fixed periodic steps shall be placed on the new schedule at the same wage rate as their old schedule.
- (5) In no event shall an employee receive more than the maximum rate of the new schedule.

(b) **General Wage Schedule Increases**

The increases in wage schedules set forth below shall be computed on an exponential basis.

The progression step increases in the wage schedules between the zero (0) month step and the sixty (60) month step will be computed on an exponential basis. The progression steps beyond the sixty (60) month step will be increased based on the wage rate in effect April 7, 2012, at each respective step plus 2.25% for the initial wage increase, 2.75% for the second wage increase and 3.0% for the third wage increase.

Hourly wage schedules shall be rounded to the nearest penny. Weekly wage schedules shall be rounded to the nearest dollar.

(1) Wage Progression

Wage Progression shall be continued in accordance with the wage schedules included in Appendix 5.

When an employee completes an indicated period of equivalent service entitling the employee to a progression wage increase, such wage increase will be effective the first day of the week in which such period of service is completed.

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

(2) Initial Wage Increase

Effective April 8, 2012, wage schedules shall be increased by 2.25% on High and Maximum Rates and by 0% on the Minimum Rates in effect on April 7, 2012. The initial general wage increase shall be effective on Sunday, April 8, 2012. The retroactive wages from April 8, 2012 to the date of ratification will be paid as soon as practicable after ratification if the contract is ratified on or before August 17, 2012.

- (i) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 7, 2012 and whose performance rating is Outstanding:
 - The employee's Standard Rate will be increased by 2.25% but not to exceed the maximum wage for that title.
- (ii) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 7, 2012, and whose performance rating is More Than Satisfactory:
 - The employee's Standard Rate will be increased by 1.125% but not to exceed the maximum wage for that title.

(3) Second Wage Increase

Effective April 7, 2013, wage schedules shall be increased by 2.75% on High and Maximum Rates and by 0% on the Minimum Rates in effect on April 6, 2013.

- (i) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 6, 2013 and whose performance rating is Outstanding:

- Effective on April 7, 2013, the employee's Standard Rate will be increased by 2.75% but not to exceed the maximum wage for that title.
- (ii) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 6, 2013, and whose performance rating is More Than Satisfactory:
- Effective on April 7, 2013, the employee's Standard Rate will be increased by 1.375% but not to exceed the maximum wage for that title.

(4) Third Wage Increase

Effective April 6, 2014, wage schedules shall be increased by 3.0% on the High and Maximum Rates and by 0% on the Minimum Rates in effect on April 5, 2014.

- (i) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 5, 2014, and whose performance rating is Outstanding:
- Effective on April 6, 2014, the employee's Standard Rate will be increased by 3.0% but not to exceed the maximum wage for that title.
- (ii) In addition, for employees whose Standard Rate is equal to or greater than the High Rate on April 5, 2014, and whose performance rating is More Than Satisfactory:
- Effective on April 6, 2014, the employee's Standard Rate will be increased by 1.5% but not to exceed the maximum wage for that title.

(c) Promotions

This paragraph is specific to wage treatment of employees who are promoted into this Article and are currently above the High Rate of the new title.

A wage increase of three percent (3%) of the employee's Standard Rate or to the minimum rate of the new title, whichever is higher, shall be applied on the Sunday of the week the promotion is effective. The new wage will not be greater than the maximum wage for the title.

(d) Downgrades

This paragraph is specific to wage treatment of employees who are downgraded into this Article and are currently above the High Rate of the new title.

Employees who are downgraded to a previously held title will have his or her salary decreased by five percent (5%) of the employee's Standard Rate or to the maximum Standard Rate of the new title, whichever is lower. This shall be applied on the Sunday of the week the downgrade is effective.

(e) Promotional Incentives

Promotional Incentives and Recognition Awards may be used to focus and reward individual or team efforts.

6 Travel Expenses (In lieu of Article 16)

(a) Travel Expenses During Work Time

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

(b) Travel Expenses - Assignments

Employees assigned to a location which, in the judgment of management, a daily commute is not reasonable, the Company shall provide for or shall reimburse the employee for reasonable expenses incurred, including board and lodging and additional travel expenses. Excess travel time will be considered work time at the beginning and end of any assignment or reassignment.

(c) Transfers

If it is deemed necessary to permanently transfer, assign, or reassign employees covered by this Article from one work location to another that is beyond thirty-five (35) road miles from the original work location or to a job title not covered by this Article, the Company and the Union will meet to negotiate a means by which to compensate the employee(s) for relocation monies as a result of this transfer. Both parties will utilize Article 16 as a basis for these negotiations.

7 Classification and Treatment of Part-Time Employees (in lieu of Article 18)

(a) The classification of a part-time employee is based on the employee's "part-time equivalent work week" which shall be determined prospectively by dividing the employee's total normally scheduled hours per month by 4.35 and rounding the result to the next higher whole number. (Illustration: 68 hours per month divided by 4.35 equals 15.6 rounded to a "part-time equivalent work week" classification of 16.)

(b) The part-time "equivalent work week" (EWW) classification of each part-time employee shall be reviewed by the Company on or about February 1 and August 1 of each year and adjusted as appropriate. In determining the appropriate EWW, the Company will consider the actual average number of hours worked in each of the two (2) quarters during the preceding six (6) month period except that any hours worked which are paid at the overtime rate shall not be counted in computing the average number of hours worked. If the result in both of the preceding two (2) quarters is a number higher than the employee's existing EWW, the employee will be reclassified to the classification represented by the lower of the two (2) quarters. If the result in one (1) of the two (2) preceding quarters is equal to or lower than the employee's existing EWW, and the result of the other quarter is equal to or greater than the employee's existing EWW, then the employee's existing EWW will remain unchanged. If the result in both the preceding two (2)

quarters is a number lower than the employee's existing EWW, the employee will be reclassified to the classification represented by the higher of the two (2) quarters.

- (c) Payments to a regular part-time employee for disability under the AT&T Pension Plan and the Company's disability plan, vacations, holiday, anticipated disability leave, and sickness absence (not under the Company's disability plan), or termination allowance (or its equivalent) shall be prorated based on the relationship of the individual part-time employees "part-time equivalent work week" to the normal work week of a comparable full time employee in the same job title, classification or work group. A part-time employee shall not be paid for time not worked for absence due to sickness (not under the Company's disability plan) unless such absence due to sickness occurs on a day of the week on which the employee is normally scheduled to work and the employee is eligible for pay for personal illness pursuant to Article 45, Paragraph 8 (Absence).
- (d) Part-time employees shall, if otherwise eligible to participate under the terms of such plans, be eligible for coverage under benefit plans, programs, and policies noted in Article 19 – Benefit Plans, Programs, and Policies. Part-time employees, regardless of classification, shall be eligible for Excused Work Days on a pro-rata basis based upon the ratio of any such part-time employee's equivalent work week to the normal work week of a comparable full-time employee.

8 Absence (in lieu of Article 20)

(a) Absence in General

An employee who is to be absent for any reason shall promptly notify his or her supervisor or the supervisor's designee, in accordance with local policy, prior to or at the beginning of his/her scheduled tour with the reason for the absence and its probable duration, in order that proper consideration may be given to the employee's request.

(b) Personal Illness

- (1) Payment for full or partial days scheduled in a normal work week but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis:
 - (a) Less than three (3) years – Pay for full or partial scheduled day after the second full consecutive scheduled day of work not worked due to personal illness absence with a maximum of five (5) paid days in a calendar year.
 - (b) During each calendar year beginning with the calendar year in which a term of employment of three (3) years of service but less than six (6) years of service is completed - Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of five (5) paid days in a calendar year.

- (c) During each calendar year beginning with the calendar year in which a term of employment of six (6) years of service but less than eleven (11) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of seven (7) paid days in a calendar year.
- (d) During each calendar year beginning with the calendar year in which a term of employment of eleven (11) years of service but less than twenty-five (25) years of service is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness with a maximum of ten (10) paid days in a calendar year.
- (e) During each calendar year beginning with the calendar year in which a term of employment of twenty-five (25) years of service or more is completed – Pay from and including the first full or partial scheduled day of work not worked due to a personal illness.

NOTE: The maximum number of paid days may be converted to an equivalent number of hours based on the employee's normal scheduled daily tour.

- (2) Payments to employees pursuant to this Paragraph shall be limited to scheduled days of work in a normal work week and may be suspended or discontinued for just cause.

(c) **Absence for Other Reasons**

(1) **Jury or Witness Duty**

An employee who is not a party to the action and who is absent in compliance with a summons for jury duty or a subpoena requiring the employee to appear in court as a witness shall be excused with pay for the period during which the employee is absent on scheduled days because of such jury service or court appearance. When an employee is excused from jury or witness duty for part of a day or for an entire day, the employee shall report to his or her supervisor in person or by telephone for an assignment.

(2) Death

An employee who is required to be absent for one (1) day or more because of a death in the employee's immediate family shall be excused for such day or days, but not to exceed five (5) scheduled regular tours or their equivalent, with pay. Immediate family means parents, grandparents, husband or wife (including legally recognized partner (LRP)), children, grandchildren, brothers or sisters, mother-in-law, father-in-law, brother-in-law, or sister-in-law. The provisions of this Paragraph shall also be applicable in the event of the death of a relative or very close friend living in the same household with the employee.

(3) Accidental Injury

If an employee is injured in the course of his or her employment and it is necessary for the employee to cease work during an assigned tour, payment for that tour shall be at the rate in effect during the time worked.

(4) Election Board Service

An employee who requests an absence to serve on an election board in connection with a Federal, State, County, or Municipal election shall ordinarily be excused with pay for the scheduled days during the period the employee serves and deductions from pay for such absence shall be made only when in the opinion of the Company the circumstances in a particular case make such action advisable.

(5) Other Absence

Absences with or without pay because of reasons not outlined in this Article may be granted at the discretion of the employee's supervisor or the Company.

(6) Visit to Medical Office

An employee who reports to work and is directed by management to visit a medical office during the employees scheduled working hours that day shall be excused without loss of pay.

(7) Quarantine

In case of unavoidable absence due to contagious disease and quarantine in an employee's immediate household or unavoidable quarantine elsewhere, the employee shall be paid on the same basis as if the absence were caused by personal illness of the employee as specified in Paragraph 8(b).

- (d) When payment for absence is made, the payment shall be at the employee's Adjusted Rate plus any premium hour differential to which the employee would have been eligible had they not been absent. Payment shall be limited to scheduled days of work in a normal work week.

9 Excused Work Days (in lieu of Article 21)

- (a) Each regular employee who has at least six (6) months of net credited service on January 1, of each respective year of this Agreement shall be eligible for four (4) Excused Work Days with pay, and one (1) Excused Work Day without pay during each of such years.

- (b) Employees who do not work on their paid Excused Work Day shall be paid at their Adjusted Rate plus any premium hour differential, if applicable, provided they are on the active payroll of the Company on that Excused Work Day.
- (c) The Company may designate one (1) paid Excused Work Day in each calendar year to be observed by employees in an administrative work group (as designated by the Company) or in any larger group, including the entire Company. Employees in any such group for which an Excused Work Day is designated by the Company and who are not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day as set forth in the preceding Paragraph, provided they are on the active payroll of the Company on the designated Excused Work Day.
- (d) Employees shall select their Excused Work Days (except those Excused Work Days designated by the Company) in accordance with Article 22 (Vacations).
- (e) The Company and the Union recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for the years of this Agreement, up to three (3) Excused Work Days (EWDs) may be taken in one (1) hour increments, at any time during the vacation schedule up to and including the actual Excused Work Day provided:
 - (1) His/her supervisor is notified before the beginning of the tour and the employee has been granted the time off.
 - (2) In the case of emergent circumstances arising after reporting to work, the employee notifies his/her supervisor of the need for time off and is granted the time off.

10 **Vacations (Modification to Article 22, Paragraph 11)**

Payment for vacation shall be at the employee's Adjusted Rate plus any applicable premium hour differential to which the employee would have been eligible had they not been excused.

11 **Force Adjustment (in lieu of Article 24)**

(a) **Layoffs**

Whenever business conditions are considered by the Company to warrant the layoff of employees, such force adjustments, as the Company may deem necessary, shall be made among those regular employees holding the same job title within the same job location covered by this Article. The Company will provide a minimum of sixty (60) days notice of a planned layoff to the Union unless a longer period is required by law.

During the first thirty (30) calendar days of the sixty (60) day period, the Union may offer the Company, in writing, a plan to accomplish the force adjustments deemed by the Company to be required. If the Union's plan meets the foregoing requirements, the Company agrees to consider the plan proposed by the Union. If no such written plan is received by the Company from the Union within said thirty (30) days, or if the parties are unable to agree upon a plan, the Company will proceed with the force adjustments according to the plan the Company proposed.

Prior to any regular employee being laid off pursuant to this Article temporary and term employees in the same job title shall be work completed.

Layoffs shall be by inverse order of seniority, by group, in the following sequence:

- (1) Group One: Employees who currently possess a "Less than Satisfactory" performance appraisal (exclusive of attendance) and who have received three (3) or more consecutive quarterly "Less than Satisfactory" performance appraisals (exclusive of attendance)
- (2) Group Two: Employees who currently possess a "Satisfactory or Better" performance appraisal (exclusive of attendance)

Each group will be depleted before moving to the next group.

The selection shall be subject to the procedures of Article 9 (Grievance Procedure) and Article 10 (Arbitration).

(b) Layoff Payments

Employees laid off under the provisions of this Article will be entitled to a payment as specified in Article 45, Paragraph 12 (Termination Payments).

(c) Recall

Former employees who held the affected job titles within the same job location (or its successor title or for a title of equivalent status for which they qualify) at the time of layoff, shall be offered recall to their last job title prior to the hiring of new employees.

- (1) This will be accomplished in inverse order in which such employees were laid off per Paragraph 11(a), provided:
 - (i) Their period of layoff has not exceeded three (3) years and;
 - (ii) They are physically able to perform the duties of the work involved.
- (2) Notice for recall shall be mailed by certified or registered letter, return receipt requested, to the employee's last mailing address known to the Company's employment office.
- (3) The Company will assume that failure on the part of any former employee to notify the Company within five (5) days concerning acceptance of an offer of recall or to report for duty within fifteen (15) calendar days from the date of the offer, constitutes a rejection.
- (4) It shall be the responsibility of such former employees to notify the Company at the employment office, of their desire for recall and to keep the Company currently informed of their correct address.
- (5) Nothing in this Agreement shall limit the engagement of temporary employees in the event of an emergency or to meet peak load or other temporary situations.

12 Termination Payments (in lieu of Article 25)

- (a) A termination payment, plus compensation for any vacation which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee who is laid off or may be offered by the Company to an employee as an inducement to voluntarily leave the Company.
- (b) The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate.

Years Of Net Credited Service	Amount of Payment
6 months but less than 1 year	5 week's pay
1 year but less than 2 years	6 week's pay
2 years but less than 3 years	7 week's pay
3 years but less than 4 years	8 week's pay
4 years but less than 5 years	11 week's pay
5 years but less than 6 years	12 week's pay
6 years but less than 7 years	13 week's pay
7 years but less than 8 years	14 week's pay
8 years but less than 9 years	15 week's pay
9 years but less than 10 years	16 week's pay
10 years but less than 11 years	17 week's pay
11 years but less than 12 years	18 week's pay
12 years but less than 13 years	19 week's pay
13 years but less than 14 years	20 week's pay
14 years but less than 15 years	25 week's pay
15 years but less than 20 years	35 week's pay
20 years but less than 30 years	40 week's pay
30 years +	45 week's pay

- (c) The termination payment, hereinafter referred to as termination allowance, shall at the option of the employee, be paid in a lump sum, less applicable deductions or as income continuation in periodic installments, subject to the limitations in Subparagraphs c(1) and c(2) below. If an employee elects to receive income continuation periodic installments, each installment will be equal to one (1) week of the Adjusted Rate, for each week in the employee's normal payroll period, less applicable deductions, and will be paid during the normal payroll period. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:
 - (1) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
 - (2) The employee is recalled or rehired as a regular employee by AT&T Corp. or any of its affiliates, subsidiaries or entities.
- (d) Employees who have received termination allowance shall, as a condition precedent to being recalled or rehired as regular employees of AT&T or any AT&T affiliate, subsidiary or entity, repay that portion of the termination allowance they received that is equal to their Adjusted Rate multiplied by the difference between the number of weeks used to compute their termination

allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of AT&T or any AT&T affiliate, subsidiary or entity. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph (d) based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.

- (e) The amount of termination allowance for an individual: (1) who has been previously laid off or terminated by AT&T Corp. or any AT&T affiliate, subsidiary or entity; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:
 - (1) The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph (d) shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.
- (f) **The provisions of Paragraph 12(a) do not apply in case of:**
 - (1) An employee leaving the Company voluntarily without inducement by the Company;
 - (2) An employee on a leave of absence;
 - (3) An employee transferred to or employed by AT&T Corp., its affiliates or subsidiaries, or their affiliates or subsidiaries;
 - (4) An employee who is dismissed for misconduct;
 - (5) An employee who is classified as Term or Temporary at the time they are work completed.

13 **Weekly Work Schedules And Hours Of Work**

(a) **General**

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the work group to which the employee is assigned. When an employee is assigned temporarily to a different work group within an office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours for each work group shall be as specified by the ranking Manager.

(b) **Weekly Work Schedules**

- (1) The normal work week may consist of five (5) tours totaling forty (40) hours in one (1) calendar week of Sunday through Saturday, inclusive.

- (2) The total normal hours worked for full-time employees per week shall be forty (40) hours.
- (3) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) **Hours of Work – Scheduling**

- (1) Work schedules will be established for each calendar week, designating days and hours of work for each employee. Such schedules will be established no later than Thursday, 5:00 PM of the preceding week.
- (2) The starting time of an employee's scheduled tour on any day may be changed based on needs of the business.
- (3) Management will not involuntarily shift time on a daily basis without twenty-four (24) hour notification to the employee of his/her new start time.
- (4) To the extent needs of the business require employees to be assigned premium hour tours, such tours shall be assigned on a rotational basis between qualified and available employees.
- (5) The Company shall make every reasonable attempt to minimize tour changes after the schedules are posted as defined in this article.

(d) **Relief/Meal Period**

Relief periods will be determined by the Company and will be subject to force and work conditions. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

14 **Other Payments**

(a) **Premium Hours**

Employees whose work week schedules consist of calendar day tours which fall solely between 4:00 PM and 11:59 PM will be paid an evening differential of ten percent (10%) of their base rate for all hours worked on such tours. Employees whose work week schedules consist of calendar day tours which fall partially between 4:00 PM and 11:59 PM will be paid as expressed in differential considerations.

- (b) Employees whose work week schedules consist of calendar day tours which fall solely between 12:00 AM and 7:59 AM will be paid a night differential of fifteen percent (15%) of their adjusted rate for all hours worked on such tours. Employees whose work week schedules consist of calendar day tours which fall partially between 12:00 AM and 7:59 AM will be paid as expressed in differential considerations.

(c) **Differential Considerations**

Employees whose work schedules consist of calendar day tours having fifty percent (50%) or more time within a differential period are eligible for that differential for their entire tour. Employees whose work week schedules consist of calendar day tours having hours split evenly fifty/fifty (50/50) between the evening and night differential periods are eligible for the night differential rate for the entire tour.

(d) **Call-Out Payments**

An employee contacted during their time off to report for a work assignment will be considered "called-out".

Employees responding to a call-out will receive a minimum payment of two (2) hours at the time and one-half (1 1/2) rate times their adjusted rate. Time spent in traveling to the work site will be considered time worked.

If a call-out occurs due to an employee omission or error, the two (2) hour minimum does not apply. The employee will be paid only for time spent on work activities.

Time not considered as call-out time includes time spent when employees are requested to:

- (1) Remain late on a day which they have reported to work, or
- (2) When prior to leaving work, they are requested to report for work on a subsequent day at either their standard or non-standard starting time.

(e) **On-Call Payments**

Employees who are designated as being "on-call" and who are required to remain in contact with the office will be compensated Twenty-five dollars (\$25) per day when required to be available.

(f) **Call-Up**

An employee telephoned by a supervisor at home during periods the employee is not on work time will be considered "called-up".

Employees telephoned under the above circumstances will be compensated if the telephone call meets the following requirements:

- (1) The telephone call is made outside the employee's scheduled work time or on a non-scheduled work day or an excused holiday;
- (2) The employee uses his or her job knowledge or skill; and,
- (3) The call was not prompted by error or omission by the employee.

Employees who satisfy the above requirements will be compensated by rounding the actual time spent on the call-up to the nearest one quarter (1/4) hour at the employee's applicable hourly rate.

When more than a single telephone call is involved in a given day, compensation will be based on the combined duration of each telephone call.

(g) **Overtime Assignment not Continuous with a Tour on a Scheduled Day**

An employee required to report to an overtime assignment not continuous with his/her scheduled tour will receive a minimum payment of two (2) hours at the time and one-half (1 ½) rate times their adjusted rate. To the extent that an employee actually incurs an extra commute in connection with the overtime assignment, time spent traveling, up to a combined total of one hour, to and from his/her residence and the workplace shall be considered time worked.

(h) Management Relief Differential

An employee who is assigned to relieve a Management employee shall receive a payment of ten dollars (\$10.00) for each tour or part in excess of one-half (1/2) thereof so worked.

Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(i) Temporary Assignment to Higher Occupational Job Classification

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(j) Bi-Lingual Differential

A qualified employee assigned to communicate in a foreign language to customers shall receive a differential of two dollars and fifty cents (\$2.50) for each work day or part, provided it is three (3) hours or more, so worked. A qualified employee is one who is test qualified in the foreign language.

15 Letters of Agreement

(6)	Pension Bands
(7)	Hiring Bonus
(9)	Excused Work Days and Floating Holidays – Layoff Situations
(10)	Use of Part-time Employees
(12)	Indemnification
(14)	Alternate Work Schedules
(15)	Appearance Guidelines for Titles Listed in Paragraph 1(A)

16 Application of the 2012 Other Agreement Provisions

As a result of 2012 negotiations, the Company and Union have negotiated and agreed to incorporate the following provisions of the 2012 Other Agreements to employees covered by this Article.

AT&T and CWA Learning
Cope PAC Deductions – CWA
Employee Assistance Program (EAP)
Funding of the Alliance

Funds for the Alliance Distribution Program (FAD) Administration
Joint Health Care Cost Containment Committee
Labor Advisory Forum
Union Representation
Pension Asset Transfer
Retirement Policy Advisory Committee
Term Employees
Subcontracting Data Request
Arbitration Awards – Interim Earnings
Employee Training
Excused Work Days
Job Security
Grievances Claiming Management is Performing Bargaining Unit Work
Local Agreements
Overtime Equalization
Ergonomics
June 28, 2001 Addendum to Agreement (Barnes)
AT&T Transfer/Rehire System (ATS/ARS)
Work & Family
Service Anniversary
AT&T Career Support Coordinator Committee
AT&T Career Support Coordinator Position
Health Care Coordinator Position
National Transfer Plan
Employees in Military Service Active Training
Success Sharing Plan
Employment Security Commitment (ESC)
Presidential Council
CVS Caremark
Special Social Security Supplement
Pension Protection Act
Recall Forward
AT&T Option Program (ATTOP)
Subcontracting/Bargaining Unit Work Committees
Articles 20, 39 and 45 Personal Illness Absence and Limited Exception for Personal Illness Absence Immediately Preceding an Approved Disability
Telecommuting
Building Construction

(6) PENSION BANDS

The present AT&T method and formula will be used to determine the proper Pension Bands assigned to the titles covered by this agreement.

(7) HIRING BONUS

This letter confirms the understanding reached by the parties concerning the payment of a hiring bonus to new, off the street, hires covered by this collective bargaining agreement.

Article 45

In order to recruit skilled employee(s) the company may, at its discretion, make available to such employee(s) an initial hiring bonus of up to Three Thousand (\$3,000.00) dollars. The parties understand and agree that this payment is a one time, lump sum and is subject to all applicable deductions.

(9) EXCUSED WORK DAYS AND FLOATING HOLIDAYS – LAYOFF SITUATIONS

February 11, 2004

Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

To confirm our discussions during negotiations that in the event of a layoff it is the Company's intent to provide employees the ability to schedule and take their EWDs and Floating Holidays prior to their off payroll date. In the event needs of the business do not permit the ability to schedule these days; employees will receive a payment in lieu of such unused days.

Regards,

/s/ Barbara A. Maniscalco
Employee and Labor Relations, Vice President

(10) USE OF PART-TIME EMPLOYEES

It is not the Company's intent to create a part-time classification for the sole purpose of creating this classification for force adjustment purposes only.

In addition, individuals will not be reclassified to part-time for the purpose of protecting the employee from an impending surplus declaration.

(12) INDEMNIFICATION

It is the policy of the Company to indemnify and hold harmless from liability, employees who are determined to be liable to others as a result of the actions and/or simple negligence of the employees arising in the scope of their employment provided the action of the employee is not in violation of any applicable law.

(14) ALTERNATE WORK SCHEDULES

During 2000 negotiations the Company and the Union agreed to provide a method for the Company to offer a four day work week (FDW) when needs of the business allow. Employee participation is on a voluntary basis. The District Manager and the local union president must agree on the implementation of a FDW. The District Manager and the local union president may discontinue an alternate work week schedule with seven (7) calendar days advance written notice of termination.

Four Day Work Week (FDWs)

The hours of a Scheduled Daily Tour will be based on the hours in a normal work week divided by four.

Hourly Basic Rate

Is determined by dividing the five (5) day weekly basic wage rate by the number of hours contained in the Scheduled Weekly Tour (40).

Premium Hour Differential

Premium Hour Differential will be paid for those 4DW tours which fall wholly within the timeframe of 8pm to 6am.

Overtime

For those employees on the Four Day Work Week, weekly overtime will be paid after forty (40) hours worked in a week.

Hourly Time Bank

Vacations, Excused Work Days, Designated Holidays and Floating Holiday will be converted to an hourly total and taken on an alternate tour length basis. Any remaining time (time less than an AWS Scheduled Tour) will be designated as "residual time" and will be credited to the employee's Hourly Time Bank.

Residual Time

Time remaining in the Hourly Time Bank after an employee has taken either a holiday, vacation day or excused work day time, on an alternate tour length basis. Residual Time may be taken as excused paid time in conjunction with Vacation, Designated Holiday time, Floating Holiday time or Excused Work Day time.

If, at the end of a calendar year, the total Residual Time in an employee's Hourly Time Bank is equal to or greater than the number of hours in such employee's AWS Schedule Daily Tour, the employee must take the necessary number of days off to reduce the number of hours to below the number of hours in such employee's Scheduled daily tour. If total Residual Time is less than the number of hours in such employee's AWS Scheduled Daily Tour, the employee may take the Residual Time as excused paid time in one or more increments, of no less than the two (2) hours each.

Residual Time that is not used in accordance with the previous provisions may be "bought out" by the company at the basic hourly rate (including any premium hour differential when applicable). This will be limited to a single buy out per calendar year. In no case will the amount of Residual Time that is to be bought out be greater than the number of hours in an employee's Scheduled Daily Tour.

"Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death will also apply to Residual Time.

Leave of Absence

Employees on leaves of absence will be changed to the five (5) day standard hours per day for the duration of the leave.

Termination Payment

For an employee assigned to an Alternate Work Schedule, Termination Payment shall be computed based on the standard weekly tour.

Employee Benefits

For an employee assigned to an Alternate Work Schedule, disability benefits shall be based on the standard weekly tour at that employee's location.

Personal Illness

Sickness Wait Period will be converted from days to hours based on the existing articles contained in the local agreements.

Discretionary absence, whether paid or unpaid, will be charged to the employee at the alternate daily tour hour basis.

Rest Period

A FDW employee shall be assigned one (1) rest period of twenty (20) minutes during each one-half Scheduled Daily Tour.

Incidental Absences (Jury Duty, Military Duty, Death in Family, etc.)

Payment will be made for the number of days specified in the applicable article(s) of this agreement. Incidental absences will not be converted to hours.

(15) APPEARANCE GUIDELINES FOR TITLES LISTED IN PARAGRAPH 1(A)

The Company reserves the right to institute and modify reasonable appearance guidelines for titles listed in Paragraph 1(A). The Company will notify the local union prior to modifying the appearance guidelines.

Article 45

In the event of a dispute concerning whether the appearance guidelines promulgated or in effect are reasonable, the grievance procedure will be utilized. If the parties are unable to resolve the dispute in the grievance procedure, the Union may proceed to arbitration pursuant to the provisions of Article 9 of this Agreement. The arbitrator shall determine whether the appearance guidelines promulgated or in effect are reasonable.

EXHIBIT 1 - PAYROLL DEDUCTION AUTHORIZATION

 Social Security Number

 Name

Last	First	Init.
------	-------	-------

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

The amount equal to regular monthly Union dues shall be that which is certified to AT&T by the Communications Workers of America for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes.

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

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

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

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

 Date

 Signature of Employee

 Employee Work Location

 Union Local

 AT&T Organization

SPECIAL ALLOWANCES

When an employee, except a non-located construction employee, is engaged or re-engaged at a locality for which a special allowance was previously applicable, or is transferred (other than temporarily) to such a locality, the employee will be paid the applicable allowance in addition to his or her Adjusted Rate. Conversely, when the employee is transferred from a locality for which a special allowance was applicable, the employee shall no longer be eligible for the Special Allowance.

Increases or decreases to the Special Allowances made in accordance with the provisions of this appendix, shall be in addition to, and apart from, any other wage changes.

Note: The parties agree that for the term of this Agreement any location which was removed from the 1998, 2002, 2005, 2009 or 2012 Agreements will be reinstated if it is subsequently learned that employees are permanently assigned to one of those locations.

SPECIAL CITY ALLOWANCE

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

The Special City Allowance will enter into computations of overtime pay as part of the overtime adjustment formula as required by law but will not be part of the Standard Rate or Adjusted Rate nor enter into the computation of any payments under the Employee Benefit Plans or any other fringe benefits or differentials.

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

Locality	Daily Allowance	Locality	Daily Allowance
Arlington Heights	\$1.40	Miami, FL	\$1.00
Atlanta, GA	\$1.00	Milwaukee, WI	\$1.00
Baltimore, MD	\$1.40	Minneapolis, MN	\$1.00
Bayonne, NJ	\$1.40	Naperville, IL	\$1.40
Birmingham, AL	\$1.00	New Orleans, LA	\$1.00
Boston, MA	\$1.40	New York, NY	\$1.80
Chicago, IL	\$1.40	Newark, NJ	\$1.40
Cleveland, OH	\$1.40	Oakland, CA	\$1.40
Dallas, TX	\$1.00	Philadelphia, PA	\$1.40
Denver, CO	\$1.00	Phoenix, AZ	\$1.00
Detroit, MI	\$1.40	Pittsburgh, PA	\$1.40
E. St. Louis, IL	\$1.00	Portland, OR	\$1.40
Ft. Worth, TX	\$1.00	Rolling Meadows, IL	\$1.40
Houston, TX	\$1.00	San Francisco, CA	\$1.40
Indianapolis, IN	\$1.00	Seattle, WA	\$1.40
Jersey City, NJ	\$1.40	St. Louis, MO	\$1.00
Kansas City, KS	\$1.00	St. Paul, MN	\$1.00
Kansas City, MO	\$1.00	Tacoma, WA	\$1.40
Lisle, IL	\$1.40	Washington, DC	\$1.40
Los Angeles, CA	\$1.40	West Chicago, IL	\$1.40
Matteson, IL	\$1.40		

AT&T BUSINESS OPERATING UNITS AND DIVISIONS

| Consumer

Business

Corporate Affairs

| Network Operations and Information Technology

Shared Services

METRO SEGMENT INCENTIVE COMPENSATION PLAN

1 DEFINITIONS

(a) **FULL SALARY EQUIVALENT (FSE)**

The Adjusted Rate.

(b) **LEVERAGED BASE RATE**

80% of the FSE wage rate.

(c) **INCENTIVE**

The actual amount earned above leveraged base rate. The plan target for this amount is 20% of FSE.

(d) **BASE/INCENTIVE MIX**

The ratio of leveraged base rate and the incentive wage. (80 / 20%)

(e) **TARGET AVERAGE ANNUAL SALARY (TAAS)**

The average earnings when considering Adjusted Rates (FSE) of all employees on the plan for each specific title across all wage areas and wage steps. The figures are based on wage step/wage area data from the end of each calendar year and will be updated to reflect any bargained wage increases upon their effective dates. The specific calculation is:

$$\text{TAAS} = \frac{\text{Total FSE wages for all sales employees in a title}}{\text{Total number of sales employees in a title}}$$

Notes:

1. **Only those earnings up to 250% of attainment will be included in the TAAS calculation.**
2. **Expenses associated with promotional incentives will not be included in the actual earnings when reviewing TAAS performance.**

(f) **QUOTA**

The objective established for an element. Quota assignment for all compensation elements will be established at the Headquarters level.

(g) **PERCENT ATTAINMENT**

The ratio of the actual credit achieved to quota, expressed in percentage format.

(h) **CAP**

The maximum cumulative percent of attainment to which incentive compensation payments apply.

(i) **ELEMENT**

Elements are the designated items used to identify, track, and measure individual and team performance. The element assigned is product sales.

(j) **INDIVIDUAL AWARD**

The incentive amount paid on individual percent attainment.

(k) **TEAM AWARD**

The incentive amount paid on the relevant team percent attainment.

2 **PLAN STRUCTURE**

(a) **QUARTERLY REVIEW OF TAAS PERFORMANCE**

The Metro Segment Oversight Committee (as described in Paragraph 5(k) of the Metro Segment Incentive Compensation Plan) is responsible for reviewing actual average earnings against TAAS, as well as, against the average actual FSE salary at the end of the quarter (which includes progression increases), and recommend plan changes if actual average performance falls outside established limits.

Failure to attend a scheduled meeting by the Union will authorize the Company to immediately implement any incentive compensation changes to achieve TAAS that it deems necessary.

For the purpose of reviewing TAAS, actual average earnings will be calculated for all personnel in a title, including new hires and employees on disability. The Company will provide the committee the actual average performance data for each title.

Within seven (7) days of the quarterly review meeting, the Committee must develop plan change recommendations when actual average performance deviates from TAAS by more than + 10% or - 10%. These recommendations must be designed to bring projected average annual performance to TAAS levels. Retroactive adjustments to pay will not be made to remedy these situations. Committee recommendations will be forwarded to the Vice President - Metro Segment for review and concurrence. Should the Vice President not concur with the Committee recommendations, the proposal is remanded to the Committee for additional consideration. The Union may exercise the following third party rights if the Committee cannot reach agreement.

(1) In the event the Committee cannot reach a joint recommendation on how to address a deviation in excess of + 10% or - 10%, the Company will prepare a recommendation within seven (7) days thereafter and submit it to the Union.

(2) The Union will have seven (7) days to review the Company proposal. Inaction by the Union will constitute Union acceptance of the Company proposal. In this case, the Company may immediately implement its proposal. If the Union does not accept the Company's proposal, it may demand the Company's proposal be submitted to neutral third party selected from a list previously agreed to by the parties. The Union's demand shall specify those portions of the Company proposal to which it objects.

- (3) Upon the Union's demand, the Company shall submit its proposed program to the neutral third party within fourteen (14) days of the Union's demand. The neutral third party will determine whether the Company's proposal is designed to reasonably enable affected employees to achieve the TAAS for the title and function in issue. The neutral third party will issue a written decision within fourteen (14) days of submission. The fee of the neutral third party will be borne equally by the Company and the Union.

If the neutral third party determines that the Company proposal is designed to reasonably enable affected employees to achieve TAAS for the title and function in issue, the Company may immediately implement its proposal.

If the neutral third party determines that the Company's proposal is not designed to reasonably enable the affected employees to achieve TAAS for the titles and function in issue, the neutral third party will advise the Company and Union of the specific deficiencies it finds in the plan. The Company will then propose a new or modified program for the titles and functions in issue, and submit it to the Union within seven (7) days. The Union will have the same review and neutral third party rights as described above.

By the third quarter 1998, the Union and the Company will each submit and agree upon the names of two potential neutral third parties should the need arise to exercise the dispute process.

This quarterly review process shall be the sole and exclusive means by which the Union may challenge recommended Plan changes due to the deviation from TAAS.

(b) ENROLLMENT IN THE COMPENSATION PLAN

Entrants to the Metro Segment Incentive Compensation Plan will be given information regarding The Plan upon joining the organization. Entrants will receive training (formal and on the job) at the appropriate full salary equivalent, i.e., they will not be eligible for incentive compensation. The length of training will be: Inbound Call Receipt Centers – sixty (60) days. After training, they will be enrolled in the compensation plan.

Any sales activities completed while the employee is in "training" status will not be eligible for compensation earnings. The earnings are to be paid only for sales activities completed during the month(s) the employee is assigned a quota.

Employees transferring back into a compensable function from a non-compensable function within Metro Segments will be placed on the Plan effective with the month of their transfer. If the employee was in the non-compensable function for greater than ninety (90) days, the employee may elect to remain on FSE for the initial thirty (30) days in the compensable function before being placed on the Plan. This time is to allow for any additional training that may be required for the new position.

Employees downgraded from a compensable management function into a compensable occupational function will be placed on the occupational compensation plan effective with the month of their transfer.

(c) **RAMP-UP QUOTA**

Ramp-up Quota - Product Element

All new entrants into the Metro Segment Compensation Plan will be given a Ramp-up Product Element quota for their first month on compensation. This ramp-up quota is applicable to only those employees who are on the Plan for the first time. The following matrix demonstrates the application of ramp-up quota for the product element quota for ICRC employees.

MONTH	STATUS	QUOTA
1	Training-Full Salary	N/A
2	Training-Full Salary	N/A
3	Compensation	75%
4	Compensation	100%

(d) **PROMOTIONAL INCENTIVES**

Promotional incentives, recognition awards, and discretionary time off may be used to focus and reward individual or team efforts. Expenses associated with these programs will not be included in the actual earnings when reviewing TAAS performance.

(e) **EFFECTIVE DATES**

An employee is assigned quota on the first of the month in which Compensation Plan participation begins.

EDCR EFFECTIVE DATE	INCENTIVE PAY EFFECTIVE DATE
First through eighth of the month	First of the month
Ninth through end of the month	First of the next month

The above dates apply to any and all changes in employee status, e.g., moving on or off compensation plan; moves between salary ranges in order to determine when to apply new payout rates, etc. EDCR's will not be approved on a retroactive basis.

(f) **PART-TIME EMPLOYEES**

If business needs arise to engage part-time employees, the Company's intent is to move these employees to compensation. This would be reviewed with the Oversight Committee prior to implementation.

(g) **ONGOING PLAN MANAGEMENT**

The Company may alter quotas eligible for incentive compensation at any time. The Company will not alter plan leverage factors, i.e., the base/incentive mix, without negotiating such change with the Union. It is the Company's intent to minimize changes to the compensation plan.

The decision of the Company concerning the interpretation and/or application of the Metro Segment Incentive Compensation Plan or a process of The Plan shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any such disputes may be submitted through the grievance process in accordance with Article 9, and if necessary, submitted to arbitration in accordance with Article 10.

3 **MEASUREMENT PROVISIONS**

(a) **PRODUCT ELEMENT**

The Company will compensate an individual for every product/service sale relevant to Metro Segment as identified in the monthly USOC product matrix. Product credit will be given for only those sales which the individual is responsible for and completes (i.e., order issued and completed with sales person's sales code).

Specific products may be given different weights in computing percent attainment. Services/weights may vary between Inbound Call Receipt Centers and Outbound Centers.

The Company's intent is to incent all sales that contribute to the financial viability and/or market share of Metro Segment. In addition, any promotion, feature, value package, etc., may be compensable, and if it is determined not to be compensable, the evaluation will be reviewed with the Oversight Committee.

(b) **ATTAINMENT**

Compensation will be based on the attainment of objective at the individual level on a monthly or year-to-date basis, and team level on either a monthly or year-to-date basis depending on the element. Year-to-date results begin with the employee's first month on the Plan (quota assigned), or at the beginning of a new calendar year. The year-to-date results continue through that calendar year as long as the individual remains on the same plan.

Following are examples of commission earnings paid against year-to-date performance:

<u>Example</u>	<u>January Attainment</u>	<u>YTD Attainment</u>	<u>February Attainment</u>	<u>YTD Attainment</u>
A	100%	100%	150%	125%
B	150%	150%	100%	125%

4 **PAYOUT**

(a) **PAYOUT MULTIPLIERS AND RATES**

For product sales a dollar amount is applied to the percent attainment of each sales person and/or team. This dollar amount is referred to as the "multiplier".

The dollar value of the multiplier is based on the salary range in which an individual falls, depending on their wage step/wage area. There are a number of multipliers associated with a set of salary ranges which are based on targeted full salary equivalent amounts (Salary Range Target).

The multipliers are designed so that, as close as possible, when 100% of objective/quota is reached, the incentive earned is 20%. During 2005 Bargaining, it was agreed that each salary range would have a spread of no more than \$2,000.

CAP

The maximum attainment level for payout purposes is 300%. Earnings above 250% will not be used for the purposes of calculating TAAS.

(b) **COMPENSATION PAY DATES**

Incentive earnings are paid no later than two months in arrears. There are cases where part of the earnings will be paid out in the first part of the third month because of short months. The Company will notify the Union in the fourth quarter of each year of the months in which this will occur for the upcoming year.

(c) **OVERPAYMENT OF COMPENSATION**

When an overpayment of compensation dollars is made to an employee, it must be repaid.

If an employee is paid through Electronic Funds Transfer (EFT), they can: Allow overpayment to true-up in the subsequent commission payment. If true-up will not occur by the next commission payment, the employee must submit a money order/cashiers check for the amount owed. The supervisor should call Strata Staff to obtain an accurate dollar amount due. The employee should then forward their money order/cashiers check to the AT&T Payroll office with a copy to their supervisor.

If an employee receives a "live" check, they can:

Return the check to the AT&T Payroll office with a copy provided to their supervisor.

- OR -

Allow overpayment to true-up in the subsequent commission payment. If true-up will not occur by the next commission payment, the employee must submit a money order/cashiers check for the amount owed. The supervisor should call Strata Staff to obtain an accurate dollar amount due. The employee should then forward their money order/cashiers check to the AT&T Payroll office with a copy to their supervisor.

If overpayment to the employee and repayment to AT&T are made within the same calendar year, the repayment is made in net dollars (after taxes). The supervisor should call Strata Staff to get an accurate net dollar amount.

If overpayment occurs in a prior year and is being repaid in a subsequent year, then the repayment is made in gross (before taxes) dollars. This process ensures that the taxes are withheld accurately.

Employees may appeal cases of repayment hardship to their supervisor. These cases will be reviewed on an individual case basis by Strata Staff.

5 **OTHER PROVISIONS**

(a) **PAY ADVANCES (DRAWS)**

A compensation pay advance is available to provide earnings stability for individuals moving to Sales Compensation Plan participation. Compensation pay advances are appropriate for a limited period of time, no more than the initial two months in the Plan. Sales management must approve requests for pay advances, by completing the Incentive Pay Advance Agreement form which is also signed by the individual requesting the advance.

The maximum amount of a monthly advance is the difference between the individual's FSE and the individual's leveraged base salary for that month.

Recovery of the advance begins with the individual's first incentive payment. All outstanding advances are netted against sales incentive earnings until the total advance is repaid. Advances may be available when there is a change in the Plan which causes a delay in commission results/earnings. Under these circumstances the advance will be available only during the initial transition month, and the maximum advance may only be the portion of incentive target being delayed. If an individual moves off the Sales Compensation Plan prior to payback of the advance(s), the amount owed will be collected in accordance with the Overpayment of Compensation section.

(b) INDIVIDUAL ON DISABILITY BENEFITS

Sickness Disability: An absence of more than seven (7) consecutive calendar days resulting from an illness or off-the-job injury.

Accident Disability: A medically certified absence of one or more calendar days due to job related injury which is solely resulting from the course of employment.

The following provisions apply to sickness and accident disabilities:

- (1) Once disability coding begins, an employee is paid at Full Salary Equivalent (FSE) rate.
- (2) Measurement of all elements will continue through the end of the month the individual is on compensation prior to the disability.
- (3) For any month in which an individual is coded on disability on the 8th calendar day of the month, they will not be on compensation nor be assigned any quota.

(c) INDIVIDUAL ON A LEAVE OF ABSENCE (LOA)

Leveraged base pay treatment will end with the last day an employee works.

Measurement of all elements will continue through the end of the month the individual is on compensation prior to the leave of absence.

(d) INDIVIDUALS RETURNING FROM DISABILITY/LEAVE OF ABSENCE (LOA)

When an employee returns to active payroll, he/she will resume their previous leveraged base rate if they return on or before the 8th calendar day of the month. If an employee returns on the 9th calendar day or after, they will be on FSE until the first of the next month, when they go back on compensation.

Employees returning from a disability or LOA in excess of ninety (90) days, will be placed on FSE for the first thirty (30) days that they are back on the job full time. After the first thirty (30) days, returning employees will be placed on leveraged base rate compensation as described above.

If an employee returns from a disability or LOA on a Gradual Return to Work basis, e.g. working half days for a specified period of time, they will go back on Compensation when they return to a full time assignment.

When returning from disability, all year-to-date elements continue to be cumulated, but only for those months an individual was on compensation.

(e) **QUOTA RELIEF**

Quota relief shall be granted when an office is closed due to extreme situations, e.g. snow emergencies, earthquakes, flooding. Quota relief must be approved by Strata Staff.

(f) **FSE FOR VACATION, UNION TIME, DISABILITY, ETC.**

Full Salary Equivalent (FSE) payment is granted for the following:

- (1) Holidays and vacation time
- (2) Joint Union-Management activities, as defined in Article 6, Paragraph 4, and Grievance Meetings, as defined in Article 9, Paragraph 6
- (3) Jury/witness duty, death/funeral, and visit to medical office as defined in Article 20, Paragraph 3
- (4) Disability as defined in the AT&T Benefits Plan (and referred to in the Disability Section of the Compensation Plan).

(g) **QUOTA RELIEF/FULL SALARY EQUIVALENT (FSE)**

In no case may an employee be granted both quota relief and FSE to financially account for time not worked.

(h) **CLOSE-OUT**

Whenever an individual leaves a sales incentive plan, a close-out occurs. If AT&T owes the individual incentive pay, the payment should be made in the next monthly pay cycle after the final close-out review, or earlier if required by state law. If the individual owes payments to AT&T, the payment can be made by money order/cashiers check or from future salary payments. If the individual leaves the Company and the dollars owed are not covered by the final incentive check, the Headquarters Regional Staff Representative should be notified so that the amount can be included in final settlements with the individual in accordance with corporate policy and applicable laws. These settlements should contain the specific outstanding balance, method and time of repayment and include employee's acknowledgment.

Close-out assures appropriate incentive earnings for individuals changing assignments. The sales manager must evaluate all pending activity to be certain the transferring individual receives credit/debit for all appropriate results. It is the sales person's responsibility to ensure his/her manager receives all required paperwork and documentation which will assist the manager in determining the close-out results. This documentation must be submitted within thirty (30) days of any changes to the employee's status surrounding Plan participation.

Attainment up to the effective date of the move is documented and incentive pay accrued for results in the job and to be paid to the employee within sixty (60) days following the final close-out review, or earlier if required by state law. If the net incentive payment is negative, the amount due will be recovered through the Commission Overpayment policy which is addressed in Section 4(c).

The same care in closing out incentive plan results should occur in cases of resignation, dismissal, retirement or death of a plan participant.

(i) APPEAL PROCESS

The Appeal Process is available for special or unusual situations that warrant review and consideration of a non-standard compensation payment.

The sales person is responsible for submitting the appeal request, including all supporting documentation, to his/her supervisor for processing. The appeal must be approved by each level of management within the Branch and final approval rendered by the Sales Director. Cases of appeals requesting quota relief and/or requests to move into or out of the plan, must be appealed to Headquarters.

(j) FOCUSED SELLING GROUP

The Company may find it necessary to create independent sales groups that are focused on selling specific products or groups of products. If that should occur, the following principles shall be applied in the formation of such a group:

- A pilot study will first be conducted to determine the effectiveness, product weighting and quotas of a product focused group
- Staffing of such a group will occur in one of two ways:
 1. Metro Segment may determine to assign one entire center for a focused sales group.
 2. Metro Segment may decide to have a work group that is smaller in size than an entire center. If that occurs, the staffing procedure will be mutually agreed to between the Company and the Local Union.
- TAAS results for the focused selling group will be calculated separately and be managed to ensure equivalent TAAS results of other employees in the same title.
- Employees will not be negatively impacted as a result of changes in quotas due to the creation of the Focused Sales Group.
- Impact of the Focused Sales Group will be reviewed by the TAAS Oversight Committee.

(k) METRO SEGMENT OVERSIGHT COMMITTEE

AT&T and the CWA agree to the formation of a Joint Oversight Committee with Metro Segments, which will continue to serve as the official TAAS review committee as described in the Metro Segment Incentive Compensation Plan of the 1998 Agreement. In addition, it will address all aspects of the compensation plan (both opportunities and concerns) and any other key issues impacting the sales force's ability to earn compensation.

AT&T Metro Segment will share information regarding Business Operating Unit plans, as well as Business Operating Unit, Branch and individual results. This forum will provide the Union a meaningful voice in the decision making processes.

Each party will designate three representatives. Meetings will take place at least four times a year. Dates, locations and agendas of the meetings will be mutually established. Monthly updates will also be established to keep the Committee informed. Only members of the Committee, and mutually agreed upon guests, will attend the meetings. If the Committee feels its members need additional training to accomplish their work, the content and the providers of that training will be mutually agreed upon by the members.

APPENDIX 6 – LETTERS FROM PRIOR AGREEMENTS

(not printed – see website)

2009 Agreement	
Compensation	Article 39 Information Services
2005 Letters Extended	
Letter G	AT&T, CWA, IBEW Learning – Academic Awards
Letter 00	Article 10 – Twelve Month Review
1998 Letters Extended	
Letter t	Repair Distribution Services Employees
Letter nn	Article 10 – 60 Day Review
Letter rr	VRCP Winback Commitment
1995 Letters Extended	
Letter f	Business Inquiry Representative
1989 Provisions – Groups Extended	
Letter 15	New York Vacation
Letter 16	Half Day Off, New York, Operator Services
1989 Provisions – Individual Extended	
Letter 8	Absence Control – New York
Letter 9	Absence Control – New York
Letter 10	Absence Control – New York
Pre-2009 Agreements	
Letter A	Active and Retired Employee – Medical & Dental Benefits
Letter I	Commercial Work
Letter T	Pension Plan Benefits
Letter g	Elimination of Articles/Letter
Letter x	1995 Letters/Memos Elimination
Letter yy	Grandfathering Agreement for Sales Simulation Test
Letter eee	Titles & Wages

(DD) Pre-2005 Agreements

Letter H	Pension Plan Benefits
Letter J	Long Term Disability (LTD) – Related Benefits
Letter K	Coordination of Long-Term Disability with Pension
Letter L	Traditional Indemnity Deductible
Letter P	Savings Plan
Letter Q	Active Medical
Letter R	Retired Employee Medical and Dental Benefits
Letter U	Domestic Partner Benefit Coverage
Letter V	Sickness & Accident Disability Benefit Plan
Letter W	On-The-Job Accidental Death
Letter X	Legal Services
Letter Y	Long Term Care

OTHER AGREEMENTS

The following matters, which have been the subject of negotiations between the parties, are settled and disposed of, and are set forth in this Part III in as much as they are not included within the Articles set forth in Part II of this Memorandum of Agreement although one or more provisions, attachments, or letters may be reprinted with the 2012 Agreement.

Except for disputes relating to those subjects or Paragraphs which are expressly excluded from grievance or arbitration or which provide for a different dispute resolution procedure, such disputes shall also be subject to the grievance and arbitration procedures of the Agreement.

AT&T CAREER SUPPORT COORDINATOR COMMITTEE

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: AT&T Career Support Coordinator Positions

AT&T and CWA agree to continue the Joint Steering Committee to discuss matters related to the agreed upon reduction in the number of AT&T Career Support Coordinator Positions from three (3) to two (2). The Committee will consist of three (3) members from the CWA and three (3) from the Company. Among the topics of discussion will be:

- The transition of responsibilities involved in reducing the number of Coordinators from three (3) to two (2).
- Establishment of a plan to provide for the coordinators to back each other up when out of the office.

In addition the Company commits to the following;

- The Company will offer VTP to all three (3) current AT&T Career Support Coordinators in an effort to voluntarily reduce the existing number of coordinators. The VTP will have a cap of two (2).
- Should two (2) Coordinators volunteer to leave under the VTP offer, then the Union may backfill one (1) vacancy to bring the number of AT&T Career Support Coordinators to two (2). Should no one volunteer, normal surplus procedures shall apply using the first quarter 2013 surplus window.
- The VTP with a concurrent surplus will be offered in conjunction with the first (1st) quarter 2013 surplus window which is announced on 12/17/2012.
- The effective date of the change will be the end of the VTP offer process in January, 2013, assuming there are volunteers; or at the end of the surplus process in February, 2013.

Regards,

/s/Diane L. Bradley
AVP, Labor Relations

Concurred:

/s/Ralph V. Maly, Jr.
Vice President, CWA

AT&T CAREER SUPPORT COORDINATOR POSITION

| The Company and the Union agree that there will be two (2) positions of AT&T Career Support Coordinator during the life of this Agreement.

The duties and responsibilities generally include, but are not limited to the following:

- Responsible for the ongoing maintenance and continued successful operation of the ATS/ARS programs for bargaining unit members.
- Functions in a supporting role to the ATS/ARS Oversight and Review Board.
- Monitors the on-going operation of ATS.
- Reviews ATS performance, policies and procedures in order to assess the effectiveness and efficiency of the program.
- Addresses concerns raised as to the staffing of positions through ATS
- Interfaces with local and national union officials, employees, staffing, testing, LR in connection with ATS/ARS problems and resolutions.
- Provides ATS/ARS program and system information and assistance to union and employees.
- Participates on process improvement teams in connection with ATS/ARS.
- May act as a liaison between Labor Relations and the Union.
- Participates in ATS/ARS meetings when appropriate.
- Assists employees involved in career transition
 - Education and training
 - Career and personal counseling
 - Resource data for local area jobs and skills required
 - Assistance and referral concerning benefit programs
- Provides education and counseling to bargained employees on force management policies and procedures
- Other services and counseling deemed to be appropriate by the Joint Steering Committee

| The pay associated with this title will be at an annual standard rate of \$79,774 and a pension band of 125.

Other terms and conditions associated with this position are as follows:

- Eligibility for this title is limited to AT&T regular full-time employees.
- The Union shall select the employee for this position and it will not be staffed using the AT&T Transfer system or the article(s) of the applicable collective bargaining agreement.
- The employee will be temporarily assigned to the title via an (EPCR).
- Time spent in this title will count towards wage credit experience in the title from which the employee was temporarily assigned.
- If a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to their regular title for the period of the surplus. At the conclusion of the surplus, if the employee

neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the AT&T Career Support Coordinator title as appropriate.

- The employee will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in ATS. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of the Labor Relations - VP or his/her designee.
- The employee will be eligible for reimbursement of reasonable business expenses associated with the performance of the coordinator function as outlined in the appropriate company practices and as approved by the appropriate AT&T management.
- The standard general wage increase formula will apply.

**MEMORANDUM OF AGREEMENT
NATIONAL TRANSFER PLAN**

In response to the CWA's concern for its members' employment security and its expressed interest in removing impediments to movement between various AT&T Companies identified in the attachments to this Memorandum, as long as such company(s) remain wholly-owned subsidiaries of AT&T, the Company agrees to extend the Intersubsidiary Movement (IMF) process and the CWA Surplus Exchange (CSE) process with the following modifications:

IMF:

1. Mobility company for the bargaining units listed below will be added to the list of participating companies (Attachment A)
 - Mobility Bargaining Units
 - Mobility – District 3
 - Mobility – Districts 1, 2, 4, 7, 9, 13
 - Mobility – District 6
2. Eligible employees will receive priority placement before external hires after regional contract processes for any bargaining unit job for which they qualify. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
3. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.
4. When a bargained-for employee moves among bargaining units of the Company covered by this Memorandum of Agreement treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:
 - A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
 - Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
 - In no case will an employee's movement from one entity to another result in the double payment for covered time.

5. Employees who have held the Premises Technician job title, or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises Technicians (“Premises Technician Agreements”), are eligible for IMF, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises Technician Agreement will be treated by any receiving company that is party to this IMF agreement and that also is party to a Premises Technician Agreement as if they were received from their own Premises Technician Agreement for all purposes. If the receiving company does not have a Premises Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2 and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.

6. Employees selected to fill openings in accordance with terms outlined above, will have their Term of Employment (TOE, which was previously known as Net Credited Service or NCS) or Seniority at the departing company recognized by the receiving Company’s pension plan or program, subject to the receiving Company’s service bridging rules. However where pensions are applicable, the TOE or Seniority will be recognized by the receiving company’s pension program only for vesting, participation and eligibility service purposes, but not pension credit or accrual purposes. Further, the service performed at the receiving company will be counted in the departing company’s pension plan or program, but only for vesting, participation and eligibility purposes (not for pension credit purposes). In no event will a period of service count as pension credit or accrual service in more than one AT&T pension plan or program (in other words, no double counting of service for pension credit or accrual purposes).

7. Unless expressly provided to the contrary by the Benefits Agreement in the Core Collective Bargaining Agreement, employees transferring to companies under this Agreement will receive active benefits and any post-retirement benefits under the benefit plans or programs and subject to the terms of the contractual Benefits provisions of the receiving company.

CSE:

1. Mobility company for the bargaining units listed below will be added to the list of participating companies (Attachment B)
 - Mobility Bargaining Units
 - Mobility – District 3
 - Mobility – Districts 1, 2, 4, 7, 9, 13
 - Mobility – District 6

Career Transition

- | 2. Surplus employees who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
- | 3. Employees who are declared surplus and subsequently involuntarily laid off who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies for a period of twelve (12) months following their involuntary lay off. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
- | 4. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.
- | 5. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company whose work is moving from that company to another participating company may be offered the opportunity to follow their work. Such offer will be subject to the need for additional employees at the receiving Company and all applicable qualifications and selection criteria at the receiving Company. Employees who select this option in lieu of any severance payment and who are placed at and report to, the receiving Company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. This Relocation Allowance will be paid when 1) the employee relocates his/her home residence as a result of following the work; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.
- | 6. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company who becomes surplus and is offered a job, through the CSE process, in another participating company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. Employees who accept a job offer in lieu of any severance payment and who are placed at and report to, the new location will receive payment for this Relocation Allowance when 1) the employee relocates his/her home residence; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.
- | 7. When a bargained-for employee moves to another bargaining unit of the Company covered by this Memorandum of Agreement treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:

- A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
 - Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
 - In no case will an employee's movement from one entity to another result in the double payment for covered time.
8. Employees who have held the Premises Technician job title, or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises Technicians ("Premises Technician Agreements"), are eligible for CSE, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises Technician Agreement will be treated by any receiving company that is party to this CSE agreement and that also is party to a Premises Technician Agreement as if they were received from their own Premises Technician Agreement for all purposes. If the receiving company does not have a Premises Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2 and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.
9. Employees selected to fill openings in accordance with terms outlined above, will have their Term of Employment (TOE, which was previously known as Net Credit Service or NCS) or Seniority at the departing company recognized by the receiving Company's pension plan or program, subject to the receiving Company's service bridging rules. However, the TOE or Seniority will be recognized by the receiving company's pension program only for vesting, participation and eligibility service purposes, but not pension credit or accrual purposes. Further, the service performed at the receiving company will be counted in the departing company's pension plan or program, but only for vesting, participation and eligibility purposes (not for pension credit purposes). In no event will a period of service count as pension credit or accrual service in more than one AT&T pension plan or program (in other words, no double counting of service for pension credit or accrual purposes).
10. Unless expressly provided to the contrary by the Benefits Agreement in the Core Collective Bargaining Agreement, employees transferring to companies under this Agreement will receive active benefits and any post-retirement benefits under the benefit plans or programs and subject to the terms of the contractual Benefits provisions of the receiving company.

Order of Consideration:

Job offers made under IMF or CSE will follow the order of consideration below after regional contract processes for any bargaining unit job for which he/she qualifies.

- (1) Surplus employee currently on the payroll and surplus employees involuntarily laid off within the last twelve (12) months
- (2) Current employee using the IMF process

For both IMF and CSE, the Union 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, the Union will not, on the basis of this Agreement or change in operations or practices made by Participating Companies as a result of 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 the Union are a single bargaining unit, or are or should be otherwise altered in their scope or composition. This commitment on the part of the Union will survive the expiration of this Memorandum, unless and until such time as this commitment is terminated by the mutual written agreement of the parties.

This Agreement shall be subject to the grievance and arbitration procedures of the affected employee's collective bargaining agreement.

FOR THE UNION:

FOR THE COMPANY:

ATTACHMENT A
CURRENT PARTICIPATING COMPANIES
COVERED BY INTERSUBSIDIARY MOVEMENT

Ameritech Services, Inc.
AT&T Billing Southeast, Inc.
AT&T Corp.
AT&T Laboratories, Inc.
AT&T Mobility, LLC
AT&T Operations, Inc.
AT&T Services, Inc.
BellSouth Communication Systems, LLC
BellSouth Telecommunications, Inc. LLC
Illinois Bell Telephone Company
Indiana Bell Telephone Company
Michigan Bell Telephone Company
Nevada Bell Telephone Company
The Ohio Bell Telephone Company
Pacific Bell Telephone Company
SBC Global Services, Inc. (Midwest, West Region)
SBC Internet Services, Inc.
SNET Diversified Group, Inc.
Southern New England Telephone
Southwestern Bell Telephone Company
TC Systems, Inc.
TCG Carolinas
TCG New Jersey
TCG New Jersey, Inc.
TCG Rhode Island
TCG Services, Inc.
Teleport Telecommunications New York
Wisconsin Bell Telephone Company

ATTACHMENT B
CURRENT PARTICIPATING COMPANIES
COVERED BY CWA SURPLUS EXCHANGE

Ameritech Services, Inc.
AT&T Billing Southeast, Inc.
AT&T Corp.
AT&T Laboratories, Inc.
| AT&T Mobility, LLC
AT&T Operations, Inc.
AT&T Services, Inc.
| BellSouth Communication Systems, LLC
BellSouth Telecommunications, Inc. LLC
Illinois Bell Telephone Company
Indiana Bell Telephone Company
Michigan Bell Telephone Company
Nevada Bell Telephone Company
The Ohio Bell Telephone Company
| Pacific Bell Telephone Company
SBC Global Services, Inc. (Midwest, West Region)
SBC Internet Services, Inc.
SNET Diversified Group, Inc.
Southern New England Telephone
Southwestern Bell Telephone Company
TC Systems, Inc.
TCG Carolinas
TCG New Jersey
TCG New Jersey, Inc.
TCG Rhode Island
TCG Services, Inc.
Teleport Telecommunications New York
Wisconsin Bell Telephone Company

NEW COMPENSATION PLANS AND RECOGNITION AWARD PROGRAMS

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President, CWA

Re: New Compensation Plans and Recognition Award Programs

The parties recognize that it may be in their mutual interest to negotiate additional profit sharing and compensation plans during the period of this Agreement. Accordingly, the parties agree that, should the Company or the Union seek to negotiate new plans during the period of this Agreement, the initiating party shall notify the other party of its intention to open discussions. It is anticipated that such notice to the Union shall be made at least sixty (60) days prior to a proposed meeting date. Thereafter, the Company and the Union shall work together to design and negotiate an agreed upon plan that will meet the needs of the Company and the employees. Should the parties reach agreement, the plan shall be implemented upon a mutually agreed date.

It is also recognized that the procedures described above shall apply to any new Recognition Award Programs which a Business Operating Unit, Division or Group may seek to introduce during the period of this Agreement. For purposes of this Agreement, "Recognition Award Programs" shall be deemed to include cash awards, gift certificates or other means of compensation in excess of three-thousand dollars (\$3000) annually to any employee in recognition of individual or group performance within a Business Operating Unit, Division or Group, or in recognition of the performance of the entire Business Operating Unit, Division or Group. Consumer, however, will not be required to negotiate Recognition Award Programs regardless of the dollar value. The Company shall provide quarterly reports to the Union of the associated payouts.

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

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

Regards,

/s/Diane Bradley

AVP, Labor Relations

Concurred:

/s/Ralph V. Maly, Jr.

Vice President, CWA

SUCCESS SHARING PLAN

Based on the Union and Company's desire to have employees share in the success of AT&T Inc. (AT&T), the parties agree to a Success Sharing Plan (SSP), as described herein, to provide an Award based on AT&T stock price appreciation.

A. Plan Components

1. Success Units

Employees will be awarded 150 success units at the beginning of each award year reflected in the table in Section A.2 below ("Award Year"). Those success units will only be valid for that Award Year and will not carryover to the next Award Year. A success unit is only used as a multiplier in the Award calculation and is not a share of stock nor has any other value.

2. Determining Stock Appreciation Award Value

Award Year	Beginning Award Value	Ending Award Value
2013 (October 1, 2012 to September 30, 2013)	October 1, 2012 closing AT&T stock price	September 30, 2013 closing AT&T stock price
2014 (October 1, 2013 to September 30, 2014)	October 1, 2013 closing AT&T stock price	September 30, 2014 closing AT&T stock price
2015 (October 1, 2014 to September 30, 2015)	October 1, 2014 closing AT&T stock price	September 30, 2015 closing AT&T stock price

The stock price used in establishing the Award Value will be the closing AT&T stock price on the New York Stock Exchange.

The Award Value will be adjusted proportionally to reflect any stock split.

3. Award Calculation

Eligible Employees will receive an Award based on the difference between the ending award value and the beginning award value for the Award Year times 150 success units. For example:

Stock Appreciation Value:

Beginning award value – October 1, 2012 closing AT&T stock price \$30.00

Ending award value – September 30, 2013 closing AT&T stock price \$35.00

Total Payout – \$35 - \$30 = \$5 x 150 success units = \$750.00

The Award will be made available as soon as practicable after the Award Year and will normally occur by the first day of December. Eligible Lump Sum Candidates will usually receive their award on the payday for the last full pay period in November. Eligible HRA Candidates will have their Award credited to their HRA account at a date to be determined by the Company (“HRA Crediting Date”).

B. Eligible Employees

Eligible Employees may receive either (A) an annual lump sum credited to a Health Reimbursement Account (“HRA”) established under an employee benefit plan sponsored by the Company, pursuant to the Internal Revenue Code and applicable regulations, or (B) an annual lump sum cash payment, as provided herein. Eligibility for an Award in the form of HRA crediting or a cash lump sum payment is determined as of July 1, 2012. An Employee as defined in Article 3 of the Agreement who is enrolled in a Company sponsored medical plan on July 1, 2012 and any Employee who is hired, rehired, or transferred to a position in the bargaining unit on or after July 1, 2012 (“HRA Candidate”) are only eligible for an Award in the form of HRA crediting. An Employee who is employed on July 1, 2012 and not enrolled in a Company sponsored medical plan on July 1, 2012 (“Lump Sum Candidate”) is only eligible for an Award in the form of a cash lump sum payment.

An HRA Candidate is only eligible for an Award as described above in the form of annual crediting to an HRA for each Award Year if (s)he is a regular, temporary, or term employee who (A) is on the payroll on both the beginning and ending dates of the Award Year (B) works for a minimum of three (3) months in the Award Year in a position covered by the Agreement and (C) is enrolled in a Company sponsored medical plan on the HRA Crediting Date for that Award Year. An HRA Candidate who does not satisfy the foregoing conditions for an Award Year is not eligible for an Award for that Award Year.

A Lump Sum Candidate is eligible for an Award as described above in the form of a cash lump sum payment if (s)he is a regular, temporary, or term employee who (A) is on the payroll both the beginning and end dates of the Award Year and (B) works a minimum of three (3) months in the Award Year in a position covered by the Agreement.

HRA Candidates and Lump Sum Candidates (collectively “Eligible Employees”) who are on approved leaves of absence or short-term disability absence and meet the other eligibility requirements shall receive an Award in the form provided above, provided they return to active duty on or before December 31 of the calendar year in which the Award Year ends and, if the Award is in the form of HRA crediting, are enrolled in a Company sponsored medical plan on the HRA Crediting Date for that Award Year.

Compensation

HRA Candidates and Lump Sum Candidates who are receiving the Extended Compensation Option of the AT&T Option Program (ATTOP) on the ending date of an Award Year shall receive an Award in the form above prorated to 30% of the Award received by an eligible employee provided they meet the other eligibility requirements on the ending date of the Award Year, and for HRA Candidates are enrolled in a Company sponsored medical plan on the HRA Crediting Date for that Award Year.

Any Eligible Employee who transfers between AT&T Companies offering the SSP will be eligible to receive an Award under the terms of the SSP applicable to the Eligible Employee's current bargaining unit at the time of the Award is made available, so long as the combined service in both AT&T Companies satisfies the above eligibility provisions.

C. Part-Time Employees

Eligible part-time employees will receive an Award based on their part-time classification (or "part-time equivalent work week") on the ending date of the award year.

D. Benefits Treatment

A cash lump sum Award paid to a Lump Sum Candidate will be recognized as eligible compensation under the following benefit plans:

- Medical
- Life Insurance
- Pension
- Savings Plan

E. Taxes Personal Allotments

A cash lump sum Award paid to a Lump Sum Candidate is subject to state and local taxes, Federal Income Tax, Social Security Tax and Medicare Tax and any state disability deductions at the time of payment and union dues will be deducted at the same rate as they are deducted for wages. Eligible Employees with 401(k) pre-tax elections will not have State or Federal Income Taxes deducted from that portion of their cash lump sum Award.

Personal allotments such as United Way contributions will not be made.

F. Dispute Resolution

Company determination under this plan shall be final and binding. The Union may present grievances relating to matters covered by the SSP, but neither the plan nor its administration shall be subject to arbitration.

AT&T OPTION PROGRAM (ATTOP)

AT&T and CWA agree that the AT&T Option Program (ATTOP) shall continue during the term of this Agreement. The Company may extend coverage of this program to occupational employees other than those represented by the Union.

The provisions of ATTOP are not intended to alter, modify, or eliminate the force adjustment provisions of the Agreements.

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

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

1 Special Leave Program

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

Employment Security

- (e) Service credit for the period of the SLP shall be granted to those individuals who return to the Company payroll at the end of the leave, except that such credit shall not be granted or recognized for force adjustment purposes and pension purposes (including eligibility, benefit accrual, and calculation); however, the period of the leave shall be counted in the years of service to determine termination pay that the employee may receive thereafter.
- (f) While on the SLP, an employee shall be covered, pursuant to the same conditions and to the same extent as a comparable employee active on the payroll, pursuant to Article 19.
- (g) While on SLP, an employee cannot be employed by or render services to AT&T or any of its affiliates, subsidiaries, joint ventures or entities, any of their competitors, any companies involved in divestiture related mandatory portability or interchange agreements, or companies with which there may be an agreement for the interchange of benefit obligations.

2 Optional Termination Pay

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

Optional Termination Pay Schedule

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

- (c) Three (3) weeks of additional pay for each full year of service in excess of nineteen (19) years.
- (d) An employee who would have been eligible to payments under the Supplemental Income Protection Program (SIPP) contained in the 1989 Memorandum of Understanding between the parties shall receive Optional Termination payments which total no less than the gross value of the Supplemental Income Protection payments to which the employee would have been eligible under Paragraphs 3, 4, 5 and 6 of SIPP.

- (e) Under no circumstances will the Optional Termination Pay be greater than \$61,000. An employee who is receiving Optional Termination Pay shall not be eligible to the Termination Pay provided for laid off employees under the terms of the applicable Memorandum of Agreement.

3 Extended Compensation Option

- (a) Regular full-time and regular part-time occupational employees (not term, temporary, or occasional employees) who are part of a surplus universe and have completed five (5) years of net credited service may elect to participate in the Extended Compensation Option.
- (b) Employees who select this option shall be reassigned to Skills Match Center (SMC) for a period not to exceed the number of weeks based on net credited service provided for in the termination pay schedule in the collective bargaining agreement of the sending organization; provided they were "at risk" of being laid off; for those individuals who were not "at risk" of layoff but were part of a surplus universe, such period of participation will be based on the Optional Termination Pay schedule.
- (c) Extended Compensation Payments shall be based on the methods used to compute termination allowance as determined by the applicable collective bargaining agreement for the position held by the employee immediately prior to reassignment to the SMC. Such payments are subject to deduction of appropriate taxes and Union dues as applicable.
- (d) As long as the participants remain eligible for Extended Compensation Payments, the Company agrees to render bi-weekly compensation for a period of time not to exceed the number of weeks provided for in the termination schedule of the collective bargaining agreement or the Optional Termination Pay schedule as determined above.
- (e) To remain eligible for Extended Compensation Payments, an employee must agree:
 - to accept work assignments within the Local Placement Area (LPA) in all job titles for which they are qualified, not just the title held when declared surplus,
 - to accept the appropriate wage rate at the location for the position they are filling on a temporary basis in addition to Extended Compensation Payments,
 - that such pay shall not be used in the computation of any benefits, which shall be based solely upon Extended Compensation,
 - to remain in same pension band applicable to the employee immediately prior to reassignment to SMC,
 - to accept the unused portion of the Extended Compensation as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of AT&T, if the employee was "at risk" when selecting this option,
 - to accept the unused equivalent portion of the optional termination schedule (Option 2) as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of AT&T, if the employee was

Employment Security

part of a surplus universe but not "at risk" when this option was selected, and

- not to accept employment or render services to competitors of AT&T, any companies involved in divestiture related mandatory portability or interchange agreements, or companies with which there may be an agreement for the interchange of benefit obligations.
- (f) Employees electing this option will be active employees while eligible for Extended Compensation payments and may, if eligible, participate in ATS. At risk employees with surplus status in ATS, prior to reassignment to SMC, shall maintain their surplus status while participating in the Extended Compensation Option. Extended Compensation will be offset by any payments made under the disability plan coverage and the programs run concurrently.
- (g) Employees must elect to schedule and take their vacation, EWDs and non-designated floating holidays prior to transferring into SMC (business needs permitting), and/or receive a lump sum payment for any balance of vacation not taken. SMC employees do not accrue vacation time or Excused Work Days but are compensated for holidays or Company designated EWDs when worked.
- (h) While participating in the Extended Compensation Option, each participant may reject one (1) assignment in any continuous twelve (12) month period, as well as designate any full one (1) week period in any consecutive three (3) months as "unavailable" time.
- (i) Acceptance of a regular, temporary, term or occasional position with AT&T terminates participation in the Extended Compensation Option.

Skills Match Center (SMC) Review Board

Temporary assignments of AT&T employees participating in Skills Match Center (SMC) may be reviewed using the following two (2) step review process:

Step One (1): Grievance directly to the appropriate SMC manager within fifteen (15) calendar days of the assignment or action which is the subject of the grievance. The grievance must identify the issue and the remedy sought.

Step Two (2): If the issue is not resolved at Step One (1), the case may be appealed within fifteen (15) calendar days of the management decision at Step One (1) to a joint review panel established by the Company and the Unions. This panel will be called the SMC Review Board and all decisions of the Board shall be final and binding. The Board will be comprised of two (2) CWA representatives and two (2) representatives appointed by the Company. The Board shall meet on a regular basis but no more frequently than once each quarter.

Grievances under the Extended Compensation Option shall be limited to disputes, and appropriate remedies regarding the selection or non selection of an AT&T employee participating in SMC for an SMC assignment, and questions relating to work rules for which the collective bargaining agreement covering the temporary position to which the employee is assigned shall be controlling.

Neither SMC nor its administration nor any grievance under the review process described above shall be subject to arbitration.

It is further understood that when an employee who is participating in the Extended Compensation Option is not assigned to a SMC assignment, the provisions of the applicable collective bargaining agreement for the position held by the employee

immediately prior to assignment to the SMC shall apply to those matters not directly related to the employee's participation in the Extended Compensation Option.

4 Transition Leave of Absence

- (a) The Company shall continue the Transition Leave of Absence Program. A Transition Leave of Absence (TLA) may be granted to employees voluntarily or involuntarily separating from the Company under an AT&T plan or program for reducing force surplus. The TLA option serves as a mechanism for allowing these employees to qualify for service pension and for retirement related benefits such as retiree health, group life, etc.
- (b) Effective July 1, 1999, the effective date of the Cash Balance feature of the Pension Plan, the TLA is not applicable to the commencement of distributions from the Pension Plan. An employee separating (voluntarily or involuntarily) under an AT&T Force Surplus plan or program is eligible for a TLA if he/she is within one (1) year of actual age and/or service requirements for retirement related benefits as of the Company specified separation date.
- (c) The minimum combination for age/service requirements for TLA eligibility is as follows:

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

The service and age attained during the TLA are counted only for eligibility for retirement related benefits (i.e., life, medical, dental and telephone concession) and not for computing the amount of any pension benefit.

- (d) A TLA shall not exceed one (1) year from the date the leave starts (i.e., leave expires on the calendar date anniversary of the Company specified separation date), but in any case, will end on the earliest of:
 - the date of the employee's rehire by an AT&T entity or former Bell System Company and the employee is covered under an agreement for interchange of benefit obligation, including Mandatory Portability Agreement and Divestiture Interchange Agreement (including New Entities and Shared Services provisions), or
 - the date the employee attains required age and/or service to become eligible for retirement related benefits, or
 - death of the employee.
- (e) The TLA will be canceled effective with the date of (re)hire or death. Pension and retirement related benefit entitlements will be those to which employee was eligible as of the day before the effective date of the TLA.

5 Involuntary Termination Due To Layoff

- (a) AT&T and CWA agree to continue the Funds for Alliance Distribution (FAD) for regular full-time and regular part-time employees (not term, temporary, or occasional employees), who have been involuntarily terminated pursuant to the force adjustment procedures of the applicable collective bargaining agreement and have a minimum of one (1) year net credited service as of the date of termination, are eligible for up to \$2,500 in funds for certain education, training, out placement, and relocation expenses. These funds will be available through the Funds for the Alliance Distribution (FAD) program.

EMPLOYMENT SECURITY – CWA

The Company and the Union agree to the following as a result of 2012 Bargaining:

- 1 The Company agrees that when a VTP is offered in Business, the Company will not add a contractor to perform functions previously performed by the individual for a minimum of 6 months.
- 2 When a VTP is offered in Global Network Field Operations (GNFO), the Company will not add a contractor in the same geographical area to perform essentially the same functions performed by the individual for a minimum of 4 months, except in the case of a natural disaster.
- 3 Employees who transfer into Article 43 from an equivalent title in another bargaining unit, and who are subsequently laid off from a title in Article 43 will be eligible for the greater of the termination pay schedule from either the bargaining unit they transferred from or the Article 43 schedule.
- 4 When an employee is job claimed through the force adjustment process, the Company will assess the ability to absorb the additional headcount. If the Company is unable to absorb the headcount, a VTP will be offered in an attempt to offset the claimed position.
- 5 The Company and the Union agree to continue the agreement from 2009 bargaining that the Network Engineer tasks in the legacy T Customer Maintenance Organization will be limited to those tasks as listed below and encompassed within the Network Engineer Settlement Agreement as well as subsequent clarification Agreements:
 - Work List Management: (These tasks should be performed in the “unclaimed” mode to avoid interference with the pick-up of a ticket by a Communications Technician for those tickets in the Communications Technician first touch category.)
 - Review of tickets to ensure expedient resolution of outages
 - Assign/re-prioritize work to be performed by Communications Technicians as well as suppliers
 - Note ticket log
 - Escalations
 - Supplier and other verbal (third level and above)
 - Customer Status (shared with Communications Technicians)
 - Note ticket log to provide progressive history of outage (shared with Communications Technicians)
 - Automation
 - Maximize automation through the management of the process and updating of systems and processes to encourage better handling of tickets.
 - After a Communications Technician performs first touch testing and isolation measures for those tickets in Communications Technician first touch category, the Network Engineer may re-initiate automation in cases where automation failed.

Employment Security

6 The Company and the Union agree:

The Company will establish and maintain a level or “watermark” number of employees in the bargaining unit over the life of the 2012 Agreement of no less than:

<u>WATERMARK</u>	<u>THROUGH</u>
3900	12/31/2013
3800	12/31/2014
3700	04/11/2015

There will be no involuntary lay off of employees in the bargaining unit until after April 1, 2013.

After April 1, 2013, the Company may involuntarily lay off employees on a limited basis, however, the number of involuntarily laid off employees will not exceed eight hundred (800).

JOB SECURITY

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Job Security

The Company commits prior to an employee, who is on payroll on or before April 7, 2012, being laid off – the Company will offer an available position, which they are basically qualified for, within a CWA represented subsidiary of AT&T (excluding Mobility).

1. First within their Force Adjustment Region – if a position is available
2. If no position is available within the Force Adjustment Region – an available position will be offered Nationwide

Employees will be provided twenty-four (24) hours to make the decision to accept or decline a JOG offer. Employees who elect to participate in JOG will be provided the opportunity to indicate their interest in the Extended Compensation Option (“ECO”) at the time of their JOG election in the event they subsequently decline the JOG offer. Employees who do not elect ECO and subsequently decline their JOG offer will receive their applicable Termination Payment.

Employee’s who refuse to test for a position will be considered as declining such position.

Employee’s may decline position and will receive their applicable Termination Payment.

Employees accepting a job offer to a bargaining unit other than the one they are in at the time of the offer shall be treated as if they had transferred under the terms and conditions of the CSE portion of NTP and shall be subject to all applicable receiving company practices, policies, collective bargaining agreement provisions and benefit plan eligibility rules. Additionally, employees who would be eligible for Reassignment Pay Protection (RPPP) per the provisions of Article 27, will receive a lump sum payment equal to the sum of the periodic RPPP payments in lieu of having their wage reduced over a period of time.

An employee must be offered a job prior to layoff. If a job is not offered, employee cannot be laid off.

Regards,

/s/ Diane L. Bradley
Labor Relations, Assistant Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

SUBCONTRACTING/BARGAINING UNIT WORK COMMITTEES

A challenge to an effective union-management relationship is the on-going debate about the need to respond efficiently to competitive market conditions and customer demand while recognizing the need for employment security and job opportunities for current and future employees. Issues concerning the sub-contracting of work and the movement of work to management (both domestically and off-shore) have been particularly difficult to resolve to the satisfaction of both the Union and the Company. The Union and the Company agree that each has a responsibility to suggest and consider solutions for enabling the use of bargaining unit employees for work most effectively done by employees. To be successful, this requires a good faith effort by both parties.

As soon as practical after ratification, but no more than 90 days after ratification, and quarterly going forward, meetings will be held between the Vice President of the CWA, a second CWA representative designated by the CWA Vice President, the AVP of Labor Relations and the key Business Unit decision maker(s) who manage organizations in the following groups: technical work, assembler work, provisioning, maintenance and construction, call center and support functions including, but not limited to, sales, customer service, and clerical order functions in both Business and Consumer.

The goal of both parties is to discuss both growing and declining areas of the business and to seek opportunities to proactively realign employees from declining areas to the growth areas of the business. The parties would seek to resolve any potential barriers including, but not limited to, training, economic factors and the number of needed resources. As part of these meetings, the parties will also discuss any new initiative and/or opportunity which may bring work into this bargaining unit including the movement of work currently off-shore back to the United States.

Any known future initiative which could potentially bring work into the bargaining unit or remove work from the bargaining unit, will also be topic for discussion at these meetings.

Either party may bring in Subject Matter Experts from the affected Local or Business unit.

The parties agree to share such relevant information as is necessary and appropriate but because such information will in most cases be confidential and competitively sensitive, the Union agrees that information disclosed at or in connection with the Subcontracting Committee shall not be released or disclosed beyond the individuals participating in the meeting without the express written consent of the Company. The terms of letter (MM) Subcontracting Data Request will apply to data required by this committee. Any questions or disputes about the inadequacy or relevance of any information provided or requested at the meeting(s) shall be addressed exclusively by the participants in the meeting and shall not be subject to the grievance procedure nor the basis for litigation or NLRB proceedings. Nothing contained in this letter shall be deemed to authorize the submission of contracting disputes or the Company's decision to introduce new or enhanced technology to arbitration.

Nothing in this Agreement negates in any way the terms of Article 30, the Bahr/Williams letter, letter (vv) "The Barnes Agreement," or letter (k) Grievances Claiming Management is Performing Bargaining Unit Work.

SUCCESSORSHIP

The Company agrees that in any agreement to sell a portion of its assets in a transaction involving the transfer of Employees subject to the parties' 2012 Agreement, as a condition of the closing of such sale, that the Buyer shall agree to assume the terms of the 2012 Agreement, provided that the Buyer shall have the right to re-open the unexpired 2012 Agreement at any time after eighteen (18) months but no longer than twenty-four (24) months following the Closing of the sale, the re-opening of which the Union hereby agrees to accept or, the Buyer and Union may bargain at the expiration of the 2012 Agreement, whichever is earlier. In no event will the terms of this Successorship Agreement limit any of the Company's existing rights under the 2012 Agreement. The Company further agrees it will notify the Union at least 30 days prior to the close of such proposed transaction and, during such 30 day period, will meet with the Union upon request to engage in effects bargaining and to discuss the business reasons for the Company's decision.

HEALTH CARE COORDINATOR POSITION

The Company and the Union agree to continue the position of the Health Care Coordinator for the life of this Agreement.

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

- The incumbent will be responsible to assist the JHCCCC (Joint Health Care Cost Containment Committee) on-going maintenance of the Managed Health Care networks for the bargaining unit members and retirees.
- Assist JHCCCC committee members in evaluating potential network implementations and expansions.
- Assist in monitoring ongoing network performance.
- Develop and maintain a working knowledge of the applicable healthcare plans covering both active and retired employees.
- At the direction of the JHCCCC, participate in various adhoc sub-committees to provide perspective and input into issues confronting the JHCCCC.
- Collect general information on individual network operations and provide feedback to the JHCCCC on specific areas of network performance.
- Identify and recommend areas within the networks for review by the JHCCCC that may improve the quality, efficiency and effectiveness of the managed care programs (including Medicare HMOs).
- At the direction of the JHCCCC, acts as a liaison between the JHCCCC, local networks and occupational and retired employees during network implementations and expansions.
- During network implementations and expansions, provides support to impacted occupational and retired employees. Assist corporate administrative staff in explaining plan provisions and promoting the usage of the managed care networks.

The pay associated with this title will be at an annual rate of \$79,774 and a pension | band of 125.

Other terms and conditions associated with this position are as follows:

- Eligibility for this title is limited to AT&T regular full-time employees.
- The Union shall select the employees for these positions and these titles will not be staffed using the AT&T Transfer system or the article(s) of any applicable collective bargaining agreement.
- Employees will be temporarily assigned to these titles via an (EPCR).

Health Benefits

- Time spent in these titles will count towards wage credit experience in the title from which the employee was temporarily assigned.
- If a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to their regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the Health Care Coordinator title as appropriate.
- Employees will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in ATS. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of the Labor Relations, V.P. or his/her designee.
- Employees will be eligible for reimbursement of reasonable business expenses associated with the performance of the coordinator function as outlined in the appropriate Company practices and as approved by the appropriate AT&T management.
- The standard general wage increase formula will apply.

JOINT HEALTH CARE COST CONTAINMENT COMMITTEE

With the continued expressed strong concern relative to the escalating costs with quality issues of health care services utilized by employees and their dependents, AT&T and the CWA agree to the continuation of a Joint Health Care Cost Containment Committee (JHCCCC).

It is the intent of the parties to continue effective utilization of the JHCCCC as the forum to surface issues surrounding health care cost containment and quality issues and to explore, develop, and implement programs such as indicated, but not limited to, the following:

1. Maintain the maximum quality in health care services.
2. Examine the major factors influencing the applicable health care plans covering both active and retired employees.
3. Recommend cost containment measures as may be appropriate to control and manage costs.
4. Review prescription drug cost increases and evaluate and recommend measures as may be appropriate to control and manage costs.
5. Promote an educational process to raise employee awareness in the areas of preventive health, health care fitness, and efficient use of the medical insurance plan and the high cost of health care.
6. Review and comment on bid specifications for health care plans and programs, provide input on who should be invited to bid, meet with vendors as they make clarifying presentations on their programs and capabilities, attend briefings on the outcome of the bid analysis, and make recommendations on the selection of the plan administrator.
7. The history, intent and meaning of the contract language specific to Third Party Appeals will be carried over from the 1998 contract through the length of the current agreement.
8. The Company agrees to continue to fund for the period of the 2012 Agreement, one (1) representative from the CWA to work with the Company and assist employees in understanding and utilizing the health benefit processes. Details of the job duties are further described in the Healthcare Coordinator Letter.

JHCCCC Members

The JHCCCC will contain up to three (3) appointees representing the Union and up to three (3) representing the Company, including members with benefits, health and labor expertise. JHCCCC members will analyze problems which arise concerning the health care programs, and using consensus, will develop solutions to the problems.

The Company and the Union further agree that this new letter regarding the JHCCCC does not change the history, meaning, and intent of the language contained in the 1998 Agreement. All procedures outlined in Letter (S) in the 1998 Agreement will continue as appropriate.

ALTERNATE WORK SCHEDULES

Alternate Work Schedules will be available for use in the bargaining unit covered by this Agreement. In order to implement Alternate Work Schedules, modifications to certain contract articles will have to be made. In addition, new provisions for Hourly Time Bank and Residual Time will have to be added. The parties recognize the following contract areas may be changed as a result of local negotiations to implement a four day basic work week.

The Parties' representatives identified in Article 2 paragraph 1 must approve each specific plan for alternative work schedules negotiated at the local level, including trials and implementation, that do not conform exactly to the provisions listed below.

The Local Union President and the District Level Manager may approve, along with the designated Labor Relations Manager's concurrence, Alternate Work Schedules that conform exactly to the following uniform provisions. The District Manager or the Local Union President may choose to discontinue Alternate Work Schedules with thirty (30) days advance written notice of termination.

The following uniform provisions shall apply for all Alternate Work Schedules:

Four Day Work Week (FDWs)

The hours of a Scheduled Daily Tour will be based on the normal hours of the location divided by four. A Basic Work Week will consist of either four 10 hour days, four 9.375 hour days, or four 8.75 hour days.

Hourly Basic Rate

Is determined by dividing the five (5) day weekly basic wage rate by the number of hours contained in the Scheduled Weekly Tour for the location (i.e., 40, 37.5, 35).

Night Tour

For FDWs is a tour which falls within the time period beginning at 6:00 PM and ending at 6:00 AM

Overtime

For those employees on the Four Day Work Week:

1. Daily overtime will be paid after ten (10) hours in a day.
2. Weekly overtime will be paid after forty (40) hours in a week.
3. Double time will be paid after eight (8) overtime hours (paid at 1.5) have been worked.

Hourly Time Bank

Vacations, Excused Work Days, Designated Holidays and Floating Holidays will be converted to an hourly total and taken on an alternate tour length basis. Any remaining time (time less than an AWS Scheduled Tour) will be designated as "residual time" and will be credited to the employee's Hourly Time Bank.

Residual Time

Time remaining in the Hourly Time Bank after an employee has taken either a holiday, vacation day, or excused work day on an alternate tour length basis. Residual Time may be taken as excused paid time in conjunction with Vacation, Designated Holiday Time, Floating Holiday Time or Excused Work Day Time.

If, at the end of a calendar year, the total Residual Time in an employee's Hourly Time Bank is equal to or greater than the number of hours in such employee's AWS Scheduled Daily Tour, the employee must take the necessary number of days off to reduce the number of hours to below the number of hours in such employee's Scheduled Daily Tour. If total Residual Time is less than the number of hours in such employee's AWS Scheduled Daily Tour, the employee may take the Residual Time as excused paid time in one or more increments, of no less than 2 hours each.

Residual Time that is not used in accordance with the previous provisions may be "bought out" by the Company at the basic hourly rate (including any evening or night differentials when applicable). This will be limited to a single buy out per calendar year. In no case will the amount of Residual Time that is to be bought out be greater than the number of hours in an employee's Scheduled Daily Tour.

"Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death will also apply to Residual Time.

Leave of Absence

Employees on leaves of absence will be changed to the five day standard hours per day for their location for the duration of the leave.

Termination Payment

For an employee assigned to an Alternate Work Schedule, Termination Payment shall be computed based on the standard weekly tour at that employee's location.

Employee Benefits

For an employee assigned to an Alternate Work Schedule, disability benefits shall be based on the standard weekly tour at that employee's location.

Personal Illness

Sickness Wait Period will be converted from days to hours based on the existing articles contained in the local agreements.

Discretionary absence, whether paid or unpaid, will be charged to the employee at the alternate daily tour hour basis.

Rest Period

A FDW employee shall be assigned one (1) rest period of 20 minutes during each one-half Scheduled Daily Tour.

Incidental Absences (Jury Duty, Military Duty, Death in Family, etc.)

Payment will be made for the number of days specified in the local labor agreement. Incidental absences will not be converted to hours.

ARTICLES 20, 39 AND 45 PERSONAL ILLNESS ABSENCE AND LIMITED EXCEPTION FOR PERSONAL ILLNESS ABSENCE IMMEDIATELY PRECEDING AN APPROVED DISABILITY

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President, CWA

Re: Articles 20, 30 and 45 Personal Illness Absence and Limited Exception for Personal illness Absence Immediately Preceding and Approved Disability

This will confirm that the effective date for the provisions of Article 20 Paragraph 2(a), Article 39 Paragraph 6(c) and Article 45 Paragraph 8(b) is the calendar year beginning January 1, 2013. Effective at the same time is the following:

With regard to one approved disability absence during one of the calendar years 2013, 2014 or 2015 an employee who:

- has exhausted his/her current year maximum paid days of personal illness;
- or will exhaust his/her current maximum paid days of personal illness leading up to the approved disability;

will be paid for the otherwise unpaid personal illness days leading up to the approved disability subject to the other limits in Article 20 Paragraph 2(a), Article 39 Paragraph 6(c) and Article 45 Paragraph 8(b) as applicable.

Until January 1, 2013, the personal illness provisions in these Articles as reflected in the 2009 Agreement would govern personal illness absence.

Regards,

/s/Diane Bradley

AVP, Labor Relations

BUILDING CONSTRUCTION

April 8, 2012

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph:

Re: Building Construction

In response to a concern raised by CWA during 2012 contract negotiations regarding the need for communication about construction projects taking place inside buildings where bargaining unit employees work, the Company will investigate a means of notifying the applicable Local CWA President, or if applicable, the Local Safety Committee, of such projects prior to their commencement and the anticipated duration of the projects.

Regards,

/s/Diane Bradley
AVP, Labor Relations

Concurred:

/s/Ralph V. Maly, Jr.
Vice President, CWA

TELECOMMUTING

April 8, 2012

Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Telecommuting

The parties agree that they may engage in program trials which include telecommuting for employees covered by the collective bargaining agreement. No program should be initiated until the requisite approval of the Company and the Union has been obtained. This agreement is intended to consider telecommuting options to address legitimate business requirements, and not intended to be used by managers or employees to address individual or personal needs.

Prior to the implementation of any telecommuting trial, a proposal will be submitted. Included in the proposal should be the business unit, current work location of employees included, and business requirements for the trial. The proposal should include the signatures of the local parties (both management and the local union). The Company will ensure that financial review and funding has been authorized prior to submittal to the Union for signature.

Additionally, these considerations would normally apply, unless otherwise set forth in the proposal:

- If during the trial an employee is expected to report to work at their regular reporting location for their normal work tour, time required to travel to their regular reporting location will not be paid.
- An employee required to travel, other than their normal commute, during their normal work hours will be reimbursed for personal vehicle mileage or the expenses associated with the preferred mode of transportation as defined by the Company.
- Compensation and benefits are not affected by the telecommuting trial. Employees will be paid according to the wage zone at their normal AT&T work location, even though their home or telecommuting location may be in a different wage zone. If appropriate, employees will be required to follow the tax override reporting process. Special allowances will apply only when the employee actually reports to their normal work location as defined in Appendix 2.
- An employee's schedule is unaffected by telecommuting, and will be established by management as specified in the collective bargaining agreement.

- AT&T's policy for safeguarding proprietary information must be followed. Supervisors will review the policy with the employee(s) before any trial commences.
- Performance evaluation criteria will be the same as would be in place at the employee's normal work location.
- Employee re-imbursable expenses will be consistent with established corporate expense guidelines.
- Workers Compensation liability for job-related injuries and illnesses and eligibility for benefits continue during the employee's approved work schedule/assignment throughout the duration of the trial in accordance with applicable law and the term of the program.
- AT&T is not liable for any injuries to family members, visitors, and others in the employee's home or telecommuting location.
- A Teleworker's Agreement, as defined in the Company's policy regarding telework, will be developed, reviewed, and mutually agreed to, by all employees prior to their participation in the trial. A copy of this agreement will be retained in the employee's personnel file.

Additionally, the proposal must include the following:

- The criteria that will be used to identify and/or select the participants in the trial.
- Options for employee withdrawal from participation in the telecommuting trials will be defined.
- Identify what equipment will be provided and the procedures that will be applicable if that equipment is Company provided and/or employee provided in regards to maintenance, repair and replacements and any associated expenses.
- Appropriate work environment and Company access to that work area will be defined in each proposal.

Termination of any telecommuting trial may be done by either the Company or the Union with a minimum of 15 days notice in writing.

Regards,

/s/Diane Bradley

AVP, Labor Relations

Other Benefits

COPE PAC DEDUCTIONS – CWA

Mr. Ralph V. Maly, Jr., Vice President, CWA

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

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

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

Regards,

| /s/Diane Bradley
| AVP, Labor Relations

Concurred:

| /s/Ralph V. Maly, Jr.
| Vice President, CWA

Attachment

**ATTACHMENT - CWA
COPE DEDUCTION
ADMINISTRATION COST SUMMARY**

<u>Union</u>	<u>Estimated Employees</u>	<u>Annual Remittance</u>
CWA	1,048	\$72,455
TOTAL	1,048	\$72,455

Administrative support, miscellaneous expenses in manpower and supplies in connection with card data entry, problem resolutions, remittance efforts to each union, general maintenance of processes and documentations amounts to approximately \$500.00 per year for the life of this Agreement.

Total estimated cost over life of Agreement: \$500.00 x 3 years = \$1,500

MEMORANDUM OF AGREEMENT

RE: Single, One-time Pension Contribution for Eligible Employees

Pursuant to the ratification of a new collective bargaining agreement between the Company and the Communications Workers of America the Company will provide eligible participants a single, one-time pension credit as follows:

1. **Eligibility:** Employees in the AT&T Legacy Bargained Program of the AT&T Pension Benefit Plan (“Legacy T Bargained Program”) with at least fifteen (15) years of Term of Employment (previously known as Net Credited Service) on or before April 8, 2012 and who on or before that date are at least fifty-five (55) years of age.
2. **Single Pension Contribution Group A:** Eligible Employees who on or before April 8, 2012 were at least fifty-five (55) years of age but less than sixty (60) years of age will receive a single lump sum addition of \$6,000 to their Cash Balance Account in the Legacy T Bargained Program.
3. **Single Pension Contribution Group B:** Eligible Employees who on or before April 8, 2012 were at least sixty (60) years of age would receive a single lump sum addition of \$7,500 to their Cash Balance Account in the Legacy T Bargained Program.
4. **Ongoing Participation in Pension Plan:** This single, one-time addition shall not alter ordinary participation in the Legacy T Bargained Program for eligible employees in either Group A or Group B.
5. **Timing:** This one-time addition will be effective January 1, 2013 for eligible employees who are actively employed on January 1, 2013.

Agreed Upon by:

Date
/s/Ralph V. Maly Jr.
Vice President, CWA

Date
/s/Diane Bradley
AVP, Labor Relations

AT&T AND CWA LEARNING

AT&T and CWA's COMMITMENT TO EMPLOYEES, THEIR FAMILIES AND COMMUNITIES

AT&T and CWA would like to reaffirm their assertion that continuous investment in employees is an essential strategy towards maintaining competitiveness in a global environment. As we progress to the next century, new developments in technology will continue to increase demands for high tech skills. Upgrading the skills of employees to perform more value-added jobs benefits the employee, AT&T and the customer. In the last two decades, global competitive markets, government involvement, and organizational re-configuration have reshaped our work world, and the employees of AT&T have experienced the constant challenge of change. As we look forward to the next century, new organizational structures -- involving flexible work systems, self-directed teams, interactive planning, continuous learning and quality improvement -- will require well-educated employees who can analyze business information, make informed decisions, manage more complex processes and solve customer problems.

In this Agreement, the Company and the Union commit to the building of a workforce that is proficient in fundamental, technical and computing skills and creative in using those skills to benefit customers so that AT&T is highly competitive in every aspect of its business.

To prepare AT&T and its employees to compete in a constantly changing, global environment, the Company and the Union will continue their commitment to education and training programs to meet these ends. "AT&T and CWA Learning" is an educational, training, and academic program for employees, their children, and their communities. The substance of each of these programs is set forth below.

1 AT&T and CWA Learning - Commitment to Each Employee

- (a) Regular full-time (not temps or occasionals) employees will be provided the opportunity for a minimum of forty (40) hours of education and training that is skill based or job related during each calendar year. Examples of applicable education and training include, but are not limited to the following: corporate training, Alliance telecommunications training package, Business Operating Unit/Division training, personal development, on-the-job and/or career-related training. The forty (40) hour minimum will be prorated for part-time employees, mid-year hires, and employees who work less than a full year.
- (b) The AT&T Tuition Assistance Plan (TAP) will provide tuition assistance for Employees by means of reimbursement of eligible expenses incurred once the Employee has successfully completed the course(s) in accordance with TAP requirements and provided the supporting documentation determined by the Company to be necessary. The following also apply:

To be eligible the Employee must have a minimum of six (6) months of service

The Employee must pursue a degree in one of twenty (20) approved undergraduate degree programs or one of eight (8) approved STEM* (Science, Technology, Engineering and Mathematics) graduate degree programs.

The annual CAP on reimbursement of eligible expenses will be \$5,250 for approved undergraduate as well as graduate degree programs except that part time Employees who work more than twenty (20) hours per week will be reimbursed for 75% of eligible expenses up to a maximum of \$3937.50 and part time Employees who work 20 hours a week or less will be reimbursed for 50% of such expenses up to a maximum of \$2625.

The lifetime CAP for approved undergraduate degrees will be \$20,000 and for approved graduate degrees it will be \$25,000.

Management reserves the right to deny reimbursement for graduate programs based on its determination of needs of the business.

In addition, if an employee voluntarily separates from the Company, the employee will reimburse the Company for all reimbursement payments it made during the Employee's last twelve months on payroll and will reimburse the Company for fifty percent (50%) of reimbursements it made during the twelve to twenty four month period prior to the Employee's separation.

Except as provided here, the current procedures for TAP will apply.

- (c) As provided for in Article 14.4(a), occupational employees who satisfy the eligibility minimum requirements will be offered a one (1) hour training program, provided by the Company, on VDT usage and ergonomic awareness during the term of this agreement.

2 AT&T and CWA Learning - Commitment to Employees and Their Communities

- (a) AT&T will make the Transition to Teaching Program available to regular full-time (not temps, terms or occasionals) occupational employees who leave the payroll voluntarily via a force management program, who have at least five (5) years of service, and who hold a bachelor's degree. Administration of this program will be provided by Corporate HR - AT&T and CWA Learning Services.
- (b) The Company will grant up to eight (8) hours of paid time-off per month, not to exceed a maximum of (52) hours for up to one (1) continuous year, to regular full-time (not part-time, temps or occasionals) employees who actively perform certified volunteer work as a literacy or bilingual training volunteer. Documentation from the preceding month will qualify the employee for the maximum of eight (8) hours of paid time-off during the following month. The scheduling of time-off for literacy/bilingual volunteers will be subject to the needs of the business.

In addition, AT&T has made arrangements to continue a program that allows employees and their family members to obtain loans for educational expenses through ConSern: Loans for Education.

- A national, non-profit program established by education and business leaders to help employees and their family member(s) by providing loans to cover full cost of education, available through the U.S. Chamber of Commerce (not provided by AT&T). AT&T's financial support of ConSern makes it possible for employees and their family members to secure subsidized low-interest education loans.

- ConSern is not a Federal Government program and is therefore not a lender under Title IV of the Higher Education Act of 1965, as amended. Consequently, borrowers do not have to apply through the Federal Guaranteed Student Loan Programs or other federal loan programs. (AT&T is not involved in any ConSern policy or administrative functions.)

(AT&T reserves the right to discontinue or change the supplier of this program following union notification.)

It is understood that the provisions of AT&T and CWA Learning and its administration will not be grievable or arbitrable.

Training

FUNDING OF THE ALLIANCE

AT&T and the Communications Workers of America agree to continue the Alliance for Employee Growth & Development (The Alliance).

For the duration of the 2012 Agreement, the annual funding for the Alliance will be \$6,000,000 for a total of \$18 Million to be paid during the life of this agreement.

CONSUMER COMMON INTEREST COMMITTEE

The Company and the Union agree to form a new committee for the Consumer Organization. This committee shall consist of a maximum of four (4) representatives each from the Company and Union and will include the Vice President of the CWA National Office (or their designee) and at least one (1) manager from the Company at the Executive Director level or above. It is the responsibility of this committee to make every reasonable, good faith effort to resolve issues that may arise within the Legacy T Consumer call centers. Issues may include but are not limited to quota relief, incentives, sales targets, objectives, center performance, and other issues that impact employees and/or the Company to which the parties mutually agree. The Company shall provide center performance updates and other data associated with the issue(s) being discussed for all consumer centers within AT&T during each committee meeting or as reasonably requested by the union, but in no way waives its legal rights to object to requests and not provide information. The Union reserves the right to follow every legal avenue to get information relative to the issues discussed in this committee.

The committee shall meet four (4) times per year unless the parties agree that meetings can be scheduled less frequently. Within sixty (60) days of contract ratification the parties will agree to a meeting date which shall be within ninety (90) days after ratification. This meeting shall be face-to-face at an agreed upon location with all participating members of the team. Future meetings may then be conducted via conference call with the exception that one (1) meeting will be conducted face-to-face every twelve (12) months.

By agreeing to meet and discuss topics of mutual concern and/or interest regarding such call centers, neither party has in any way waived its rights related to the subject of discussion.

**MEMORANDUM OF AGREEMENT
REGARDING NEUTRALITY AND CARD CHECK RECOGNITION**

AT&T Inc. (“the Company”) and Communications Workers of America (“the Union”), enter into this Memorandum of Agreement Regarding Neutrality and Card Check Recognition as of the last date of the parties’ signatures on this Agreement.

1 Duration.

This Agreement is effective as of the date stated above, and shall remain in effect for the life of the 2012 Core Collective Bargaining Agreement, unless extended, modified or terminated by mutual written agreement of the parties or their successors. The parties expressly understand, however, that in the event this Agreement is terminated, all of the terms hereof nevertheless shall survive said termination and remain in effect with respect to any reorganization or restructuring of any bargaining unit as a result of which management creates any new subsidiary, division, or operating entity as to which no Union representation then exists.

2 Applicability.

- (a) All card check procedures and any Union recognition provided for by this Agreement shall be applicable to all non-management employees of the Company effective with execution of this Agreement.
- (b) As used herein, “the Company” means AT&T Inc. and all other present and future companies, divisions, subsidiaries or operating units thereof, except AT&T of Puerto Rico, Inc., AT&T of the Virgin Islands, Inc., AT&T Government Solutions, Inc. and AT&T Support Services Company, Inc.
- (c) As used herein, “non-management” means employees who normally perform work in non-management job titles as determined by the Company, in accordance with the statutory requirements of the National Labor Relations Act, as amended, and applicable decisions of the National Labor Relations Board and reviewing courts. If the Union disagrees with any such determination, the parties agree to submit the issues of unit definition to arbitration as set forth in paragraph 3., below, using the aforesaid statutory requirements and decisions as the governing principles. At the request of the Union, the Company will discuss with the Union neutrality as to Union representation of employees who are not defined above as “non-management.”
- (d) In addition to the foregoing, the parties further agree that any proposed bargaining unit shall exclude all professional, managerial, and confidential employees, guards and supervisors as defined in the National Labor Relations Act.
- (e) The Company agrees that, for future divisions, subsidiaries or operating units that are not wholly owned, it will, at the request of the Union, discuss with the other owners the extension of this agreement to such divisions, subsidiaries, or operating units.

3 Card Check Recognition Procedure.

- (a) When requested by the Union, the Company agrees to furnish the Union lists of employees in the bargaining unit in each applicable company entity. This list of employees will include the work location, job title, and home address.
- (b) The Union will give twenty-one (21) days notice for access to Company locations. Access will be limited to one sixty (60) day period in any twelve months for each unit agreed upon or determined as provided herein.
- (c) (1) The Union and the Company shall meet within a reasonable period, but not to exceed ninety (90) days, after the effective date hereof for the purpose of defining appropriate bargaining units for all presently existing potential bargaining units. During this process, the Company will share job titles, job functions, work locations, and management structure with the Union representatives in order to facilitate agreements on the appropriate bargaining units. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to arbitration administered by, and in accordance with, the rules of the American Arbitration Association (AAA). The Arbitrator shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act. The parties agree that the decision of the Arbitrator shall be final and binding. The Company and the Union agree that the permanent Arbitrator to hear disputes with respect to this sub-paragraph shall be Thomas Angelo and the alternative Arbitrator will be Richard Bloch. If either of these Arbitrators cannot serve, the parties shall select an Arbitrator from a list or lists of prospective Arbitrators provided by the AAA.

(2) If either the Company or the Union believes that the bargaining unit as agreed or determined in (c). (1). above, is no longer appropriate due to organizational changes, then the parties shall meet and confer in good faith for the purpose of re-defining the appropriate unit. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the re-definition of an appropriate unit, the issue of the description of such unit shall be submitted to arbitration as provided in (c). (1).
- (d) The Company agrees that the Union shall be recognized as the exclusive bargaining agent for any agreed-upon or otherwise determined bargaining unit(s) not later than ten (10) days after receipt by the Company of written notice from the AAA that the Union has presented valid authorization cards signed by a majority of the employees in such unit(s).
- (e) For the purposes of determining the number of employees that constitute a majority of the bargaining unit, the employee population will be composed of only those employees employed in the bargaining unit on the earliest date which appears on the cards presented to the AAA. The cards so presented must be dated within sixty (60) days of each other, but no earlier than the date of execution of this Agreement, and each card so presented must contain at least the language set forth in Attachment 1 hereto. The Company shall provide the AAA all employees, job titles and other information required for the AAA to verify the existence of more than 50% of employee authorizations as provided for in this Agreement.

Union Management Relationships

- (f) In the event the Union fails to deliver to the AAA valid authorization cards signed by a majority of employees in any aforesaid bargaining unit upon completion of its card signing effort, the Union agrees not to begin any further card signing effort in such unit for a period of one year from the date on which access was first granted as provided in (b). above.
- (g) As soon as practicable after the aforesaid recognition and upon written request by the Union, the Company, or the appropriate subsidiary, division or operating unit thereof shall commence bargaining in good faith with the Union with respect to wages, hours, and other terms and conditions of employment for the employees employed within the agreed upon or otherwise determined appropriate bargaining unit.

4 **Neutrality.**

- (a) The Company agrees, and shall so instruct all appropriate managers, that the Company will remain neutral and will neither assist nor hinder the Union on the issue of Union representation.
- (b) For purposes of this Agreement, “neutrality” means that management shall not, within the course and scope of their employment by the Company, express any opinion for or against Union representation of any existing or proposed new bargaining unit, or for or against the Union or any officer, member or representative thereof in their capacity as such. Furthermore, management shall not make any statements or representations as to the potential effects or results of Union representation on the Company or any employee or group of employees. The Union also agrees that, in the course of any effort by the Union to obtain written authorizations from employees as provided for in paragraph 3. (b)., above, neither the Union nor any of its officers, representatives, agents or employees will express publicly any negative comments concerning the motives, integrity or character of the Company, AT&T, Inc., or any of their officers, agents, directors or employees.
- (c) This agreement supersedes and terminates any and all other agreements, Memorandum of Understanding, commitments or statements of intent regarding neutrality or card-check procedures that may exist as of the date hereof between the Union and any Company entity.

5 **Valid Authorization Cards.**

For purposes of this Agreement, a valid written authorization card shall state specifically that by signing the card, the employee agrees to be represented by the Union, using the language set forth in Attachment 1.

6 Recognition for New Entities and New Work.

- (a) The Company agrees that it will give the Union reasonable advance notice, once a firm management decision has been made, of its intent to effect any reorganization or restructuring, or to engage in any new line(s) of business, as a result of which management expects to create any new subsidiary, division, or operating entity as to which no Union representation then exists. After execution of this Agreement, should the Company acquire new companies or engage in a new line of business or enter a new market in which there is no active labor agreement or bargaining agreement in place, the parties agree that this Agreement shall apply to that acquired company or new line of business or enterprise in a new market after that company has been operating for a period of one hundred twenty (120) days.
- (b) If management determines that more than fifty percent (50%) of the employees employed within an appropriate unit for bargaining by a new entity were, immediately prior to such employment, employed in a bargaining unit represented by the Communications Workers of America, the Company agrees that it shall recognize and bargain with the Union as the duly constituted bargaining representative of such bargaining unit employees, and the Union agrees to acknowledge such new entity as a Successor Employer for all applicable purposes under the labor laws of the United States and any relevant state.
- (c) If management determines that fifty percent (50%) or less of the non-management work to be performed by any such new entity will consist of work previously performed by members of a pre-existing Union bargaining unit, then the Company agrees that, within a reasonable time after the said determination has been made, or concurrently with the giving of the notice referenced in paragraph 6. (a)., above, whichever is later, the Company will so inform the Union in writing. To the extent permitted by law, the Company shall presume, in making any determination as set forth in this paragraph 6., that each employee of the new entity who was a member of a pre-existing Union bargaining unit wishes to remain represented by the Union. These employees shall be counted as having signed valid authorization cards should a card signing effort be undertaken in the new entity within one year after the new entity begins operations employing such employees.
- (d) Except as specified in paragraph 9., below, the Union shall retain any legal rights it may have to challenge any management decision or determination described in this paragraph 6.

7 Regulatory and Legislative Support

The Union hereby agrees to continue its support before the appropriate regulatory and legislative bodies for the Company's efforts to remain competitive in, and/or to gain entry to, all telecommunications and related markets in which the Company chooses to participate, unless the Union determines such support to be in conflict with its interests. If the Union determines such a conflict exists, the Union will promptly so notify the Company and, at the request of the Company, meet to discuss and confer on such conflict.

The Company hereby agrees to support Union efforts before regulatory and legislative bodies unless the Company determines such support to be in conflict with its interests. If the Company determines such a conflict exists, the Company will so notify the Union and will, if requested by the Union, meet to discuss and confer on such conflict.

8 Job Offers to Employees in Existing Bargaining Units.

In connection with any reorganization, restructuring or other event that gives rise to application of the terms of this Agreement, and which involves either:

- (a) the transfer of non-management work from any Union bargaining unit to any other entity of the Company or of any subsidiary of AT&T Inc., or
- (b) the elimination of bargaining unit work while new jobs are created in any other entity of the Company or any subsidiary of AT&T Inc.,

the Union agrees that, once the recognition has occurred, an offer of a job in another entity to an employee in an existing bargaining unit shall have the same effect as if the same job or one of similar status and pay were offered by the employer under the collective bargaining agreement(s) for that bargaining unit. This shall include, without limitation, application of any contractual reassignment pay protection provisions and the satisfaction of any bargained-for employee right to a job offer. Except as specified in paragraph 10., below, nothing in this paragraph 8 shall be construed as a waiver by the Union of any legal rights it may have to challenge or contest the reorganization, restructuring, or other event described in 8.a. and/or 8.b. above.

9 Dispute Resolution.

Except as to disputes referenced in paragraph 3. (c). of this Agreement, all disputes concerning the meaning or application of the terms of this Agreement shall be handled and addressed by the meeting of designated representatives of the Company and the Union. Either party may request such a meeting and each party pledges its best efforts to address any and all concerns raised as to the meaning or application of this Agreement. With the exception of matters referenced in paragraph 3.(c). above, the meaning or application of this Agreement shall not be subject to arbitration. Each party reserves its right to seek judicial or other relief provided by law to enforce this Agreement. However, the parties agree that prior to seeking such relief, they will meet and confer as set forth above.

10 Waiver of Certain Other Claims.

(a) The Union promises and agrees that, in connection with any arbitration provided for in this Agreement, and in connection with any legal or administrative suit, proceeding or charge arising subsequent to the effective date of this Agreement between the Union and any AT&T company, including but not limited to any proceeding before the National Labor Relations Board or its delegate, the Union hereby waives any claim, allegation or argument, and agrees to refrain from presenting this Agreement as evidence in support of any claim, allegation or argument, that AT&T Inc. and/or any of its current or future subsidiaries, and/or their divisions, units, agents or affiliates, are or have been a single employer, joint employers, accretions or alter egos with respect to each or any of them, to the extent that any such claim, allegation or argument is based upon:

- (1) any change on or after the execution date of this Agreement, in the administration and/or control of labor relations by AT&T or any of its entities, companies, divisions, or subsidiaries; or
- (2) any change in the scope, availability to employees, or administration by management of any program or practice for the effectuation of employee-initiated transfers between or among different subsidiaries or bargaining units;

provided, however, that this paragraph shall not be construed as having any effect on the Union's right or the Company's obligation, to the extent the same may exist under applicable law and/or any preexisting collective bargaining agreement(s), to negotiate changes in the terms and conditions applicable to such transfers.

(b) The provisions of this paragraph 10 shall survive the expiration of the remainder of this Agreement, and shall have full force and effect until specifically voided by mutual written agreement of the parties.

11 Severability.

Should any portion of this Agreement be voided or held unlawful or unenforceable by the National Labor Relations Board or any court of competent jurisdiction, the remaining provisions shall remain in full force and effect for the duration of this Agreement.

**COMMUNICATIONS WORKERS
OF AMERICA**

AT&T

By _____

By _____

Date _____

Date _____

ATTACHMENT 1 TO MEMORANDUM OF AGREEMENT REGARDING CARD CHECK RECOGNITION

Communications Workers of America, AFL-CIO

I hereby join with my fellow workers in organizing a Union to better our conditions of life and secure economic justice. I have voluntarily accepted membership in the Communications Workers of America (CWA), AFL-CIO, and declare that this union shall be my representative in collective bargaining over wages, hours and all other conditions of employment.

I understand that if CWA presents cards for recognition signed by more than 50% of the _____ employees eligible to be in the bargaining unit, (Company name) will recognize CWA as the bargaining representative of this unit without a representation election being conducted by the National Labor Relations Board and (Company name) would bargain with CWA concerning the terms of my employment and my working conditions.

I have also agreed to the membership provisions on the other side of this card.

2009 LETTERS EXTENDED

The following letters which the parties agreed to continue during the term of the 2009 Agreement will continue in accordance with their original terms for the duration of this Agreement with the CWA:

Career Transition	AT&T Transfer and Rehire System (ATS/ARS)
Career Transition	Level Equalization Groups (LEGS) Matrix By Title
Career Transition	Recall Forward
Career Transition	Standing Joint Subcommittee On Testing
Health Benefits	CVS Caremark
Misc. Agreements	Electronic Monitoring
Misc. Agreements	Leveraged Title
Misc. Agreements	Leveraged Title Sales Committee
Misc. Agreements	Memorandum of Agreement Regarding – Article 31 – Employees In Military Service Or Active Duty For Training
Other Benefits	Pension Protection Act
Other Benefits	Service Anniversary
Other Benefits	Work & Family Programs
Union Management Relationships	Labor Advisory Forum
Union Management Relationships	Union Representation
Union Management Relationships	Memorandum of Agreement – Presidential Council
Union Management Relationships	Workforce

AT&T TRANSFER AND REHIRE SYSTEM (ATS/ARS)

AT&T and CWA agree that the AT&T Transfer System (ATS) and the AT&T Rehire System (ARS) shall continue during the 2009 Memorandum of Agreement.

1 Purpose

- (a) The AT&T Transfer System (ATS) is designed to provide regular full-time or regular part-time occupational employees an opportunity to request new career opportunities on a current or future basis and provide surplus employees with an increased opportunity to continue employment with AT&T. Temporary and occasional employees are excluded from the system. All employee movement under ATS is voluntary through a self-nomination process and should not be construed to be a force adjustment, force rearrangement, assignment or reassignment initiated by the Company.
- (b) The AT&T Rehire System (ARS) is designed to provide former AT&T employees the opportunity to apply for regular full-time or regular part-time occupational positions and be reemployed by AT&T. This plan does not replace any existing recall rights to which former employees may be entitled, but the rehiring of a former employee under this program satisfies the Company's recall obligation. In addition, employees who are rehired within six (6) months of layoff will be treated as recalled for all purposes except wage treatment.
- (c) ATS/ARS does not replace any contractual, internal movement of personnel procedures contained in applicable Memoranda of Agreements. As to those bargaining units, ATS supplements those movement of personnel procedures and shall be applied after those movement of personnel procedures have been exhausted.

2 System Coverage

- (a) This system provides the exclusive means by which active regular full-time and regular part-time occupational employees, former employees who were laid off by the Company with recall rights, or employees who left the Company because of an authorized hardship or an AT&T trailing spouse (including legally recognized partner (LRP)) condition covered by this Agreement may request consideration for transfer to occupational positions within and across the bargaining units which are covered by this Agreement. These former employees, for a period of three (3) years from the date of termination, will be able to contact a unique 800 number, listen to open jobs and nominate for openings. The Company may extend coverage of this system to occupational employees other than those represented by the Union. Temporary, term and occasional positions are not filled by ATS/ARS.
- (b) An employee request for lateral movement within his/her Business Operating Unit or Division and in the same Local Placement Area (LPA) is administered by management; however, an employee may also place an intra-Business Operating Unit or Division request in the same LPA on file with ATS/ARS.

- (c) ATS/ARS does not preclude the Company from making Company initiated transfers, force adjustments, reassignments or rearrangements. Nor shall anything in this system preclude the Company from temporarily limiting or prohibiting occupational employee movement via this system if the Company determines that excessive movement from any organization or work group would impair the operation of the business. Temporary limits or prohibitions on occupational employee movement will not exceed sixty (60) days under this Plan. An employee covered by the sixty (60) day prohibition may self-nominate for vacancies if the report date occurs after the last day of the prohibition. The temporary limits or prohibitions on occupational employee movement described herein shall not apply in sale situations.
- (d) Initial employee participation in ATS/ARS shall require the employee/former employee to verify, supply, or update personnel data relative to work experience, education or training.

3 Definitions

- (a) An UPGRADE is movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a higher numeric value.
- (b) A DOWNGRADE is movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a lower numeric value.
- (c) A LATERAL is movement from an employee's current Level Equalization Group to a position in the same Level Equalization Group.
- (d) A BASICALLY QUALIFIED employee is an employee who meets the minimum qualifications for a given title as specified in the ATS job brief.
- (e) TIME-IN-TITLE/TIME-IN-GRADE is the minimum number of months an occupational employee must serve in a specific job title and job grade to be eligible for voluntary movement. Time-in-Title/Grade must be fulfilled each time an employee moves to a different title/grade.
- (f) TIME-IN-LOCATION is the minimum number of months that an employee must serve in a location to be eligible for voluntary movement. Time-in-Location must be fulfilled when:
 - an employee moves outside his/her LPA or
 - an employee moves to a new Business Operating Unit/Division within the same LPA.

NOTE: Time-in-Title/Grade and Time-in-Location may be served concurrently.

- (g) A CAREER PLACEMENT is the placement of a regular full-time or regular part-time occupational employee who is seeking a career change. To participate an employee must:
 - have satisfied any applicable Time-in-Title/Time-in-Grade and Time-in-Location requirements for movement from his/her job, as specified in the ATS job brief for the title, and
 - have a satisfactory work performance and attendance record in accordance with the standard AT&T Appraisal Form.

- (h) A CAREER REHIRE PLACEMENT is the reemployment of a former regular full-time or regular part-time occupational employee who is seeking a position with the Company. To participate, an employee must, before termination, (1) have verified, supplied or updated personnel data relative to work experience, education, or training via enrollment in the AT&T Transfer and Rehire System (ATS/ARS) and (2) have had a satisfactory work performance and attendance record in accordance with the standard AT&T Appraisal Form. Former employees who participate in ARS will have the opportunity to update their skills, work experience, education and/or training so long as adequate documentation is provided to substantiate the update(s).
- (i) A SURPLUS PLACEMENT is the placement of a regular full-time or regular part-time occupational employee who has been declared surplus in accordance with the provisions of the applicable collective bargaining agreement.
- (j) A SURPLUS REHIRE PLACEMENT is the reemployment of a former regular full-time or regular part-time occupational employee placed during his/her minimum surplus eligibility period.
- (k) A TERM PLACEMENT is the placement of a regular full-time or regular part-time occupational term employee who is seeking a career change. To participate an employee must:
 - have satisfied any applicable Time-in-Title/Time-in-Grade and Time-in-Location requirements for movement from his/her job, as specified in the ATS job brief for the title, and
 - have a satisfactory work performance and attendance record in accordance with the standard AT&T Appraisal Form.
- (l) A PLACEMENT REQUEST is a request for consideration for an ATS vacancy. The request may be for either Career, Surplus or Term Placement and shall contain all of the following information concerning the position(s) sought:
 - job title or wage level in which placement is sought,
 - geographic area of interest, and
 - particular organization in which placement is sought.

4 Career and Term Placement Administration

- (a) Eligible, qualified employees seeking Career or Term Placement can request to be considered for currently open positions or file for future ATS/ARS openings. Employees may have up to ten (10) career transfer requests at any one time. These may be upgrade, lateral or downgrade career placement requests and they may be for future or current ATS/ARS vacancies.
- (b) Job vacancies submitted to ATS for current open positions expire thirty (30) calendar days after receipt of a candidate list or upon selection of a candidate for the ATS/ARS vacancy, whichever occurs first.
- (c) Employee Career Placement requests will remain on file, but on inactive status, during leaves of absence, temporary promotions to management, and disabilities in excess of one (1) year. Employees on short term (less than one (1) year) disability may submit Placement Requests provided they can report to the job within thirty (30) days of the job report date.

- (d) Career or Term Placement future requests for eligible employees will remain on file for three (3) years from the date of receipt, but will be canceled upon the occurrence of any of the following:
- the employee no longer meets ATS/ARS eligibility criteria,
 - the employee is placed into another job via ATS/ARS, a local voluntary intra-business operating unit lateral transfer, or any other AT&T voluntary job placement or job placement process,
 - the employee withdraws the request(s),
 - the employee leaves the AT&T payroll, or
 - the employee is no longer a regular full-time or regular part-time occupational employee.

The employee has up to two (2) work days to accept or reject a job offer.

- (e) When an employee accepts a job offer made under the Plan, all other requests on file shall be canceled and the employee may not resubmit any Career Placement Requests until the applicable Time-in-Title/Time-in-Grade and Time-in-Location requirement(s) have been met.
- (f) Occupational employees shall bear any costs and expenses associated with relocation under the Career or Term Placement features of ATS/ARS, unless the employee is surplus at the time the Career Placement offer is accepted.
- (g) When an employee who has previously met Time-in-Title/Time-in-Grade and Time-in-Location requirements is recalled to their prior job title (or its successor title, or a title of equivalent status for which they qualify) they do not have to re-serve Time-in-Title/Time-in-Grade and Time-in-Location.

5 Career Rehire Placement Administration

- (a) Eligible, qualified former employees seeking reemployment can request to be considered for currently open positions as Career Rehire candidates. They may have up to ten (10) Career Rehire Placement requests at any one time. These may be upgrade, lateral or downgrade requests as defined in the AT&T Transfer and Rehire System (ATS/ARS).
- (b) Career Rehire Placement Requests will be canceled upon occurrence of any of the following:
- (1) the former employee is rehired into a regular full-time or regular part-time job (not term, temporary or occasional) via ARS or any other employment process, or
 - (2) the former employee withdraws the request(s), or
 - (3) expiration of the three (3) year period.

The former employee has up to two (2) work days to accept or reject a job offer.

- (c) When a former employee accepts a job offer made under the Plan, all other requests on file shall be canceled and the employee may not submit any ATS/ARS Career Placement requests until the applicable Time-in-Title/Time-in-Grade and Time-in-Location requirement(s) have been met.
- (d) Former occupational employees shall bear any costs and expenses associated with relocation under ARS.

6 Retreat, Trailing Spouse (Including Legally Recognized Partner (LRP)) and Hardship

- (a) An employee who accepts an upgrade through Career Placement to a position in any AT&T organization may, within six (6) months of placement, request to return to his/her former job or equivalent job if the former is not available, at his/her former or new work location. The Company shall consider any such request, and, if the request is accommodated, the employee will return to his/her former job without loss of seniority. An employee so returned will be required to satisfy anew any applicable Time-in-Title/Time-in-Grade or Time-in-Location requirement(s) for eligibility under the Plan before again filing a Career Placement request.
- (b) AT&T trailing spouses (including legally recognized partners (LRPs)) and employees who have requested hardship movement consideration may, if approved by the Company, participate in the Career Placement portion of the Plan without meeting Time-in-Title/Time-in-Grade or Time-in-Location criteria, for a period of eight (8) months, but are subject to all other ATS/ARS eligibility criteria.

7 Surplus Placement Administration

- (a) The Surplus Placement features of ATS/ARS are activated under the following circumstances:
 - a surplus is declared in accordance with provisions of any applicable collective bargaining agreement, and
 - ATS/ARS vacancies exist for which surplus employees are basically qualified as determined by the Company, and
 - surplus employees have requested vacant positions for which they are basically qualified as determined by the Company.
- (b) The employee has two (2) work days to indicate acceptance or rejection of a job offer.
- (c) Under the foregoing circumstances, the senior basically qualified surplus candidate will be selected for open positions provided the placement does not constitute an upgrade. There is no limit to the number of Surplus Placement requests a surplus employee may have at any one time. ATS/ARS Surplus Placement Requests may be for laterals and/or downgrades.
- (d) Job vacancies submitted to ATS for current open positions expire thirty (30) calendar days after receipt of a candidate list or upon the selection of a candidate for the ATS vacancy, whichever occurs first.
- (e) A surplus employee is no longer eligible for Surplus Placement treatment in ATS if any of the following occurs:
 - the employee is no longer surplus,
 - the employee is placed into another job via ATS or other voluntary transfer or placement process other than the Extended Compensation Option ,
 - the employee is placed into another job via a contractual force adjustment or rearrangement article,
 - the employee leaves the AT&T payroll, or

- the employee is no longer a regular full-time or regular part-time occupational employee.
- (f) ATS/ARS Surplus Placement Requests are canceled due to the foregoing; they are not automatically converted to ATS Career Placement Requests.
- (g) A surplus employee shall have a minimum combined total of sixty (60) days surplus status in ATS and/or ARS.
- (h) A Surplus employee will be allowed to decline one (1) ATS job offer without loss of his/her surplus indicator. Upon declination of a second job offer, the employee will lose their surplus indicator and must meet the Career eligibility requirements in order to participate in ATS.

The staffing office will track all such declinations and provide the ATS/ARS Oversight and Review Board with a report on a monthly basis.

- (i) A Surplus Placement employee who accepts a position within the current LPA of the job vacancy shall bear any costs and expenses associated with relocation under the Plan.

8 Surplus Rehire Placement Administration

- (a) A former employee who has been laid off with recall rights and has not completed all of his/her minimum sixty (60) day surplus status in ATS by the off roll date, will be granted the remainder of his/her surplus eligibility minimum in ARS. All surplus and career requests which the former employee has on file will remain on file as long as the former employee retains surplus eligibility.
- (b) A former employee who is a candidate for Surplus Rehire Placement will be subject to the same requirements and treatment that apply to surplus placement as set forth in the ATS section of this memorandum, except that his/her surplus status will end if any of the following occur:
 - (1) the former employee is rehired into a regular full-time or regular part-time job (not term, temporary or occasional) via ARS or any other employment process, or
 - (2) the former employee refuses a position which he/she requested through ATS/ARS, or
 - (3) the former employee completes a combined total of sixty (60) days surplus status in ATS and/or ARS.

The former employee has up to two (2) work days to accept or reject a job offer.

- (c) On the business day following the completion of a combined total of sixty (60) days surplus status in ATS and/or ARS, any surplus requests which the former employee has on file will be canceled. However, the former employee may continue to participate as a Career Rehire Candidate as described below for the remainder of three (3) years. Surplus Rehire Placement requests that are canceled due to the expiration of the sixty (60) day minimum surplus participation period are not automatically converted to Career Rehire Placement Requests.

9 Relocation Expenses

- (a) A Surplus Placement employee who is placed via the ATS Surplus or Career Placement Program and who accepts a position that is outside his/her LPA will receive a lump sum relocation allowance provided the new reporting location exceeds thirty-five (35) road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location.
- (b) Provided the employee elects to relocate his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of: (1) the termination allowance for which they would have been eligible upon layoff, or (2) \$13,000; however, in no case shall an allowance for a relocating employee be less than \$7,000.
- (c) Surplus employees who are placed via the ATS Surplus or Career Placement Program, meet the ATS relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon layoff, or (2) \$13,000; however, in no case shall an allowance for a relocating employee be less than \$7,000, provided the following conditions are met:
 - the employee is laid off at the new site within three (3) years of placement; and
 - the employee relocates back to the original geographic location; and
 - the employee does not qualify for any other AT&T provided relocation compensation program.
- (d) An employee who meets the above criteria and elects not to relocate his or her residence, shall be entitled to receive a one-time lump sum allowance of \$1,500 in lieu of such moving expenses provided this election is made within six (6) months of the date of transfer.

10 Selection Criteria

- (a) Occupational vacancies covered by ATS/ARS that are not filled under contractual or legal obligations (e.g. Return from Military, etc.) will be staffed using the following order of consideration:
 - (1) Voluntary ATS/ARS Surplus/Recall Placement within the same LPA
 - (2) Voluntary ATS/ARS Surplus Placement outside the local LPA
 - (3) Voluntary ATS Career Placement
 - (4) Voluntary ARS Career Rehire Placement
 - (5) Voluntary Term Placement
 - (6) Non-Represented
 - (7) Hire

- (b) The foregoing order of consideration assures that surplus self-nominating candidates will be offered any vacancy for which they are basically qualified before ATS Career Placement, Voluntary ARS Career Rehire Placement and Term Placement candidates will be considered. In selecting non surplus candidates for vacancies, the selection criteria of better/basic tests, skills, and seniority, in that order, will govern. The Company maintains the right to interview for determination of the candidate's depth of knowledge in skills.
- (c) Voluntary ATS Career Placement, Voluntary ARS Rehire Placement, Term Placement and hiring candidates will receive consecutive consideration.
- (d) As an alternative to hiring, where no ATS Career Placement or ARS Career Rehire Placement candidates have requested a specific job vacancy and all surplus and recall obligations have been met, the Company shall have the option to promote the senior better/basically qualified employee from within the immediate work group of the C Level manager initiating the job vacancy, without regard to Time-in-Title/Time-in-Grade or Time-in-Location criteria provided the employee meets the selection criteria of better/basic tests, skills, and seniority, in that order.

11 Testing

- (a) Eligible, occupational employees not test qualified for positions being sought via ATS/ARS will be provided the opportunity to take such test(s) in the same order of consideration applicable to filling job vacancies subject to the availability of testing resources and the job vacancy activity rate for the position(s) being sought. Within each step of the order of consideration employees will be tested in seniority order, most senior first.

12 System Access

- (a) The Company will provide eligible, occupational employees access to current job vacancies on a real-time basis and, if qualified, employees may self-nominate for current or future openings.
- (b) All vacancies will remain available for self-nomination for five (5) work days. In the event no candidate self-nominates for the vacancy, the vacancy will be re-advertised for six (6) additional work days.

13 Wage Treatment

- (a) Employees placed into jobs via ATS/ARS within collective bargaining agreements will adhere to contractual wage treatment procedures for that agreement. Employees placed into jobs across collective bargaining agreements where both positions have fixed periodic wage schedules and the same wage treatment procedures, shall be treated in accordance with the wage treatment procedures contained in the collective bargaining agreement of the receiving organization.

Pre-2012 Agreements

- (b) Employees placed into jobs across collective bargaining agreements from a wage schedule having no fixed periodic steps to a wage schedule with fixed periodic steps or employees placed into jobs across collective bargaining agreements having different wage procedures shall be treated as follows:
 - (1) Career Placement on an Upgrade - Move from present dollar rate to a whole step above the nearest step on new schedule. The progression clock continues.
 - (2) Career Placement on a Lateral - Move from present dollar rate to nearest step on new schedule assuring no loss in pay. The progression clock continues.
 - (3) Career Placement on a Downgrade - Move from present dollar rate to nearest step on new schedule insuring no gain in pay. The progression clock continues.
 - (4) Surplus Placement on a Lateral or a Downgrade - See Section 15 on Wage Procedure for Surplus Lateral and Downgrade.
- (c) Employees rehired via ARS Career Rehire Placements will adhere to contractual wage treatment procedures for the Memorandum of Agreement into which they are hired.
- (d) Employees rehired via ARS Surplus Rehire Placements will adhere to the Wage Procedures for Surplus, Lateral or Downgrade in Section 15.
- (e) Employees placed into jobs across collective bargaining agreements from a schedule having fixed periodic steps to a schedule with no fixed periodic steps shall be placed on the new schedule at the same wage rate as their old schedule.
- (f) In no event shall an employee receive more than the maximum rate of the new schedule.

14 Oversight and Review Board

- (a) The Company and the Union agree to continue a Joint ATS/ARS Oversight and Review Board. This Board will be comprised of one (1) CWA representative and one (1) representative from the Company. The responsibilities of the Board will include:
 - (1) Review ATS/ARS issues not resolved through the formal grievance process set forth in CWA Article 9 (Grievance Procedure) prior to such issues being submitted to arbitration,
 - (2) Monitoring the ongoing operation of ATS/ARS,
 - (3) Analyzing overall ATS/ARS results, and
 - (4) Addressing concerns raised as to the staffing of positions through ATS/ARS.
- (b) The Company's decision made pursuant to ATS/ARS shall be subject to the grievance procedure contained in any applicable local collective bargaining agreement. The Company and the Union desire to process ATS/ARS staffing grievances in an expeditious manner. Accordingly, the Board shall meet on a regular basis to discuss ATS/ARS staffing grievances, but not later than thirty

(30) calendar days after completion of the formal grievance procedure set forth in CWA Article 9 (Grievance Procedure) for cases which remained unresolved.

- (c) Notwithstanding any contrary provisions of CWA Article 10 (Arbitration), the Union may appeal, to arbitration, any claim of a violation of CWA Article 15.7 (a) (Promotions) within thirty (30) calendar days from the conclusion of the ATS/ARS Oversight and Review Board Process pursuant to CWA Article 10 (Arbitration). Except as set forth in this paragraph, neither the ATS/ARS nor its administration shall be subject to arbitration.
- (d) Issues concerning the Company's decision involving placement of ARS Rehire candidates may be presented directly to the Joint ATS/ARS Oversight and Review Board which shall have the sole responsibility for final and binding resolution.

The Union shall appoint one (1) person to be an ATS/ARS Board Coordinator who shall assist union members of the ATS/ARS Review Board in preparing cases that were not resolved in the grievance procedure.

15 Wage Procedure for Surplus, Lateral or Downgrade

- (a) Surplus employees pending layoff utilizing ATS as the means to continue employment with AT&T and who accept a LATERAL outside their wage table or wage plan with a higher maximum wage rate will move from the present dollar rate to the nearest step on the new schedule insuring no loss in pay. The progression clock continues.
- (b) Surplus employees who accept a LATERAL or DOWNGRADE outside their wage table or wage plan with a lower maximum wage rate will have their rate of pay reduced over a period of time.
- (c) The reductions in pay are effective at specific periods following the effective date of the new assignment, as shown below, and are based on the differences in rates for the old and new jobs.

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

LEVEL EQUALIZATION GROUPS (LEGS) MATRIX BY TITLE

Title	Level Equalization Group	Time in Title	Time in Location
Account Representative	3	18	12
Account Representative - Leveraged	3	18	12
Account Service Representative	3	15	12
Account Support Representative	5	24	12
Administrative Associate - I	2	12	12
Administrative Associate - II	3	15	12
Administrative Clerk - 1	2	12	12
Administrative Clerk - 2	2	15	12
Administrative Clerk - 3	4	18	12
Administrative Clerk - 4	3	18	12
Administrative Clerk - I	3	15	12
Administrative Intern	2	9	9
Administrative Specialist	3	18	12
Analytical Clerk	4	18	12
Analytical Clerk - 2	3	15	12
Analytical Clerk - 3	3	18	12
Analytical Clerk - 4	4	18	12
Apparatus Cleaner	2	12	12
Assistant Graphics Specialist	3	15	12
Bi-Lingual Billing Clerk	3	15	12
Bi-Lingual Operator	2	12	12
Bill Processing Clerk	2	12	12
Billing Associate - II	3	15	12
Billing Associate - III	3	15	12
Billing Clerk	3	15	12
B/S Associate Switch Technician	3	15	12
B/S Customer Service Provisioning Engineer	6	30	12
B/S Field Operations Technician	5	24	12
B/S Lead Field Operations Technician	6	30	12
B/S Lead Provisioning Design Engineer	5	24	12
B/S Lead Switch Technician	6	30	12
B/S Provisioning Design Engineer	3	15	12
B/S Secretarial Admin 3	3	15	12
B/S Switch Technician	5	24	12
Building Attendant	1	9	9
Building Technician	6	30	12
Business Inquiry Representative	4	18	12
Clerical Assistant (TG-6)	4	18	12
Clerical Stenographer	3	15	12
Combination Typist	2	12	12
Commercial Account Specialist	5	24	12
Commercial Sales Support Associate	3	15	12
Commercial Telemarketing Representative	3	18	12
Communications Assistant	2	12	12

Title	Level Equalization Group	Time in Title	Time in Location
Communications Operator	2	12	12
Communications Technician	6	30	12
Computer Center Plant Engineer	6	30	12
Computer Network Associate - II	4	18	12
Computer Network Associate - III	6	30	12
Computer Network Clerk	2	12	12
Construction Technician	6	30	12
Construction Technician (Located)	6	30	12
Contract Clerk	4	18	12
Control Room Operator	3	12	12
Credit Representative	3	15	12
CSDG Assembler	5	24	12
CSDG Technician	6	30	12
Customer Contact Agent - C	2	12	12
Customer Engineer I	1	9	9
Customer Engineer II	5	30	12
Customer Engineer III	6	30	12
Customer Maintenance Technician	6	30	12
Customer Representative	3	15	12
Customer Representative - Leveraged	3	15	12
Customer Representative - Residence	3	15	12
Customer Sales & Service Specialist	5	24	12
Customer Sales & Service Specialist - C	5	24	12
Customer Sales Associate	3	15	12
Customer Sales Associate - Bi-Lingual	3	15	12
Customer Service Associate - I	3	15	12
Customer Service Support Agent	3	15	12
Customer Software Administrator - 2	3	18	12
Customer Software Administrator - C	4	18	12
Customer Support Associate	3	15	12
Customer Support Technician – II	5	30	12
Customer Switch Technician	6	30	12
Data Processing Associate I	2	12	12
Data Processing Associate II	4	18	12
Data Processing Associate III	6	30	12
Data Processing Associate IV	6	30	12
Data Processing Clerk	2	12	12
Data Service Coordinator	3	15	12
Design Associate-HITS	5	24	12
Desktop Publishing Coordinator	4	18	12
Desktop Publishing Specialist	3	15	12
Drafting Associate	4	18	12
Engineering Associate	6	30	12
Engineering Data Clerk	3	15	12
Federal Administrative Clerk	3	15	12
Federal Business Representative	5	24	12

Pre-2012 Agreements

Title	Level Equalization Group	Time in Title	Time in Location
Federal Graphics Specialist	5	24	12
Federal Order Administrator	3	15	12
Federal Records Clerk	2	12	12
Federal Sales Representative	5	24	12
Federal Senior Clerk	4	18	12
Federal Senior Graphics Specialist	6	30	12
General Clerk - 1	2	12	12
General Service Clerk	2	12	12
General Services Senior Clerk	3	15	12
General Utility Worker	2	12	12
GPM Carpenter	5	30	12
GPM Electrician	5	30	12
Graphics Assistant	2	12	12
Graphics Specialist	5	24	12
Hazardous Materials Technician	4	15	12
IDC Technical Specialist	6	30	12
IDC Technical Specialist – (g)	6	30	12
Information Services Agent	2	12	12
Information Services Clerk	3	12	12
Instrument and Control Mechanic	6	30	12
International Process Associate	3	15	12
Inventory Specialist - Data	3	15	12
LS Associate	3	18	12
LS Clerk	2	12	12
LS Specialist I	4	30	18
LS Specialist II	6	30	18
Marketing Associate	4	18	12
Mechanic - C	4	18	12
Mechanic - I	4	18	12
Network Comm Tech-HITS	6	30	12
Network Order Administrator	3	15	12
Network Security Representative	4	18	12
Network Technical Specialist	6	30	12
Network Technical Specialist – (g)	6	30	12
Network Test and Turn-Up Analyst	6	30	12
Office Clerical Assistant -C	1	9	9
Office Clerical Assistant - I	1	9	9
Office Clerical Assistant - 2	2	12	12
Office Clerical Assistant - 3	3	15	12
Office Clerical Assistant - 5	2	15	12
Office Clerk	2	12	12
Office Support Clerk	1	9	9
Operations Clerk	2	12	12
Operations Clerk - 7	6	30	12
Operations Mechanic	4	18	12
Operations Specialist	4	18	12

Title	Level Equalization Group	Time in Title	Time in Location
Operator	2	12	12
Operator Service Center Clerk	3	15	12
Order Typist - 1	3	15	12
Order Writer - 1	3	18	12
Order Writer - 2	4	18	12
Plant Operation Mechanic	5	24	12
Print Reprographics Operator	2	9	9
Production Specialist	3	18	12
Receiver-Shipper/Storekeeper	3	12	12
Records Clerk -C	2	12	12
Records Clerk - I	2	12	12
Records Clerk - 2	3	15	12
Records Clerk - 3	2	15	12
Records Clerk - 4	3	18	12
Records Clerk - 6	1	9	9
Records Clerk - 7	6	30	12
Relay Associate	2	12	12
Reports Clerk	3	15	12
Reprographics Specialist	3	12	12
Revenue Results Clerk	3	15	12
Sales Associate - N	2	12	12
Sales Representative - C	5	24	12
Sales Representative - C - Commission	5	24	12
Secretarial Stenographer	4	18	12
Security Reports Clerk	3	15	12
Senior Bill Processing Clerk	3	15	12
Senior Clerk	3	15	12
Senior Clerk - 1	2	12	12
Senior Communications Operator	3	15	12
Senior Construction Technician	6	30	12
Senior Data Processing Clerk	3	15	12
Senior File Clerk	3	15	12
Senior Graphics Specialist	6	30	12
Senior Office Clerk	3	15	12
Senior Operations Clerk	3	15	12
Senior Operator Service Center Clerk	4	18	12
Senior Records Clerk	3	15	12
Senior Stenographer	3	15	12
Service Assistant	3	15	12
Service Attendant-HITS	3	15	12
Service Bureau Assistant	5	24	12
Service Coordinator - 3	4	18	12
Service Coordinator - 4	3	15	12
Service Order Administrator	3	15	12
Service Order Typist	2	12	12
Special Billing Clerk	3	18	12

Pre-2012 Agreements

Title	Level Equalization Group	Time in Title	Time in Location
Special Operations Clerk	4	18	12
Special Reports Clerk	4	18	12
Staff Assistant I	6	30	12
Staff Assistant II	6	30	12
Subpoena Management Clerk	4	18	12
Systems Applications Specialist	6	30	12
Teleconference Specialist	2	12	12
Warehouse Shipping & Receiving Clerk-HITS	3	15	12
Word Processing Specialist	2	12	12
Word Processing Specialist - 1	3	15	12
Word Processing Specialist - 2	4	18	12

RECALL FORWARD

April 5, 2009

Mr. Ralph V. Maly Jr., Vice President, CWA

Re: Recall Forward

Dear Ralph,

This letter will serve to confirm the parties' understanding regarding recall for laid off employees. For the life of the 2009 Agreement, notwithstanding the provisions of Article 24 paragraphs 2 and 3(a), the Company will, for any employee laid off after the effective date of the 2009 Agreement who expresses in writing an interest in recall on or before his/her scheduled off payroll date, track the movement, if any, of the Organization from which the employee was laid off for the period of recall for such employee. Such laid off employee who is otherwise eligible for recall will have recall rights to the Business Operating Unit/Division as defined in Appendix 3 which absorbed the group in which the employee worked prior to their scheduled off payroll date.

If a laid off employee subsequently expresses in writing, an interest in recall, the Company will track, from the date of receipt, the movement, if any, of the Organization from which the employee was laid off for the remaining period of recall for which they are entitled.

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

STANDING JOINT SUBCOMMITTEE ON TESTING

AT&T and the CWA agree to continue a standing joint subcommittee on testing during the term of the 2009 Memorandum of Agreement. The subcommittee, to be appointed by the bargaining chairs, will consist of two (2) representatives from the CWA and two (2) representatives from the Company.

Human Resource Research, part of AT&T Corporate Human Resources, is the organization with sole responsibility for the development or selection, validation, and authorization of all tests used in selection of candidates for AT&T occupational positions. Human Resource Research is responsible to ensure that such tests meet Federal and professional standards for relevancy and non-discrimination. Development of testing policy and procedures is also the sole responsibility of Human Resource Research.

If the subcommittee identifies a test currently in use which has not been authorized by Human Resource Research, the test will be suspended pending the outcome of a review and report to the subcommittee by Human Resource Research.

When a new test is implemented or a test or critical test score revised for an occupational title or titles, Human Resource Research will communicate to members of the subcommittee, prior to implementation or revision, the following pertinent information concerning the test:

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

The subcommittee will endeavor to establish a procedure whereby it may be involved upfront in the process and in so doing will be provided such information as:

- The reason a test is being changed or developed;
- An overview of the test development plan;
- Feedback as the test or change is being developed.

The subcommittee will also determine what data, if any, is necessary to help the subcommittee answer questions about issues around current tests.

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

In addition, the subcommittee may seek to understand, via discussions with Human Resource Research, factors that may contribute to an apparently lower than expected percentage of employees qualifying on a specific test. The subcommittee will also develop a process for verification of test records in instances when Company records are not available.

The subcommittee will meet upon request of the members, but no less than twice a year.

CVS CAREMARK

April 5, 2009

Mr. Ralph V. Maly, Jr., Vice President, CWA

AT&T has arranged with CVS Caremark to designate all CVS pharmacies as a part of the Caremark mail order fulfillment process. Essentially, this will permit AT&T employees to pick up 90 day prescriptions for maintenance drugs at CVS retail pharmacies and receive the lower mail order rates. This applies even after the prescription has been filled the allowed number of times at a retail pharmacy.

This arrangement is available at CVS branded pharmacies only. It will not be available at other pharmacies in the Caremark network.

If the union does not object, AT&T will make this arrangement available to bargained employees as soon as administratively feasible after ratification. This arrangement is solely at AT&T's discretion and can be terminated or modified at any point during the term of the contract.

Regards,

/s/ Diane L. Bradley
Labor Relations, Assistant Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

ELECTRONIC MONITORING

- 1 Sampling of service, used in the spirit of trust and respect, is a valuable tool to enhance customer service. To assure courteous treatment, accurate information and superior service, customer calls may be monitored to assist in the training and development of employees, identification of customer needs and product evaluation.

Where such sampling is conducted, it will be performed by trained observers with consistent standards. When individual call sampling, defined as sampling which targets or is directed at a specific employee, takes place, employees will be given prior notification the day sampling occurs, and each will have the option of remote or side-by-side monitoring. All remote monitoring will be taken from within the work area of the employee being monitored. Feedback of all calls sampled will be provided to the employee by the end of the day of the completed contact (defined as the day the employee being sampled has initiated and/or provided the service requested by the customer). The employee will be notified of exceptional service or gross customer abuse immediately. The method of notification of employees will be developed and agreed to by the Union and the Company. This policy shall also apply to group sampling.

Process monitoring, defined as any call sampling other than individual call sampling, may be done from remote locations. Since process monitoring is not employee specific, the notification and remote/side-by-side option associated with individual sampling will not be provided. Employees will not be evaluated or appraised on calls sampled through process monitoring. Results of calls sampled through process monitoring may be provided at the team level (1st level manager).

No employee shall be disciplined as a result of individual service sampling except for gross customer abuse, fraud, violation of privacy of communications, or when developmental efforts have not been successful. Employees will not be disciplined as a result of process monitoring. However, if gross customer abuse is observed and the specific employee can be identified, it may be documented and reviewed with the employee in an effort to correct the behavior. Such documentation will not be placed in the employee's file.

It is agreed that all past practices and local letters of agreement which restrict the practice of service observing and monitoring are eliminated. The Company will continue to comply with any applicable laws regarding service monitoring or observation.

- 2 Company utilization of any technology that enables the recording of customer calls and computer screen activity during the calls, such as, but not limited to, FACT, NICE, and STAR, is for training purposes only. Consequently, the recorded calls and screens will not be used for evaluative or appraisal purposes. Furthermore, employees will not be disciplined as a result of recorded calls and screens. The time period that call recording is to occur shall be posted on the employee's schedule, and shall not exceed four (4) hours in length. The recorded calls and screens must be reviewed by/with the employee before the end of their next scheduled tour.

Once the recorded calls and screens are reviewed, the employee will have the option to delete them from the recording system or have the option to save them for a short period of time for training purposes.

Disputes regarding a violation of this Paragraph 2 will follow the two-step process listed below:

1. Headquarters' grievance will involve a designated CWA National Staff Representative and a designated Employee & Labor Relations Staff Manager. No grievance shall be considered, nor shall any appeal thereof be handled as a formal grievance unless a meeting regarding the grievance is requested in writing within sixty (60) calendar days of the action. The meeting to discuss the grievance shall be held promptly, but not later than fifteen (15) days after receipt by the Company of the notice of appeal, unless mutually agreed to extend.
2. If not resolved, the Union may request in writing that the case be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties. The parties shall schedule the meeting with the neutral within thirty (30) days of the Union's appeal, unless a mutual agreement is reached to extend the time limit.

Except as agreed upon by the parties, no transcript or brief shall be made. A Staff Representative and Staff Manager will represent the parties in the presentation of the individual party's case. No attorneys will be used. The neutral shall issue a written decision within seven (7) days of the meeting.

If the neutral's decision upholds the grievance, the remedy will be as follows for each occurrence:

- (a) expunge the case file of any reference to the aggrieved issue and make grievant whole, and
- (b) for the first occurrence by an individual manager within a work center, the neutral shall suspend the utilization of the system for that manager's team for a period of 30 days, and
- (c) for any further occurrences by management within a work center, the neutral shall suspend the utilization of the system for that work center for a period of sixty (60) days.

The decision of the neutral is final and binding.

Compensation for expenses for the neutral and the general administrative expenses shall be borne equally between the Company and the Union. Each party shall be responsible for payment for time consumed and the expenses of its representatives.

These procedures shall be the sole and exclusive means by which to resolve disputes arising out of this paragraph.

LEVERAGED TITLE

This confirms the agreement reached between the Company and the Union regarding leveraged titles. The terms of the applicable titles of Account Representative and Customer Representative in the Consumer organization are the only titles that will apply to the leveraged titles except as specified in this Agreement.

1. The Company will have the ability to establish leveraged titles in the Consumer organization, in the titles specified above.
2. Should the Company wish to expand leveraged titles to other organizations or titles, they will need to bargain to agreement with the Union.
3. Employees in leveraged titles will be compensated in accordance with a leveraged compensation plan which will provide a base wage plus incentive compensation. The base wage rate will be 60% of the base wage of titles performing like functions new leveraged titles will have a 36 month wage progression schedule.
4. Leveraged title employees will be eligible for an incentive payout when they attain at least 50% of their sales target and incentive payouts will be capped at 300% of the sales target. The Target Incentive dollar amount will be considered eligible compensation under all benefit plans for which the employee is eligible. The Company may establish and modify Incentive Plans covered by this Agreement, retaining sole discretion to set and modify products, targets, weights and additional considerations. Prior to implementation of a leveraged compensation plan, the Company will meet with the union to review the plan.
5. Leveraged title employees may be hired as regular (full time or part time), temporary (full time or part time), or term (full time or part time).
6. Leveraged title employees will be paid 100% of their Target Incentive dollar amount during initial training and will be eligible to participate in the compensation plan beginning on the first of the next full month following release from initial training. Employees in these plans will not be eligible to participate in regular incentive plans available to non leveraged title employees performing similar work, but may participate in incentive overlays and award and recognition programs. Target incentive payout will be a cash award, paid via the employee's bi-weekly paycheck, and is subject to withholding of applicable taxes. Payouts will be based on actual percentage attained and will not be rounded.
7. Additional Target Incentive base dollars may be added to the overall incentive plans in order to keep pace with the changing business environment. Compensation results, quotas, and Target Incentives earned are not adjusted for time away from work for any reason except for those employees on Short Term Disability.
8. In the event a force surplus condition occurs in the titles of Account Representative, Customer Representative or a leveraged title created under paragraph 1 of this agreement, employees in these titles will be pooled for surplus purposes. Should any employee who is not in a leveraged title job

claim into a leveraged title they will retain their non-leveraged status and pay structure.

9. Current employees performing similar job functions within the same work group may choose to convert to the leverage job title and associated compensation plan. In addition, on a one-time basis and at the employee's request, the Company will retreat the employee to their former title and compensation plan within six months of the transfer. There would be no retreat rights on any other subsequent moves to the leveraged title.
10. Annually, the base wage and the target incentive amount will be increased in accordance with the general wage increases outlined in Article 15.

LEVERAGED TITLE SALES COMMITTEE

It is the Company's intent to communicate to the union the contents of sales commissions, incentive plans and promotions applicable to the leverage title employees. It is also the Company's intent to limit changes in sales commissions, incentive plans or promotions to those required for competitive or business reasons as determined by the Company. While the highly competitive and dynamic nature of the Company's business does not allow the Company to commit to a limitation in sales commission changes, it is the Company's intent that any changes to sales commissions, incentive plans, or promotions will be made in a manner that fairly recognizes both the contribution of the employees and the desire of the Company to outperform its competitors. The company will provide to the union a copy of the sales, incentive and promotion plans applicable to leveraged title employees. Further, it is the Company's intent to provide, whenever practicable, at least one (1) week's advance notice to the CWA prior to its notice to employees related to any such changes.

The Company agrees to establish a joint committee to meet twice a year to discuss the status of and suggestions regarding additional compensation plans, commissions, bonuses, and incentive programs. This committee will consist of no more than 2 representatives each, unless mutually agreed otherwise. The meeting place and time will be by mutual agreement. Normal meeting time should consist of one-day sessions not requiring an overnight stay. Payment for such meetings will be in accordance with Article 6.4.

**MEMORANDUM OF AGREEMENT REGARDING - ARTICLE 31 – EMPLOYEES IN
MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING**

This confirms our understanding regarding Article 31 for employees who are called up for service due to the Presidential Executive Order of September 14, 2001 – Operation Enduring Freedom/Operation Iraqi Freedom (previously known as Operation Noble Eagle).

The following changes become effective April 5, 2009 for employees who are called for involuntary active duty as a result of the Presidential Executive Order of September 14, 2001 and will supersede any agreements or policies concerning military pay allowance for such employees entering active duty in the armed forces of the United States.

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

The termination of this Memorandum of Agreement will be at the completion of and/or cancellation of Executive Order – Operation Enduring Freedom/Operation Iraqi Freedom, upon mutual agreement of the Parties or termination of the Collective Bargaining Agreement, whichever comes first.

AGREED:

/s/ FOR THE UNION:

/s/ FOR THE COMPANY:

PENSION PROTECTION ACT

April 5, 2009

Mr. Ralph V. Maly, Jr. Vice President, CWA

AT&T and C&T have agreed to a phased schedule for the change to the Applicable Interest Rate and Applicable Mortality Table prescribed by the Pension Protection Act of 2006 (“PPA”) and a separate special pension window benefit for participants in the AT&T Pension Plan – AT&T Legacy Bargained Program (“Program”) covered by this Agreement and all appendices thereto (collectively, the “Agreement”).

Phased Schedule

For the purposes of applying the new Applicable Interest Rate prescribed by PPA (herein referred to as “New”), the phase-in schedule shall be as illustrated below:

<u>% “New”</u>	<u>% Prior</u>	<u>Effective Date</u>
25%	75%	1/1/2012
50%	50%	1/1/2013
75%	25%	1/1/2014
100%	0%	1/1/2015

The new Applicable Mortality Table prescribed by PPA will be effective on and after January 1, 2012.

Pension Window Benefit

This special benefit will provide for an extension of the Program’s GATT Interest Rate and the Program’s GATT Mortality Table under the Program to Eligible Participants described below.

“Eligible Participants” will be those that meet all of the following criteria:

- Are covered by the Agreement as of their date of termination,
- Satisfy the requirements for a Service Pension as of their date of termination,
- Have a date of termination on or before March 30, 2012, and
- Have a benefit commencement date under the Program beginning January 1, 2012 through and including March 31, 2012.

Under this special pension window benefit, the monthly pension for Eligible Participants determined as of the employee's date of termination will be converted based on the employee's age, the Program's GATT Interest Rate and the Program's GATT Mortality Table, applicable at the time of payment.

This agreement to provide this special pension window benefit expires March 31, 2012. All other provisions of this letter shall survive the duration of this Agreement (as defined in Article 1 Recognition.)

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.

Pre-2012 Agreements

SERVICE ANNIVERSARY

April 5, 2009

Mr, Ralph V. Maly, Jr., Vice President, CWA

Re: Service Anniversary

Dear Ralph,

The Company agrees to continue to extend the current AT&T Service Anniversary and Retirement Award Program to employees covered by this Agreement.

Regards,

/s/ Steven J. Leonard
Director, Labor Relations

WORK & FAMILY PROGRAMS

AT&T and the Communications Workers of America (CWA) agree to continue the following Family Care Programs:

Family Resource Programs (enhanced):

- Child Care Resource & Referral
- Elder Care Resource & Referral
- SchoolSmart Educational Resource Initiative
- Adoption Resource & Referral
- Adult Disability Consultation & Referral Service
- Caring for Self Consultation Service

Employee access to the Family Resource Programs will be expanded to 24-hour availability.

Leaves of Absence:

- Care of Newborn/Newly Adopted Child Leave (formerly Care of Newborn Child Leave)
- Family Care Leave

Gradual Return to Work:

The Gradual Return to Work Program will continue for those returning from a Family Care Leave or a Care of a Newborn/Newly Adopted Child Leave up to a maximum of six (6) months.

LABOR ADVISORY FORUM

April 5, 2009

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Labor Advisory Forum

Recognizing that rapid changes are occurring and will continue to occur in the information and telecommunications industries, the parties express their intent that forums of common interest be held at appropriate operational levels in order to promote the principles of a cooperative Union-Management business alliance, specifically Labor Advisory Forums, will serve the following purposes:

1. Establish a business alliance by providing a framework for early communication and discussion between the parties on business developments of mutual interest and concern to the parties and their constituencies, including regulatory and legislative issues.
2. Discuss and review innovative approaches to equip the Company to maintain historic levels of excellence and success in the face of rapidly increasing competition both traditional and newly emerging and evolving telecommunications markets thereby improving the employees' competitive responsiveness, while protecting and enhancing opportunities for employment security.
3. The Company and the Union recognize that technological change in equipment, products, and processes may have an effect on the Company, employees, and the nature of the work performed. Furthermore both parties recognize that the underlying technologies which drive our industry continue to change at a highly accelerated pace. In light of the fact that these changes and their impacts are important issues for both parties this item will be a standing agenda item for discussion at each meeting. If both parties agree that further action is deemed necessary, a committee will be established to determine appropriate action.
4. Improve understanding of and relationships between the parties and thereby avoid unnecessary disputes by cooperatively addressing significant changes and developments in both the Union and Company environments.
5. Provide an opportunity for the Union to discuss various work operations being contracted out and to offer suggestions as to how employees in a particular location might perform this same work in a practical and effective manner which meets the cost and completing time objectives of the business. The Company must consider such suggestions and, as appropriate, the parties may mutually agree that such discussions be continued between designated local Management and Union representatives.
6. The Company will provide the current retired CWA Local Union Presidents on the Labor Advisory Forum with travel and lodging to attend the Labor Advisory Forum meetings.

Equal number of key Union and Management persons shall constitute the Forum. It is anticipated that Management members of the Forum will include at least one (1) Senior Manager with operations responsibilities and one (1) upper-level Manager with legislative and/or regulatory responsibilities. Union members of the forum will include Local Presidents and/or CWA Staff Representatives whose positions within the CWA influence a broad range of responsibilities. Meetings will be convened by the parties at mutually agreeable places and times, but no less often than quarterly unless mutually agreed. Otherwise, the members of the Forum shall determine its composition, structure, agenda, and operation.

It is intended that each Forum support the collective bargaining process, the established contractual dispute resolution procedures, and existing joint Union-Management committees.

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

UNION REPRESENTATION

April 5, 2009

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Union Representation

As discussed during 2009 contract negotiations, the Company agreed that when an employee is placed on or moved to subsequent steps of a Performance Improvement Plan (PIP), a Union Representative will be present, if the employee so requests, if a warning of discipline (as defined by Article 12-Discipline) is incorporated in the PIP document.

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

MEMORANDUM OF AGREEMENT

PRESIDENTIAL COUNCIL

The CWA and the company enjoy a strong historic relationship as partners on many issues. In recognition of the parties' desire to continue to foster meaningful dialogue on matters of mutual interest, the Company and CWA agree to establish a Presidential Council to discuss such matters.

The Council commits to meet semiannually to continue this relationship. The parties agree to utilize this Council to engage in substantive discussions and exchange information concerning the ongoing state of the company and the union, the economy, federal and state political issues, and other concerns of both parties. Those attending this Council will include leaders of the Company and CWA. It is the Company's intent to have the appropriate senior business unit leaders in attendance if their schedules so permit.

WORKFORCE

April 5, 2009

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Workforce

As discussed during bargaining, ongoing meetings/discussions will be held between the Vice President of the CWA, C&T office and a Senior Officer of AT&T who has a leadership role for an operational line of the business. The initial meeting will be held as soon as practical after ratification of the Agreement. The purpose of these meetings/discussions will be to address a broad range of concerns raised by CWA regarding the ongoing utilization of the workforce covered by this Agreement.

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

2005 LETTERS EXTENDED

The following letters which the parties agreed to continue during the term of the 2005 Agreement will continue in accordance with their original terms for the duration of this Agreement with CWA:

- (B) Administrative and Other Improvements to ATS
- (K) Employee Assistance Program (EAP)
- (L) Extension of Constructive Relationship Trials
- (N) Funds for the Alliance Distribution Program (FAD Administration)
- (S) Pension Asset Transfer
- (U) Retirement Policy Advisory Committee
- (V) Special Social Security Supplement
- (W) Special Leave Program
- (AA) Transition to Teaching Program
- (BB) Term Employees
- (KK) Drug Testing
- (LL) Retirement-Related Benefit Eligibility
- (MM) Subcontracting Data Request
- (a) Administrative Intern Committee
- (b) Agency Temporaries
- (d) Compensatory Time (List A & List B)
- (i) Evening Meal Allowance and Expenses (List A & List B)
- (j) Extended Vacations (List A & List B)
- (k) Grievances Claiming Management is Performing Bargaining Unit Work
- (m) Metro Segments – Performance Appraisals
- (s) Pension Computation for Employees in Metro Segments
- (u) Scheduling (List A & List B)
- (dd) Article 39 – Termination Pay
- (xx) Customer Sales and Service-Commission (CSSS-S) Title Change Agreement

(B) ADMINISTRATIVE AND OTHER IMPROVEMENTS TO ATS (FORMERLY BB)

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Administrative and Other Improvements to ATS

This will confirm our understanding reached during 2005 Bargaining that the Unions and the Company, recognizing the proven advantages of continuing to simplify administrative processes and other improvements concerning the AT&T Transfer and Rehire System (ATS/ARS) agree that:

The ATS/ARS Review Board will continue to seek ways to address the following subjects:

- Review and update the employee information package, skill codes, job titles, and level equalization groups data (target date of 2nd Quarter 2006).
- Educate the general ATS employee population that registration with ATS is essential.
- Discuss potential areas for enhancement regarding the ATS/ARS system as well as the ATS/ARS Web site.
- Review and discuss the feasibility of new selection criteria. During January, 2006, the Review Board will review their findings regarding this effort.
- Continue to seek ways to mechanize and electronically provide information regarding employee status on individual placement requests.
- Review and discuss ATS/ARS job requisitions to ensure candidates are selected and/or job requisitions are closed in a timely manner.

Further, should emerging technology make additional simplification or improvements possible, the Company will pursue such programs. The schedule for implementation of all enhancements will be established and monitored by the Joint ATS/ARS Review Board.

Very truly yours,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

(K) EMPLOYEE ASSISTANCE PROGRAM (EAP) (FORMERLY T)

The Company agrees to continue for the duration of the 2005 Memorandum of Agreement, a Company-wide Employee Assistance Program (EAP) which will provide assistance in dealing with alcoholism, drug abuse, emotional illness and other medical/behavioral problems. The Program will continue to utilize qualified professionals including employees who have a thorough knowledge of the work place environment and of the services offered by EAP.

(L) EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS (FORMERLY B)

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Extension of Constructive Relationship Trials

The Company and the Unions agree that for the duration of the 2005 Memorandum of Agreement all active trials approved by the AT&T/CWA/IBEW Operations Constructive Relationship Council (CRC) under the 2002 AT&T/CWA/IBEW Operations Agreements shall be extended.

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

Regards,

/s/ Barbara. A. Maniscalco
Labor Relations, Vice President

Concurred:

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

/s/ P. A. Pusateri
Chairman, System Council T-3, IBEW

**(N) FUNDS FOR THE ALLIANCE DISTRIBUTION PROGRAM (FAD)
ADMINISTRATION**

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Funds for the Alliance Distribution Program (FAD) Administration

This will confirm our understanding that the disbursement of FAD funds will be subject to the following:

- Of the \$2,500 available for each eligible employee, a maximum of \$1,000 may be used for equipment, tools, and supplies required for training upon proof of enrollment in a program in a regionally accredited institution.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

(S) PENSION ASSET TRANSFER (FORMERLY N)

- 1 Effective January 1, 2006 and thereafter until the end of the term of this Agreement, the Company may transfer, from time to time, excess pension assets from the AT&T Pension Plan ("Plan"), to the extent allowed under applicable provisions of the Internal Revenue Code (Code), to a separate account which has been established as part of the Plan or to such other funding vehicle permitted by applicable law. The excess pension assets that are transferred are to be used only to pay qualified current or, to the extent permissible under the Code, future retiree health liabilities (as defined in Section 420 of the Code) for eligible retired occupational employees (and their spouses and eligible dependents).
- 2 All transferred amounts will be used to pay retiree health liabilities on behalf of retired occupational employees (and their spouses and eligible dependents) who retired under the Plan.

The provisions of this Section of the Agreement shall be applied and interpreted consistent with the provisions of Code Section 420 (or any successor provision) and regulations there under and the amount and transfer of excess pension assets to the separate account and payments there from shall be subject to and in accordance with any other applicable provisions and requirements (e.g., pension vesting, maintenance of health plan costs, etc.) of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and regulations there under.

(U) RETIREMENT POLICY ADVISORY COMMITTEE (FORMERLY O)

- 1 The Company and the Unions shall continue for the duration of the Agreement, the Retirement Policy Advisory Committee (the "Committee"). The Committee will consist of two representatives from the Company and one representative each from the CWA and the IBEW. The Committee, which shall meet quarterly, may adopt such rules of procedure for its meetings and operations as it deems reasonable and appropriate.
- 2 The purpose of the Committee shall be to review and evaluate various retirement policies (including retiree health, pension, and health related design issues and other issues related to the provision of retiree benefits) of the Company, other companies, and industry in general, as well as review relevant literature, research, and studies, and consistent with such review and evaluation, to make general suggestions and recommendations to the Company about possible future changes to its various retirement programs and policies.

(V) SPECIAL SOCIAL SECURITY SUPPLEMENT (FORMERLY M)

Effective December 11, 2005, Social Security Supplement payments, under the AT&T Pension Plan that were made available to designated eligible employees who were involuntarily terminated under a force adjustment program during specified periods during the term of the 1995 Memorandum of Agreement and subsequent agreements, shall be made available during the term of this Memorandum of Agreement subject to the following:

- (a) Eligibility for the payments under this provision shall be limited to eligible employees with fifteen (15) or more years of service as of June 30, 1998, who are involuntarily terminated (with less than thirty (30) years of service and at an age under age 55) with service pension eligibility under a force adjustment program at any time during the term of this Memorandum of Agreement and who elect to receive their pension benefit (commencing immediately upon termination) based on the traditional pension bands and only in the form of one of the lifetime annuity distribution options offered under the AT&T Pension Plan;
- (b) The amount of such Social Security Supplement payments shall equal the amount of the reduction in an employee's monthly annuity payment because of retirement prior to age fifty-five (55) (but not in excess of an employee's projected Social Security benefit at age sixty-five (65)), and the duration of such payments shall end on the first to occur of twelve (12) years of payments, attainment of age sixty-two (62) or the death of the retired employee.

Pre-2012 Agreements

(W) SPECIAL LEAVE PROGRAM

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Special Leave Program

This will confirm our understanding that, effective with the date of the 2005 Agreement, employees who participate in the Special Leave Program (SLP) will be covered under the Alliance Pre-Paid Tuition Program. Employees on SLP on the date of this Agreement who are already participating in the Tuition Assistance Program will be covered under the existing Tuition Assistance Program policy.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

(AA) TRANSITION TO TEACHING PROGRAM

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Transition to Teaching Program

This will confirm our understanding that, effective with the date of the 2005 Agreement, employees who participate in the Transition to Teaching Program will be reimbursed for eligible expenses using, and in accordance with, the Funds for the Alliance Distribution (FAD). Employees participating in the Transition to Teaching Program at the time of this Agreement will be reimbursed for eligible expenses as prescribed by the Transition to Teaching Program policy.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

Pre-2012 Agreements

(BB) TERM EMPLOYEES

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA

Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: Term Employees

The parties agree that term employees will be used solely for assignments or special projects that are not expected to exceed three (3) years. If, at any point during that assignment it is deemed to be work that is ongoing in nature, the job will be filled through normal staffing procedures as a regular full-time position. In no case will a term employee who has been work completed be replaced by another term employee to do essentially the same work.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

(KK) DRUG TESTING (FORMERLY MM ATTACHMENT A)

May 27, 1995

Mr. R. J. Allen, Assistant to the Vice President, CWA
Mr. J. E. Irvine, Vice President, CWA
Mr. E. A. Keller, President, System Council EM-3, IBEW
Mr. J. J. Penna, Chairman, System Council T-3, IBEW

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

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

The Company further agrees to notify the Unions if it enters into a contract with the DOD which includes the "Drug-Free Work Force" clause currently prescribed by DOD regulations or has positions which are subject to regulations under the DOT, and to submit in written form its proposal regarding any testing program.

Upon such notification, the Unions agree to enter into negotiations concerning the program. Should agreement not be reached within thirty days from such date of notification, the Company may implement the program only to the extent necessary to meet the requirements of the Drug-Free Work Force clause and applicable DOD/DOT regulations.

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

/s/ J. J. Breslin
Labor Relations, V.P.

/s/ B. E. DeLury
Labor Relations, V.P.

Concurred:

/s/ R. J. Allen
Assistant to the Vice President, CWA

/s/ J. E. Irvine
Vice President, CWA

/s/ E. A. Keller
President, System Council EM-3, IBEW

/s/ J. J. Penna
Chairman, System Council T-3, IBEW

(LL) RETIREMENT-RELATED BENEFIT ELIGIBILITY (FORMERLY I)

Following the introduction of the cash balance feature to the AT&T Pension Plan, eligibility for retirement-related benefits will be determined as set forth below.

Effective July 1, 1999, eligibility for postretirement benefits under the AT&T Medical Expense Plan for Retired Employees, the AT&T Dental Expense Plan for Retired Employees, the AT&T Group Life Insurance Plan and for telephone concessions shall be subject to an employee's attainment of the following age and service:

<u>Age</u>	<u>Net Credited Service</u>
Any age	30 years
65	10 years
55	20 years
50	25 years

Years of service (and Net Credited Service) for this purpose shall be calculated under the terms and conditions of the AT&T Pension Plan.

(MM) SUBCONTRACTING DATA REQUEST

June 18, 2003

Mr. R.V. Maly, Jr., Vice President, CWA
Mr. J.J. Penna, Director, Telecommunications, IBEW
Mr. P.A. Pusateri, Chairman, System Council T-3, IBEW

The establishment of the Subcontracting Subcommittees of the CRC was a new endeavor as a result of the last negotiations and all parties agree that they could operate more effectively. Recognizing the continued commitment to their original purpose, the Company agrees that the Union's relevant data requests (i.e., applicable contracts) will be provided normally within 45 days of their request to the company representative on the committee. In other respects the process and procedures of the CRC will continue according to their original terms. The Committee jointly agrees, where necessary, to retain financial advisors to assist the parties during the information sharing process. The Company and the Union agree to split the fee for the financial advisors in an amount to be agreed to by the parties when the financial advisors are retained.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

cc: L. J. Smith

(a) ADMINISTRATIVE INTERN COMMITTEE

During 2005 Negotiations the Company and the Union agreed to continue the Administrative Intern Program Committee. The Committee will be comprised of three (3) CWA representatives and two (2) representatives from the Company. The responsibilities of the Committee will include:

- monitoring the ongoing operation of the AI Program
- analyzing overall AI results
- propose expansion to additional GCAs and locations (Must be approved by the CRC)
- address concerns raised as to the staffing of positions through ATS

The Committee shall meet every three (3) months but no later than the end of the month preceding the close of the quarter.

(b) AGENCY TEMPORARIES

This is to confirm our understanding reached during 2005 Collective Bargaining concerning Agency Temporaries. It is understood that Agency Temporaries who hold a position normally filled by a bargaining unit employee will be removed from the roll at the end of three months unless there is agreement otherwise between the Union and the Company.

During the term of the 2005 Agreement, the Company shall provide information on the use of Agency Temporaries as it applies to the terms of the 2005 Agreement.

(d) COMPENSATORY TIME

Employees who, on May 26, 1989, were covered by Article 29, Paragraph 29.25 or Article 34, Paragraph 34.23 of the 1986 Agreement between AT&T Communications and Communications Workers of America shall continue, for the term of the 2005 Agreement, to be eligible for the scheduling and compensation treatment provided therein on the same terms, conditions and requirements that were applicable to them on that date.

COVERAGE

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Compensatory Time as provided by Articles 29.25 and 34.23, will continue to be eligible for Compensatory Time pursuant to the conditions of Article 29.25 and 34.23 for the life of the 2005 AT&T/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (in List A) previously entitled to Compensation Time under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 2005 CWA-AT&T Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS after May 27, 1989, from a title previously entitled (in List A) to Compensatory Time under the 1986 AT&T-C/CWA Contract to another title previously entitled to Compensatory Time (in List A) under the same Contract, or

- (c) The employees were assigned by the Company or laterally transferred via ATS after May 27, 1989 from a title previously entitled to Compensatory Time (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A

**Titles from the 1986 AT&T-C/CWA Contract Eligible for
Compensatory Time**

1 ADMINISTRATIVE EMPLOYEES

(a) Clerical Employees - Group A

Bill Processing Clerk
Data Processing Clerk
Revenue Results Clerk

Senior Bill Processing Clerk
Senior Data Processing Clerk
Traffic Routing Clerk

(b) Clerical Employees - Group B

Account Representative
Administrative Clerk
Billing Clerk
Clerical Assistant
Clerical Stenographer
Combination Typist
Communications Operator
Contract Clerk
Correspondence Clerk
Credit Representative
Credit Support Clerk
CSDG Assembler
Customer Representative-Business
Customer Representative-Residence
Customer Service Clerk
Engineering Data Clerk
Estimate Clerk
Facilities Clerk
Facilities Engineering Clerk
General Service Clerk
General Services Senior Clerk
Office Clerk
Office Clerical Assistant

Office Support Clerk
Records Clerk
Reports Clerk
Sales Representative
Secretarial Stenographer
Security Clerk
Security Reports Clerk
Security Representative
Senior Communications Operator
Senior Facilities Clerk
Senior File Clerk
Senior Office Clerk
Senior Records Clerk
Senior Stenographer
Service Bureau Assistant
Service Order Administrator
Service Order Typist
Special Billing Clerk
Special Reports Clerk
Stenographer
Subpoena Clerk
Telemarketing Sales Representative
Teller

2 OPERATOR SERVICES EMPLOYEES

(a) Administrative - Group B

Office Clerical Assistant
Records Clerk

Reports Clerk
Special Reports Clerk

3 GRAPHICS EMPLOYEES - GROUP B

Graphics Assistant
Assistant Graphics Specialist

Graphics Specialist
Senior Graphics Specialist

4 STAFF AND TECHNICAL EMPLOYEES - GROUP B

Engineering Associate	Staff Assistant 1
Personnel Staff Assistant 1	Staff Assistant 2

5 SERVICE EMPLOYEES - GROUP B

Building Attendant	Mechanic
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LIST B

1 SUCCESSOR TITLES

Business Inquiry Representative (BIR)	Data Processing Associate (DPA) IV
Bi-Lingual Billing Clerk	Federal Administrative Clerk
Commercial Account Specialist	Federal Business Representative
Commercial Sales Support Associate	Federal Graphics Specialist
Commercial Telemarketing Representative	Federal Order Administrator (FOA)
Customer Support Associate (CSA)	Federal Senior Clerk
Data Processing Associate (DPA) I	Federal Senior Graphics Specialist
Data Processing Associate (DPA) II	Federal Records Clerk
Data Processing Associate (DPA) III	Network Order Administrator (NOA)

(i) EVENING MEAL ALLOWANCE AND EXPENSES

During the term of the 2005 Agreement, those employees who were employed on May 26, 1989 and who, on that date, were covered by the provisions of Paragraph 31.11 or Paragraph 36.11 of the Agreement between AT&T Communications and Communications Workers of America and who are not covered by a similar provision in the 1989 Agreement, shall continue to be eligible to receive the expense allowance described therein under the terms, conditions and requirements that were applicable to them on that date. Those employees who were employed on May 26, 1989 and who, on that date, were eligible to receive evening meal payments pursuant to the June 21, 1986 letter from Mr. C. L. Brumfield to Mr. R. J. Allen, reprinted as Letter of Agreement 9 appended to the Agreement between AT&T Information Systems and CWA and who are not eligible for a similar payment pursuant to the 1989 Agreement, shall continue to be eligible to receive the evening meal allowance described therein under the terms, conditions, and requirements that were applicable to them on that date.

COVERAGE - Previously AT&T Communications Only

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Expenses Allowance Payments as provided by Articles 31.11 and 36.11 will continue to be provided Expense Payments pursuant to the conditions of Articles 31.11 and 36.11 for the life of the 2005 AT&T/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to expense allowance under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 2005 CWA-AT&T Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS after May 27, 1989, from a title previously entitled (List A) to expense allowance payments under the 1986 AT&T-C/CWA Contract to another title previously entitled to expense allowance (List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS after May 27, 1989 from a title previously entitled to expense allowance (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A

**Titles From The 1986 AT&T-C/CWA Contract Eligible For
Expense Payments**

1 ADMINISTRATIVE EMPLOYEES**(a) Clerical Employees - Group A**

Bill Processing Clerk
Data Processing Clerk
Revenue Results Clerk

Senior Bill Processing Clerk
Senior Data Processing Clerk
Traffic Routing Clerk

(b) Clerical Employees - Group B

Account Representative
Administrative Clerk
Billing Clerk
Clerical Assistant
Clerical Stenographer
Combination Typist
Communications Operator
Contract Clerk
Correspondence Clerk
Credit Representative
Credit Support Clerk
CSDG Assembler
Customer Representative-Business
Customer Representative-Residence
Customer Service Clerk
Engineering Data Clerk
Estimate Clerk
Facilities Clerk
Facilities Engineering Clerk
General Service Clerk
General Services Senior Clerk
Office Clerk
Office Clerical Assistant

Office Support Clerk
Records Clerk
Reports Clerk
Sales Representative
Secretarial Stenographer
Security Clerk
Security Reports Clerk
Security Representative
Senior Communications Operator
Senior Facilities Clerk
Senior File Clerk
Senior Office Clerk
Senior Records Clerk
Senior Stenographer
Service Bureau Assistant
Service Order Administrator
Service Order Typist
Special Billing Clerk
Special Reports Clerk
Stenographer
Subpoena Clerk
Telemarketing Sales Representative
Teller

2 OPERATOR SERVICES EMPLOYEES**(a) Administrative - Group B**

Office Clerical Assistant
Records Clerk

Reports Clerk
Special Reports Clerk

3 GRAPHICS EMPLOYEES - GROUP B

Graphics Assistant
Assistant Graphics Specialist

Graphics Specialist
Senior Graphics Specialist

4 STAFF AND TECHNICAL EMPLOYEES - GROUP B

Engineering Associate	Staff Assistant 1
Personnel Staff Assistant 1	Staff Assistant 2

5 SERVICE EMPLOYEES - GROUP B

Building Attendant	Mechanic
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6 OPERATIONS EMPLOYEES - GROUP A

(a) **Technician**

Building Technician	Communications Technician
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(b) **Others**

Apparatus Cleaner	Customer Software Administrator
Building Mechanic	Operations Clerk
Customer Contact Agent	Operations Mechanic
Customer Service Support Agent	Senior Operations Clerk
	Special Operations Clerk

LIST B

1 SUCCESSOR TITLES

Business Inquiry Representative (BIR)	Data Processing Associate (DPA) IV
Bi-Lingual Billing Clerk	Federal Administrative Clerk
Commercial Account Specialist	Federal Business Representative
Commercial Sales Support Associate	Federal Graphics Specialist
Commercial Telemarketing Representative	Federal Order Administrator (FOA)
Customer Support Associate (CSA)	Federal Records Clerk
Data Processing Associate (DPA) I	Federal Senior Clerk
Data Processing Associate (DPA) II	Federal Senior Graphics Specialist
Data Processing Associate (DPA) III	Network Order Administrator (NOA)

(j) EXTENDED VACATIONS

During the term of the 2005 Agreement, those employees who were employed on May 26, 1989, and who on that date were covered under the 1986 Agreement between AT&T Communications and Communications Workers of America, will continue to be eligible for Extended Vacations under the terms, procedures, conditions, and requirements that were applicable to them on that date.

COVERAGE

Except for employees covered by Article 37 - Operator Services, employees previously covered by the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in List A and who were entitled to Extended Vacation as provided by Article 9.40, will continue to be eligible for Extended Vacation pursuant to the conditions of Articles 9.40 for the life of the 2005 AT&T/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Extended Vacation under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 2005 CWA-AT&T Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS after May 27, 1989, from a title previously entitled (List A) to Extended Vacation under the 1986 AT&T-C/CWA Contract to another title previously entitled to Extended Vacation (in List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS after May 27, 1989 from a title previously entitled to Extended Vacation (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A

**Titles from the 1986 AT&T-C/CWA Contract Eligible for
Extended Vacations**

1 ADMINISTRATIVE EMPLOYEES

(a) Clerical Employees - Group A

Bill Processing Clerk	Senior Bill Processing Clerk
Data Processing Clerk	Senior Data Processing Clerk
Revenue Results Clerk	Traffic Routing Clerk

(b) Clerical Employees - Group B

Account Representative	Office Support Clerk
Administrative Clerk	Records Clerk
Billing Clerk	Reports Clerk
Clerical Assistant	Sales Representative
Clerical Stenographer	Secretarial Stenographer
Combination Typist	Security Clerk
Communications Operator	Security Reports Clerk
Contract Clerk	Security Representative
Correspondence Clerk	Senior Communications Operator
Credit Representative	Senior Facilities Clerk
Credit Support Clerk	Senior File Clerk
CSDG Assembler	Senior Office Clerk
Customer Representative-Business	Senior Records Clerk
Customer Representative-Residence	Senior Stenographer
Customer Service Clerk	Service Bureau Assistant
Engineering Data Clerk	Service Order Administrator
Estimate Clerk	Service Order Typist
Facilities Clerk	Special Billing Clerk
Facilities Engineering Clerk	Special Reports Clerk
General Service Clerk	Stenographer
General Services Senior Clerk	Subpoena Clerk
Office Clerk	Telemarketing Sales Representative
Office Clerical Assistant	Teller

2 GRAPHICS EMPLOYEES - GROUP B

Graphics Assistant	Graphics Specialist
Assistant Graphics Specialist	Senior Graphics Specialist

3 DATA TECHNICAL - GROUP A

Computer Technician

4 STAFF AND TECHNICAL EMPLOYEES - GROUP A

Data Processing Associate

STAFF AND TECHNICAL EMPLOYEES - GROUP B

Engineering Associate	Staff Assistant 1
Personnel Staff Assistant 1	Staff Assistant 2

(k) GRIEVANCES CLAIMING MANAGEMENT IS PERFORMING BARGAINING UNIT WORK

During our recent negotiations we have discussed the Union's concern surrounding the expeditious resolution of grievances claiming that badged and/or non-badged management is performing bargaining unit work. Both parties desire to ensure the disputes are fact based and that each understands the position of the other before the dispute is placed in the hands of a third party for final resolution. In those cases where the issue has not been resolved during the grievance process and has been appealed to arbitration, the matter will be submitted to mediation under the provisions of Article 11 – Mediation. All provisions of Article 11 will apply to such mediation process with the exception of Paragraph 1, Paragraph 2, and Paragraph 3. These provisions are replaced with the following language:

1. Within fifteen (15) calendar days of the appeal to arbitration, the parties will schedule a Mediation Conference to be held at the earliest available date.
2. The Mediation Conference will be held in Washington, DC or another mutually agreed upon location.
3. The spokesperson for the Company will be a representative from Labor Relations. The spokesperson for the Union will be a Communications Workers of America National Staff Representative.
4. An attorney will not be used by either party at the Mediation Conference.

The Company and the Union both agree that within 30 days of ratification they will prepare a list of mediators to be used for this process. The mediators will have job evaluation experience.

(m) METRO SEGMENTS - PERFORMANCE APPRAISALS

During 2005 Bargaining, Metro Segments agreed that the following will not negatively impact the evaluation of performance for appraisals or for developmental plans:

1. Absence for union activities as defined in Article 4 - Paragraph 3
2. Joint Union/Management activities as defined in Article 6 - Paragraph 4
3. Grievance meetings as defined in Article 9 - Paragraph 6
4. Jury/witness duty, death/funeral and visits to the Medical office as defined in Article 20 - Paragraph 3
5. Vacation
6. Training for more than three (3) days during a month.

(s) PENSION COMPUTATION FOR EMPLOYEES IN METRO SEGMENTS

The pension benefit of employees who hold the Sales Representative and Customer Sales and Service Specialist - C job titles shall be determined as follows:

Except as provided below, the employee's existing pension band amount at the time of retirement or termination from service shall be adjusted by multiplying such amount by a compensation ratio. Such compensation ratio shall be determined as of the end of the latest thirty-six (36) month period ending each September 30, immediately preceding the date the pension is determined. The compensation ratio shall equal: (i) the sum of (a) the employee's total commissions paid in each such thirty-six (36) month period and (b) the employee's actual base wages paid in such period, divided by (ii) the sum of the three full salary equivalents in effect as of each September 30, of such thirty-six (36) month period. In no case shall the compensation ratio be less than one.

For an employee who is promoted, demoted, laterally transferred or hired into such a job title, such employee's pension benefit for the first twenty-four (24) months in such job title shall be determined in accordance with existing Plan rules, including those regarding promotions and demotions.

For an employee who has been in the job title for less than twenty-four (24) months, the compensation ratio adjustment referred to above shall not apply.

For an employee who has been in the job title for more than twenty-four (24) months but not for the full applicable thirty-six (36) month period, the compensation ratio for the period such employee has been in the job shall be determined on a pro rata basis.

For an employee who is on a Company approved leave of absence during any period within the thirty-six (36) month period, the applicable full salary equivalents shall be prorated based upon the number of months the employee is on the active payroll.

(u) SCHEDULING

During the term of the 2005 Agreement, those employees who were employed on May 26, 1989, and who on that date were covered by the provisions of Paragraph 28.34 or Paragraph 33.62 of the Agreement between AT&T Communications and Communications Workers of America, shall continue to be covered by the scheduling treatment described therein under the terms, conditions, and requirements that were applicable to them on that date.

COVERAGE

Employees covered by the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in List A and who were entitled to Scheduling Provisions as provided by Articles 28.34 and 33.62 will continue to be provided Scheduling Provisions pursuant to the conditions of Articles 28.34 and 33.62 for the life of the 2005 AT&T/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Scheduling Provisions under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 2005 CWA-AT&T Agreement, or

Pre-2012 Agreements

- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS after May 27, 1989, from a title previously entitled (List A) to Scheduling Provisions under the 1986 AT&T-C/CWA Contract to another title previously entitled to Scheduling Provisions (in List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS after May 27, 1989 from a title previously entitled to Scheduling Provisions (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

LIST A**Titles from the 1986 AT&T-C/CWA Contract Eligible for
Scheduling Provisions****8 CLERICAL EMPLOYEES - GROUP B**

Account Representative	Office Support Clerk
Administrative Clerk	Records Clerk
Billing Clerk	Reports Clerk
Clerical Assistant	Sales Representative
Clerical Stenographer	Secretarial Stenographer
Combination Typist	Security Clerk
Communications Operator	Security Reports Clerk
Contract Clerk	Security Representative
Correspondence Clerk	Senior Communications Operator
Credit Representative	Senior Facilities Clerk
Credit Support Clerk	Senior File Clerk
CSDG Assembler	Senior Office Clerk
Customer Representative-Business	Senior Records Clerk
Customer Representative-Residence	Senior Stenographer
Customer Service Clerk	Service Bureau Assistant
Engineering Data Clerk	Service Order Administrator
Estimate Clerk	Service Order Typist
Facilities Clerk	Special Billing Clerk
Facilities Engineering Clerk	Special Reports Clerk
General Service Clerk	Stenographer
General Services Senior Clerk	Subpoena Clerk
Office Clerk	Telemarketing Sales Representative
Office Clerical Assistant	Teller

2 OPERATOR SERVICES EMPLOYEES**(a) Administrative - Group B**

Office Clerical Assistant	Reports Clerk
Records Clerk	Special Reports Clerk

3 GRAPHICS EMPLOYEES - GROUP B

Graphics Assistant	Graphics Specialist
Assistant Graphics Specialist	Senior Graphics Specialist

4 STAFF AND TECHNICAL EMPLOYEES - GROUP B

Engineering Associate	Staff Assistant 1
Personnel Staff Assistant 1	Staff Assistant 2

5 SERVICE EMPLOYEES - GROUP B

Building Attendant	Mechanic
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LIST B

1 SUCCESSOR TITLES

Business Inquiry Representative (BIR)	Data Processing Associate (DPA) IV
Bi-Lingual Billing Clerk	Federal Administrative Clerk
Commercial Account Specialist	Federal Business Representative
Commercial Sales Support Associate	Federal Graphics Specialist
Commercial Telemarketing Representative	Federal Order Administrator (FOA)
Customer Support Associate (CSA)	Federal Records Clerk
Data Processing Associate (DPA) I	Federal Senior Clerk
Data Processing Associate (DPA) II	Federal Senior Graphics Specialist
Data Processing Associate (DPA) III	Network Order Administrator (NOA)

(dd) ARTICLE 39 TERMINATION PAY

During the term of the 2005 Agreement, employees who have twenty (20) or more years of service who transfer into one of the titles listed in Article 39 and who, during the term of the current Collective Bargaining Agreement, are laid off, shall receive termination payments set forth in Article 25 in lieu of the Schedule set forth in Article 39.

(xx) CUSTOMER SALES AND SERVICE-COMMISSION (CSSS-C) – TITLE CHANGE AGREEMENT

Effective December 11, 2005, the employees in the Customer Sales and Service Specialist-Commission (CSSS-C) title located in Reynoldsburg, Ohio, will be moved to the Customer Sales and Service Specialist title. Based on business strategy changes, if the Company determines it is appropriate to assign functions traditionally performed by the CSSS-C title to employees in Reynoldsburg, the Company will seek volunteers in seniority order to return to the CSSS-C title. If not enough employees volunteer to return to the CSSS-C title, the Company may force the necessary number of employees required to meet business needs in inverse order of seniority. Should repopulation occur, CSSS-C titled employees and CSSS titled employees will be considered as having the same title for force adjustment purposes and will be treated as such in accordance with Article 24, Paragraph 1 of this Agreement.

Should the CSSS-C title be repopulated, Appendix 4 of this Agreement will serve as the baseline document for incentive compensation for employees in that title. However, should the CSSS-C title be repopulated, either the Union or Company may request to bargain over appropriate modifications to Appendix 4. Such modifications to Appendix 4 must be by mutual agreement of the Union and Company.

1998 LETTERS EXTENDED

The following letters were agreed to in 1998 bargaining and will continue in accordance with their original terms:

- (e) CSSC Scheduling
- (h) Ergonomics
- (l) Interim Status
- (o) NPG Home Garaging
- (p) On Call
- (q) Operator Services – Performance Measurements
- (r) Other Agreements Applicable to Employees of Messaging Applications Services
- | (v) Article 37 Scheduling
- (bb) Subcontracting – CWA Operations
- (cc) Designated Holidays
- (gg) Green Circle Treatment
- (hh) Work Rules Construction Techs
- (kk) HITS Provisions
- | (qq) VRCP Change Notification
- (vv) June 18, 2001 Addendum to Agreement

(e) CSSC Scheduling

During 1998 AT&T/CWA Local Contract Negotiations, discussions were held regarding issues surrounding tour selection and daily scheduling of employees. The parties agree that Local Union Officers and AT&T Managers in the Consumer Sales and Service Centers will meet periodically to review scheduling issues and concerns. The parties may discuss items including the tour preference process, alternative methods for scheduling, (i.e., basic tour scheduling) and employee communication processes which will assist employees in understanding the scheduling process.

The parties agree they will endeavor to mutually resolve these issues keeping in mind requirements of the business and needs of the employees. Scheduling of these meetings will begin immediately after ratification.

Sufficient time will be provided during initial training to make certain new employees have the information necessary to enable them to understand how office scheduling works and the impact of seniority on an individual's tour selection.

(h) Ergonomics

The Company and the Union are encouraged to meet at the Business Operating Unit level, or suitable alternative, to explore human factors issues involved in the design of work and the work environment. Where these joint efforts are initiated, Union and Company representatives are encouraged to notify the joint National Safety Advisory Committee of their efforts.

(l) Interim Status

During our recent negotiations, we have discussed the situation which may arise when an individual is sent off the job pending an investigation. In some cases, the employee is subsequently either exonerated or the evidence is deemed inconclusive. As we have discussed, ordinarily the Company will pay the employee for time lost in those cases. However, in some situations, the Company may elect not to pay the employee for the lost time. In those cases, the decision of the Company may be challenged in the grievance procedure, and if necessary, the matter may be pursued through arbitration.

(o) NPG Home Garaging

- 1 NPG (Network Process Group) Home Garaging will be established and offered at the Company's discretion to employees in work groups whose work assignments require the use of a company provided vehicle to perform their work on a regular basis and where employees' initial and/or final daily work assignments are at locations other than their mutually agreed upon work reporting location.
- 2 Employees who elect to participate will be assigned a motor vehicle for use in their work and for traveling between their work locations and places of residence or other company approved designated places for vehicle storage.

Pre-2012 Agreements

- 3 Employees using company provided vehicles to travel between their residence and their initial and/or final work assignment (other than their mutually agreed upon permanent work reporting location) will be compensated for time incurred each way beyond their normal commute time from their residence to their mutually agreed upon permanent work reporting location.
- 4 Employees who participate will be expected to provide normally secure and legal storage for the vehicle at the places of residence. If the vehicle cannot be properly stored at an employee's place of residence, the Company may arrange for appropriate storage at its expense.
- 5 The Company will normally make arrangements for maintenance of the vehicle; however, it will be the responsibility of the employee to whom the vehicle is assigned to assure that the vehicle is properly maintained. Care and upkeep (e.g., tune-ups, repair, cleaning, etc.) will be at Company expense. Employees' time incurred performing these functions will be considered compensable.
- 6 It is the policy of the Company to indemnify and hold harmless from liability, employees who are determined to be liable to others as a result of the actions and/or simple negligence of the employee arising in the scope of their employment. Employees will be considered to be acting within the scope of their employment while operating the company provided vehicle between work locations and their residences or other places of vehicle storage provided that employees are traveling in a reasonably direct route between their work locations and their residences or other places of vehicle storage and are traveling within a reasonable period of time before or after the start or end of their work day.

Note: The mutually agreed upon work location is for Home Garaging only and no other purpose

(p) On-Call

This will reaffirm our commitment during recent collective bargaining negotiations, that it is not the Company's intent to use the On-Call provisions to limit or diminish off tour or weekend coverage, but to resolve unanticipated service needs or service needs of less than a full tour.

(q) Operator Services - Performance Measurements

As discussed during recent negotiations, the Union and the Company recognize that it is in the best interest of the Company and the Union that Operator Services' performance measurement systems operate to stimulate and encourage employee behavior that furthers the Company's customer satisfaction and financial performance goals.

Accordingly, the parties agree that individual Operator productivity performance for appraisal purposes will be based on that Operator's performance in achieving the appropriate level and balance of customer satisfaction, revenue generation and cost performance.

The Company further agrees that it will not discipline an Operator solely on the basis of that Operator's Average Work Time (AWT)/Actual Call Handling Time (ACHT) performance.

(r) Other Agreements Applicable To Employees Of Messaging Application Services

The following shall be applicable to those employees originally covered by Letter (v), Other Agreements Applicable to Employees of Messaging Application Services, Part A and Part B, of the 1995 Agreement between AT&T Corp. and the Communications Workers of America which originally was Part III of the September 1, 1990 Stipulation.

The following shall be applicable to those employees who were Western Union employees on the closing date of the sale to AT&T and who were employed by ELS immediately thereafter.

- (a) For employees of Western Union on the date of the closing of the sale to AT&T who are employed by ELS immediately after the closing (hereinafter "employees covered by this letter [formerly Part III of the September 1, 1990 Stipulation]), AT&T will recognize their length of service with Western Union as recognized by Western Union as of the date of the closing for purposes of:
 - (1) Vacation accrual, active employee medical benefits, and eligibility for and vesting under any qualified individual account plan to the extent that their length of service was recognized under Western Union's plans, programs, or arrangements in effect as of the closing date of the sale to AT&T. Specifically, such Western Union service will be recognized for the following benefits:
 - (i) Sickness and Accident Disability Benefit Plan
 - (ii) Medical Expense Plan
 - (iii) Vision Care Plan
 - (iv) Dental Expense Plan
 - (v) Group Life Insurance Program
 - (vi) Long Term Disability Plan (Non-Salaried)
 - (vii) Dependent Group Life Insurance Plan
 - (viii) AT&T Savings and Security Plan (Non-Salaried)
(Now known as AT&T Long Term Savings and Security Plan)
 - (ix) AT&T Employee Stock Ownership Plan
 - (x) AT&T Group Legal Plan
 - (2) Vesting and eligibility (but not calculation or accrual) of retirement and death benefits under the AT&T Pension Plan.

Pre-2012 Agreements

- (b) The following items from Part II of the 1989 Settlement Memorandum shall not apply to employees covered by this Letter (formerly Part III of the September 1, 1990 Stipulation) with regard to their service with Western Union:
 - 1. Breaks in Vesting Service (F)
 - 2. Service Bridge After Layoff (S)
 - 3. Miscellaneous Service Bridge (T)
- (c) The length of Western Union service of employees covered by this Letter (formerly Part III of the September 1, 1990 Stipulation) shall apply to the following Articles: Articles 1-22, and 24-32
- (d) The Company reserves the right to implement before May 7, 2002, a merit pay plan for employees in titles contained in this Article. If no such plan is implemented by this date, this provision will expire on such date.

September 1, 1990

Mr. A. L. Harris
CWA Representative
Communications and Technologies
Communications Workers of America
1925 K Street, NW
Third Floor
Washington, DC 20006

Dear Art:

This will confirm our commitment at the bargaining table that AT&T and Intelligent Network Services does not intend to have supervisors of technical employees perform work of a kind normally assigned to the employees they supervise.

Regards,

/s/Peter E. Gorry
Division Manager - Labor Relations

(v) Article 37 Scheduling

The parties agree to continue scheduling call servicing employees, covered by Article 37, on a two-week interval instead of a weekly scheduling process. Scheduling in this manner will continue for the term of the current collective bargaining agreement unless either party provides the other with sixty (60) days written notice of termination.

(bb) - Subcontracting - CWA Operations

May 9, 1998

Mr. Jerome U. Klimm
Administrative Assistant to Vice President

The attached letter to Mr. Morton Bahr from Mr. Raymond Williams, dated May 27, 1989, concerning subcontracting was a National item that was agreed to in 1989 and continued in 1992 as supplemented by Dispute Resolutions - Subcontracting (CWA Operations) for certain bargaining units and again continued in 1995, will continue in effect in accordance with its original terms until the termination of the 1998 Agreement.

Sincerely,

/s/ F. N. Murray
Labor Relations, District Manager

Concurred:

/s/ Jerome U. Klimm
Administrative Assistant to Vice President

Attachment

ATTACHMENT

May 27, 1989

Mr. Morton Bahr, President
Communications Workers of America
1925 K Street, NW
Washington, DC 20005

Dear Mr. Bahr:

I am writing to respond to the expressions of concern raised at the Operations bargaining table regarding the Company's contracting out of work, which have focused on situations in which a layoff is pending or has occurred (and ex-bargaining unit members retain recall rights) within the same force adjustment area where the work is to be contracted, and in job titles whose occupants would traditionally have performed such work.

I do not believe that CWA and AT&T have diverse views on this subject.

As to such work normally performed by our employees, we have always preferred not to contract such work out if it would otherwise be performed by bargaining unit employees in job titles in a geographical commuting area (1) where layoffs of such employees are pending; or (2) where a layoff has already occurred and such laid off bargaining unit members retain recall rights and are available to perform such work.

In the future, the Company will not contract out such work, under the conditions outlined above, except when it has no other reasonable alternative. Under such circumstances, the Company will discuss its decision with the Union.

Very truly yours,

/s/ Raymond E. Williams

(cc) Designated Holidays

During the term of the 1998 Agreement, the Local Unions which were entitled under the terms of the AT&T Communications Agreement, shall continue to be eligible to designate a holiday under the same terms, conditions, procedures, and requirements as were applicable under the terms of Paragraph (z) (5) of the 1992 Settlement Memorandum.

Designations of all holidays falling within the term of the Agreement must be made within 90 days of the effective date of the Agreement.

(gg) Green Circle Treatment

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

Employees who, as the result of Paragraph (HH) of the 1992 Settlement Memorandum, were receiving "Red Circle" treatment and whose wages still exceed the rate for the job they hold, will have their "Red Circle" treatment extended until the end of the 1998 Agreement.

(hh) Work Rules: Non-Located Construction Technicians and Senior Construction Technicians

By definition, employees in these classifications are not assigned to a specific office. They are assigned "where the work is" and will frequently move from one work location to another. The following work rules will apply nationwide and are intended to accommodate the nature of work and the commensurate lifestyle inherent in these non-located job titles.

1 Territorial Assignments

Technicians will be normally assigned to work within one of four geographic territories (East, South, Central, and Western).

(a) Temporary Assignments

Business needs will sometimes dictate that entire crews or individual employees be temporarily assigned work outside their normally assigned territory. Generally, such work assignments will:

- (1) Require the talents and team work of a full crew. When a full crew is required, assignment will be made by the appropriate manager based upon crew availability and skills required to perform work. Usually, such assignments will not exceed one month in duration.

- (2) Require one or more individual technicians to augment an existing crew, to form a new crew, or to work alone. When individual assignments are necessary, the territorial manager releasing technicians for temporary assignments will canvas qualified people for volunteers, and when possible, fill temporary assignments from volunteers in order of seniority. If sufficient qualified people do not volunteer, work will be assigned to qualified people in inverse order of seniority.
- (3) When an employee is temporarily assigned outside his or her normally assigned territory for longer than 30-day periods, transportation to their home of record for two consecutive non-scheduled days will be paid by the Company every thirty days of the temporary assignment. Time spent traveling to or from the temporary assignment is not included in the thirty (30) day calculation nor shall it be considered as time worked. Subject to needs of the business, the Company will consider travel distances and transportation availability when an employee is traveling to and from the temporary assignment.

(b) Permanent Transfers/Reassignments

- (1) Where business needs dictate, the need to permanently transfer or reassign an individual(s) from one territory to another, the Company will canvass all technicians in the sending territory for volunteers. The transfer or reassignment shall be accomplished from among the qualified and releasable volunteers in descending order of seniority.
- (2) An individual(s) permanently transferred or reassigned from one territory to another, (as describe in Paragraph 1(b)(1) above) who relocates his/her permanent residence to the new territory shall be paid a lump sum payment of \$12,000 or the amount of termination allowance the individual would receive if the individual were laid off, whichever is less, provided, however, that in no case shall the relocating individual be paid a lump sum payment of less than \$5,000.

The lump sum payment will be subject to the withholding of appropriate taxes.

Appropriate change of residence documentation will be provided to management within forty-five (45) days of the change of residence.

Change of residence must be completed within one (1) year of the date of transfer.

- (c) An employee entitled to moving expenses under Paragraph 1(b) above may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of \$1,500.00 in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.

2 Travel On Company Time

By definition, construction technicians and senior construction technicians are non-located and frequently travel. The following will be considered travel on Company time:

- (a) From reporting location to job site.
- (b) From job location to job location.

- (c) Reasonable time to move personal vehicles from job location to job location.

Note: For short duration assignments or emergencies lasting one week or less, no time for personal vehicle movement will be granted.

Note: If an employee is required to drive a Company vehicle from job location to job location then return to move a personal vehicle, management will have the option to furnish air transportation back to the old work location in order to reduce overall move time.

Note: When personal vehicles are moved from one work location to another, employees driving their personal vehicles will be reimbursed at the highest IRS allowable rate per mile. Under no circumstances will an employee be eligible for mileage reimbursement when driving a company vehicle or when riding as a passenger "car pooling" to pick up personal vehicles.

3 Phone Calls

In addition to the discounts/allowances made for occupational employees, as outlined on the Approval Request Form, U1241, non-located construction and senior construction technicians will be permitted business reimbursement/allowance for the calls described below. The maximum amount of this reimbursement/allowance shall be \$25.00 for each monthly billing period. The allowance/reimbursement cannot be accumulated month over month.

Calls made between the employee's home phone and employee's work location.

This allowance/reimbursement can be administered through either of the following methods:

1. Form U1241
2. Corporate Calling Cards

The approving authority is totally responsible to verify that calls for which allowance/reimbursement is allowed meet the conditions described above.

4 Board and Lodging

Board and lodging will be comprised of two components: a daily allowance for meals and a daily allowance for lodging. The "board" or meal allowance will be paid during eligible periods for the full seven days a week. (Ineligible periods are described below).

For the lodging component, employees will have the choice of the following during eligible periods:

- (a) Employees may choose to stay in accommodations assigned by the Company. If this option is elected, employees are normally assigned single occupancy. However, double occupancy may be assigned as the Company deems necessary or appropriate. In either case, the Company will pay the bill for such accommodations. Should an employee elect to "check out" of Company provided accommodations during an eligible week, the employee will be eligible for up to two "check out days" per week during which the Company does not provide for his or her lodging. "Check out days" will be compensated for at the daily lodging rate. In no case will the Company pay both a motel bill and the lodging component for the same day unless prior Company approval is obtained.

Pre-2012 Agreements

- (b) Employees may choose to receive direct payment of the lodging component for the full seven days a week during eligible periods. Under this option, employees will be responsible for their own lodging unless Company approval is obtained prior to the “check out”.

Note: Employees will be ineligible for board and lodging during scheduled vacations, including floating holidays, EWDs, and when on paid or unpaid absence and away from the assigned work location. Additionally, if a vacation day, floating holiday, or personal day is scheduled on Friday, employees will not be eligible for board and lodging on the following Saturday. Similarly, if a vacation day, floating holiday, or personal day is scheduled on Monday, employees will be ineligible for board and lodging on the preceding Sunday.

- (c) For the term of this Agreement, employees eligible for board and lodging allowances will be compensated according to the following schedule:

Board Allowance = \$26.00/day

Lodging Allowance = \$24.40/day

(kk) Hawaii Information Transfer (HITS) System Provisions

The following items were agreed to in 2002 bargaining and will continue in accordance with their original terms:

- (1) HITS Center Employee Holidays
- (2) Service Attendant-HITS Work Scheduling
- (3) HITS Network Communications Technician Force Adjustment

(1) HITS Center Employee Holidays

April 1, 1999

Mr. Jerome U. Klimm
Administrative Assistant to the Vice President

This will confirm our agreement that in regards to the Holiday Article 23.1, the HITS Center Employees will substitute President's Day for the Day after Thanksgiving. This substitution is required to better align the work center with the federal holidays that are observed by the customer.

Sincerely,

L. J. Smith
Labor Relations, Staff Manager

Concurred:

Jerome U. Klimm
Administrative Assistant to the Vice President

(2) Service Attendant-HITS Work Scheduling

April 1, 1999

Mr. Jerome U. Klimm
Administrative Assistant to the Vice President

This letter will confirm our agreement reached regarding the employees in the Service Attendant-HITS title in the HITS Center. These employees will adhere to the following changes regarding posting of schedules and changes in schedules:

Posting Schedules

Holiday schedules shall be posted at least two (2) weeks prior to the holiday and subsequent changes shall be kept at a minimum.

Changes in Schedules

Changes in scheduled and non-scheduled days for the following week may be made provided the employee is notified personally of the change at or before 5:00 PM Thursday of the current week. After 5:00 PM Thursday of the current week an employee shall not be required to change his or her scheduled and non-scheduled day; provided, however, that if an employee is called in on a non-scheduled Sunday and works the equivalent of a full tour, that Sunday shall become a scheduled day and the Company may designate one of the employee's scheduled days in the week as a non-scheduled day by notifying the employee of such designation before the end of the Sunday work.

Sincerely,

L. J. Smith
Labor Relations, Staff Manager

Concurred:

Jerome U. Klimm
Administrative Assistant to the Vice President

(3) HITS Network Communications Technician Force Adjustment

April 1, 1999

Mr. Jerome U. Klimm
Administrative Assistant to the Vice President

Force Adjustments originating with the title of Network Communications Technician-HITS will be considered to include the title of Communications Technician for the purposes of job claiming. The title of Communications Technician will be included in the creation of job claiming lists for the applicable Force Adjustment Region. A Network Communications Technician-HITS may claim a job of a Communications Technician provided the Network Communications Technician-HITS has the basic qualifications to perform the Communications Technician job and provided the Network Communications Technician-HITS has greater seniority than the Communication Technician.

Sincerely,

L. J. Smith
Labor Relations, Staff Manager

Concurred:

Jerome U. Klimm
Administrative Assistant to the Vice President

Pre-2012 Agreements

(qq) VRCP Change Notification

May 12, 2002

Mr. Ralph V. Maly, Jr., Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Ralph,

This is to confirm the agreement reached during 2002 bargaining that when the Call Servicing Business Planning organization is approached to consider changes to the VRCP platform, or if the Call Servicing Business Planning members themselves meet to develop changes they will immediately notify the appropriate National CWA Staff Representative.

Regards,

Frederick N. Murray, Vice President
Employee and Labor Relations

(vv) June 28, 2001 Addendum to Agreement

Mr. R. V. Maly, Jr.
Vice President – CWA
Communications Workers of America
501 Third Street, NW – 2nd Floor
Washington, DC 20001

This will confirm our agreement during 2002 negotiations that the Memorandum of Agreement (copy attached) dated 6/28/01 will be extended through the life of this Agreement.

/s/Frederick N. Murray, Vice President
Employee & Labor Relations

**Addendum to Agreement
AT&T and CWA
June 28, 2001**

Preamble

In support of the overarching objectives of the parties to establish a more constructive relationship; to maximizing employment opportunities for CWA members within AT&T; to address the Company's competitive concerns; and to address the Union's concern about movement of work outside the bargaining unit, the following recommendations, issued by C. Richard Barnes, are hereby adopted.

Section 1

Arbitrators & Process

The Company and Union to agree to expedite the consideration of the issue of management performing bargaining unit work into an accelerated fact based arbitration process described herein.

The parties have developed a list of criteria to define occupational work for non-supervisory employees performing technical, clerical/administrative and customer contact work. The criteria, job evaluation standards described in Appendix A, shall be used to make the determination if work currently being performed by A-1 through A-3¹ managers in core represented AT&T Business Operating Units and work groups should be performed by occupational employees, considering AT&T historical practices, and agreements of excluding, for example, Executive Secretaries, Legal Secretaries and Confidential Employees.

To accelerate resolution of these issues, the parties agree to identify a special panel of qualified arbitrators with job classification experience from the existing panel of arbitrators for A-2/A-3 disputes. The Company and the Union shall each identify five Arbitrators who will be available to work within the expedited timeframes described in the following sections. The selected Arbitrators shall constitute a special panel of ten Arbitrators who will rotate assignments, in order, based on their availability. If the parties can not identify a sufficient pool of arbitrators by July 31, 2001, they shall ask the Director of the FMCS to identify and choose ten from the available pool of the FMCS. The Director of FMCS will notify the parties of the persons selected as Special Arbitrators and will forward copies of their biographical sketches as well as the initial order of assignments. The parties will each be responsible for fifty percent (50%) of the cost of the Arbitrators' fees, including daily per diem and travel expenses.

To accelerate the evaluation of the A-1 employees, the FMCS Chairman shall identify one qualified arbitrator who can hear the case in a manner consistent with the timetable identified below.

¹ Throughout this Agreement, when the parties refer to "A" level titles or work, the reference refers to S, SGSA, TCP and all other classification systems used to describe people in a similar management class.

Section 2

A-1 Employees

The company shall complete its evaluation of all A1 jobs no later than May 18, 2001 and shall communicate to the Union the list of jobs that it believes are occupational and should be included within a bargaining unit and those that it determines are A1 management or occupational non-represented positions and should be excluded. The Union shall review the Company determinations and if the Company and Union are in agreement with those positions evaluated as excluded, those positions will remain status quo. Where the Company and Union agree that a position is occupational and included, and further agree on the bargaining unit to which that position should be assigned, then that position will be immediately included in the bargaining unit.

By June__, 2001 the Union shall communicate to the Company the jobs from the Company's "excluded" list that the Union believes are inappropriately classified as management and should be included in a bargaining unit. Within three days, the Union and Company shall discuss the Union objections. If there remain jobs in dispute, they shall be immediately assigned to a Special Arbitrator, selected by the FMCS Chair, who shall make a final and binding decision no later than July__, 2001. This decision will be based on written submissions (i.e., job descriptions, score sheets and the parties' contentions) from the Company and Union. Jobs determined by the Arbitrator as inappropriately classified as management and otherwise belonging within a bargaining unit shall be immediately included in the appropriate bargaining unit.

Section 3

A-2/A-3 Employees

The Company shall commence an immediate review of A-2/A-3 positions and immediately as available provide the information it collects to the Union for positions the company determines to be occupational. The Company shall communicate the evaluations as soon as they are available and shall provide the results of their review of no less than 800 jobs per month. No later than September 15, 2001, the Company shall have completed its review and provided to the Union a full list of the jobs in classes A-2 and A-3 that in the Company's determination of the jobs that it believes are occupational and should be included in a bargaining unit. The Company shall provide its review including a list of the numbers of jobs in each title and their location, job descriptions and the scoring sheet for each classification. This list shall be provided in paper and electronic formats.

Where the Company and Union agree that a position is occupational and included in a bargaining unit, then the position will be immediately included in the appropriate bargaining unit. Where the Union disputes the Company's findings regarding work assigned to particular A-2/A-3 management positions, the Company shall meet with the Union to discuss the claim and provide the Union with sufficient information to investigate its claim. Disputes around information requests shall be submitted to a mutually agreed upon special master.

The parties agree to accelerate the contractual process and focus the grievance/arbitration process on the key questions. The Union and Company shall meet within 30 days of the Union filing a national level grievance. The Union shall present the Company with its claim and evidence. If the parties can not resolve their dispute, then the Company will commit to the contractual expedited arbitration process, subject to arbitrator availability within 30 days without argument of exclusivity for certain generic functions performed by both management and the bargaining unit employees such as operating a laptop, answering telephones, accessing databases. This does not mean however, that neither the Company nor the Union is prevented from presenting evidence that the work in question has also been performed by employees or managers inside or outside the bargaining unit. The jobs in dispute shall be immediately assigned to selected arbitrators from the special panel who will make a final and binding decision no later than 30 days from the conclusion of the hearing. The dispute shall be submitted as a third step national level grievance, to be heard no later than 14 days from the union's notice of disagreement. If the evaluation of the position remains in dispute, the Company will commit to hear the arbitration, subject to arbitrator availability within 30 days. The jobs in dispute shall be immediately assigned to selected Arbitrators from the special panel who will make a final and binding decision no later than 30 days from the conclusion of the hearing. The issue placed before the arbitrator shall be whether the jobs in dispute are inappropriately classified as management and otherwise belong in the bargaining unit and the arbitrator shall make his decision based on the jointly agreed criteria described in Appendix A. Jobs determined by the Arbitrator as belonging within the bargaining unit shall be immediately included in an appropriate bargaining unit.

The parties believe that there may be some instances when there is a mix of bargaining unit and management functions, which are being performed by a worker or a group of workers classified as management. In such a case, the parties shall determine if the bargaining unit function can be separated from the management function and the work reorganized and returned to the bargaining unit. In such a case, the work will be divided proportionately between appropriately classified management work and appropriately classified bargaining unit work and the bargaining unit work assigned to the bargaining unit. If the parties disagree on the allocation of work between management and the bargaining unit, this issue may be placed before the arbitrator for a final and binding decision by either party as a part of the hearing described above.

Section 4

A-4/A-5 Employees

Where the union alleges that the Company has assigned work performed or could be performed by bargaining unit employees to A4 and A5 managers, the Company shall provide the Union with sufficient information to investigate its claims. This shall include, but is not limited to, job titles, job descriptions, location, employment history, for all A-4 and A-5 employees which the Union believes are performing bargaining unit work. The information shall be provided in paper and electronic formats. Disputes around information requests shall be submitted to a mutually agreed upon special master.

The parties agree to accelerate the contractual process and focus the grievance/arbitration process on the key questions. The Union and Company shall meet within 30 days of the Union filing a national level grievance. The Union shall present the Company with its claim and evidence. If the parties can not resolve their dispute, then the Company will commit to proceed to the contractual process, subject to arbitrator availability within 30 days, without argument of exclusivity for certain generic functions performed by both management and the bargaining unit such as operating a laptop, answering telephones, accessing databases. This does not mean however, that neither the company nor the union is prevented from presenting evidence that the work in question has also been performed by employees or managers inside or outside the bargaining unit. The jobs in dispute shall be immediately assigned to selected Arbitrators from the special panel who will make a final and binding decision no later than 30 days from the conclusion of the hearing.

The parties believe that there may be some instances when there is a mix of bargaining unit and management functions, which are being performed by a worker or a group of workers classified as management. In such a case, the parties shall determine if the bargaining unit function can be separated from the management function and the work reorganized and returned to the bargaining unit. In such a case, the work will be divided proportionately between appropriately classified management work and appropriately classified bargaining unit work and the bargaining unit work assigned to the bargaining unit. If the parties disagree on the allocation of work between management and the bargaining unit, this issue may be placed before the arbitrator for a final and binding decision by either party as a part of the hearing described above.

Section 5

Existing Occupational Work, Web Hosting, LNS,

And other non-represented/CNRP

The April 10, 2001 Memorandum of Understanding is specific in its call for establishing a method to address issues concerning competitiveness, a more constructive relationship, movement of work outside the bargaining unit and assignment of work that could be performed by bargaining unit personnel. Understanding that these are complex and difficult matters that will require a significant investment of time and resources to resolve, and that the current CBA will expire on May 10, 2002, the Company and the Union agree to engage in early contract negotiations on these matters. If the parties agree, they may elect to utilize the FMCS to facilitate such early negotiations.

In recognition of rapidly evolving technologies, the company shall discuss the assignment of new work similar to the technical, customer contact and administrative/clerical work currently performed by the bargaining unit to the bargaining unit. If such work is assigned to the bargaining unit, then in accordance with the contract the parties shall negotiate appropriate titles, wages and working conditions for these new positions.

Section 6

Classification of Future Positions

Where the Union alleges the Company has assigned work traditionally performed by bargaining unit employees to A-2/A-3 positions in the future, the parties agree to utilize the provisions of Section 3, A-2/A-3 Employees, above, to investigate the Union's claim and if necessary, grieve and arbitrate the dispute.

Section 7

Sub-Contracting

Recognizing the complexity of this issue and the potential impact of specific language in the existing collective bargaining agreement, I am scheduling another meeting of the respective representatives to facilitate a discussion on the issues of sub-contracting, consistent with the provisions of Article 30 of the agreement. This meeting will be held on mutually available dates in June at the offices of FMCS in Washington, DC. It will be the responsibility of the parties to have their resource personnel present at this meeting. The Company and the union may contract with a Union selected adviser to support this process and shall share equally fees and expenses of the adviser. The parties shall agree on a scope of work and monitor expenses.

Section 8

Voluntary Termination Payments

The parties have worked to sort the current outstanding VTP disputes into similar categories and have reached agreement on combining these issues into three cases.

These cases shall be expedited and the parties shall instruct that hearings be scheduled within fourteen days of this agreement and final and issued no later than forty-five days after the hearing.

For the Communication Workers
of America:

For the AT&T Corporation:

Ralph V. Maly, Jr.
Vice President, CWA

Frederick N. Murray
Vice President – Employee and Labor Relations

1995 LETTERS EXTENDED

The following items were agreed to in 1995 bargaining and will continue in accordance with their original terms.

- (b) Appearance Guidelines
- (c) Arbitration Awards - Interim Earnings
- (d) Article 16 Transfer/Reclassifications to PT During Surplus
- (m) Employee Training
- (p) Excused Work Days
- (bb) Teleconference Specialist/Operator Force Adjustment Procedure

(b) Appearance Guidelines

The parties recognize and agree that, consistent with the professional image vital to the Company, all employees are expected to be neat and well groomed at all times. Appearance should be appropriate for the community in which the employee works, in keeping with the job assignment, and consistent with what is acceptable for employees in other similar type business establishments.

Explicit in the parties' expectations is a recognition between the Company and the Union that all employees should wear appropriate attire for the work assignment expected to be performed.

In the event of a dispute concerning whether appearance guidelines promulgated or in effect in a particular office or facility are consistent with these expectations, the grievance procedure shall be utilized. If the parties are unable to resolve the dispute in the grievance procedure, the Union may proceed to arbitration pursuant to the provisions of Article 10 of the Agreement. The arbitrator shall determine whether the appearance guidelines promulgated or in effect are reasonable.

(c) Arbitration Awards - Interim Earnings

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning the deduction of certain interim earnings from an award of back pay. As we discussed, in calculating interim earnings to be deducted from a back pay award we will not include amounts earned by the grievant in other employment to the extent that the other employment was held while the grievant was employed by the Company and to the extent such other employment is at a comparable level in terms of number of hours.

(d) Article 16 Transfers and Reclassifications to Part-Time During Surplus

During our recent negotiations, we have discussed the Union's claim that individuals have been reclassified to part-time or laterally transferred from a title in which there is an impending surplus to a title that will not be affected by the impending surplus declaration, for the purpose of protecting the employee from the surplus declaration. Both the Company and Union agree that such a practice is not in the best interest of employees and the Company will not support or condone such a practice.

If the Union believes that such a transfer or reclassification has occurred, it may, notwithstanding any contrary provision of Article 9 - Grievance Procedures, notify the Company, in writing, of its claim within thirty (30) days of the involved surplus declaration. Representatives of the Company and the Union will meet, within seven days of the Company's receipt of the written notice, to review and attempt to resolve the Union's claim. If the parties are unable to resolve the dispute, the Union may submit its claim to arbitration and the Company agrees it will process the demand for arbitration in an expeditious manner. The provisions of this paragraph shall not apply to employee movement pursuant to the ATS plan.

(m) Employee Training

The parties mutually recognize that it is in the best interest of the Company, its employees and customers that employees be provided the opportunity to participate in training which will enable them to maintain and improve job skills and qualifications. The Company retains its right to assign training to employees within a title. However, when making decisions concerning training, the Company will take into account length of service (Net Credited Service as determined by the Employee Benefit Committee) and expressions of interest of all affected employees insofar as the conditions of the business and the abilities of the employees permit.

It is the intention of the parties through the above to achieve the mutual goals and objectives of the Union and the Company.

(p) Excused Work Days

After a surplus declaration, the Company will make every reasonable effort to grant time off for unused Excused Work Days to those employees in the at risk group prior to their scheduled off roll date.

(bb) Teleconference Specialist/Operator Force Adjustment Procedure

Force adjustments originating within the title of Operator will be considered to include the title of Teleconference Specialist for the purposes of job claiming. The title, Teleconference Specialist, will be included in the creation of job claiming lists for the applicable Force Adjustment Region. An Operator may claim the job of a Teleconference Specialist provided the Operator has the basic qualifications to perform the Teleconference Specialist job and provided the Operator has greater seniority than the Teleconference Specialist.

Force adjustments originating within the title of Teleconference Specialist will be considered to include the title of Operator for the purposes of job claiming. The title, Operator, will be included in the creation of job claiming lists for the applicable Force Adjustment Region. A Teleconference Specialist may claim the job of an Operator provided the Teleconference Specialist has the basic qualifications to perform the Operator job and provided the Teleconference Specialist has greater seniority than the Operator.

1992 LETTERS EXTENDED

The following items were agreed to in 1992 bargaining and will continue in accordance with their original terms.

- (a) Local Agreements
- (b) Indemnification
- (c) Overtime Equalization
- (e) Downgrades to New Job Title
- (g) Schedule Change - Part-Time Employees
- (s) Operator Services - Weather Emergencies

(a) Local Agreements

Local agreements, other than those that are specifically provided for in the Agreement, that violate the provisions of the Agreement will be null and void immediately upon the effective date of the Agreement. Other local agreements will continue to effect unless and until either party gives forty-five (45) days written notice of their termination. During that 45-day period, either party may initiate negotiations pursuant to Article 2 (Collective Bargaining), Paragraph 2.10 of the 1992 Agreement. If no agreement is reached during that forty-five (45) day period, the local agreement will no longer be effective and binding upon either Company or the Union.

(b) Indemnification

It is the policy of the Company to indemnify and hold harmless from liability, employees who are determined to be liable to others as a result of the actions and/or simple negligence of the employees arising in the scope of their employment. Employees who participate in the Motor Vehicle Usage Program will be considered to be acting within the scope of their employment while operating the Company-provided vehicle between work locations, and between work locations and their residences or other places of vehicle storage, provided that employees are traveling in a reasonably direct route between their work locations and their residences or other places of vehicle storage and are traveling within a reasonable period of time before or after the start or end of their work day.

(c) Overtime Equalization

For the term of the 1992 Agreement, the Company will continue existing overtime equalization agreements as they exist unless and until they are cancelled pursuant to Item (a) of the Settlement Memorandum. All such agreements shall be subject to the grievance procedure of Article 9. Only those that were subject to the provisions of Arbitration of the 1989 Agreement shall continue to be subject to arbitration.

(e) Downgrades to New Job Title

When an employee is involuntarily assigned via Article 16 to a title that has been newly created under Article 17, and that title has a lower pay schedule, the employee's current rate of pay will be green circle protected for the life of the contract. It is understood that the terms of this agreement will result in the green circle treatment ending with the expiration of the contract.

(g) Schedule Change Part-Time Employees

During our recent negotiations, we discussed the Union's concern that part-time employees' schedules were sometimes changed on very short notice resulting in fewer scheduled hours on a given day or for a given week. It is not the Company's intent to reduce the regularly scheduled hours of part-time employees without adequate notice.

(s) Operator Services - Weather Emergencies

Operator Services employees who are required to remain at work while other employees in the same location have been released because of a weather emergency declared by the Executive Head or his/her designee shall receive additional compensation of one-half (1/2) the employee's gross rate for each hour they continue to work while the emergency weather declaration is in effect for the affected location.

1989 PROVISIONS - GROUPS EXTENDED

The following items were agreed to in 1989 bargaining and will continue in accordance with their original terms.

- (2) Atlanta & Orlando Financial Operations Centers
- (6) Night Tour
- (8) Operator Services - Service Assistant
- | (17) Vacation Scheduling

(2) Atlanta and Orlando Financial Operations Centers

For the term of the 1989 Agreement, employees assigned to the Financial Operations Centers in Atlanta, GA and Orlando, FL may not select half-tour vacations during the vacation selection process described in Paragraph 22.50 (Scheduling of Time Off), but may subsequently request their vacation on a half-tour basis and such request shall be granted if service and coverage conditions permit.

(6) Night Tour

For employees assigned to a title listed in Article 35 (Sales) or Article 36 (Support), who are assigned to an administrative unit whose employees were, on May 26, 1989, covered under terms of the 1986 Agreement between AT&T Information Systems, Inc. and Communications Workers of America, the night tour shall be defined, for the term of the 1989 Agreement as a regularly scheduled tour which falls wholly or partially within the period from 6:00 PM - 6:00 AM. During the same period and for the same employees the day tour shall be defined as a regularly scheduled tour which falls wholly within the period from 6:00 AM - 6:00 PM.

(8) Operator Services - Service Assistant

During recent negotiations the Union requested a list of duties and responsibilities of the Service Assistant title in Operator Services. In response to this request, following is a summary of the general duties of the Service Assistant:

The Service Assistant shall at all times perform his or her duties in accordance with authorized practices and procedures. These duties shall include but are not limited to:

1. Assist operators in handling difficult and emergency calls.
2. Respond to customer requests and handle irate customers.
3. Conduct classroom and/or on-the-job training.
4. Provide information and explanations regarding operating practices.
5. Check and report irregularities related to force conditions.
6. Maintain records.
7. Perform additional duties as assigned by management.

Although the above description generally covers the duties of a Service Assistant, the omission of other duties of the same general type shall not be construed as limiting the duties to the items listed above, nor shall the inclusion of duties listed above confer to the Service Assistant the right to perform those duties exclusively.

The Service Assistant shall not be required to take disciplinary action against an employee.

(17) Vacation Scheduling

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street - 37th Floor
New York, NY 10005

Gentlemen:

During the 1989 negotiations between AT&T Communications and Communications Workers of America, the Union expressed a concern relative to service and coverage requirements in connection with vacation schedules and personal holiday schedules.

The Company recognizes the importance of vacations to our employees and believes that vacation schedules should be prepared in such a manner as to permit a maximum number of vacations during the most desirable vacation periods to the extent that service and coverage requirements permit.

It is also our belief that special consideration should be given to the traditionally observed holidays that were replaced with personal holidays in the 1989 Agreement. The new holiday language, in and of itself, should not change the coverage requirements for those days that were designated as holidays in past contracts. Every effort should be made by managers to make available as many of these days as possible for selection as personal holidays.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

1989 PROVISIONS - INDIVIDUAL EXTENDED

The following items were agreed to in 1989 bargaining and will continue in accordance with their original terms.

- (5) Voluntary Overtime - Ohio and C&P
- (6) Overtime Payment Provisions
- (7) Overtime Limitations

(5) Voluntary Overtime, Ohio and C&P

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during our recent collective bargaining negotiations, concerning voluntary overtime in the State of Ohio and in the geographic operating area of the Chesapeake and Potomac Telephone Company ("C&P"). Those employees who we employed in the geographic territories of the Ohio Bell Telephone Company and C&P shall continue, for the term of our 1989 Agreement, to work overtime on a voluntary basis consistent with the voluntary basis that applied under the foregoing BOC contracts.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

(6) Overtime Payment Provisions

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning certain overtime payment provisions. Those Company employees who, pursuant to their respective applicable 1983 BOC agreements or contracts, were entitled to be paid for overtime hours worked immediately preceding or following their regularly scheduled tour and/or following their normally scheduled work weeks, and those employees engaged hereafter in the same or similar titles in the same work groups, shall, during the term of the 1989 Agreement, continue to be paid for such overtime in a manner consistent with the applicable provisions of the 1983 BOC agreement or contract that pertained in the geographic area.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

(7) Overtime Limitations

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning limitations on the assignment of overtime work in certain circumstances during the term of the 1989 Agreement.

Those employees previously covered by the provisions of Article 17.06 of the agreement between the Union and New York Telephone Company (dated December 2, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 17.06.

Those employees previously covered by the provisions of Section 8, Article VI of the agreement between the Union and the Southwestern Bell Telephone Company (dated as of August 28, 1983), and those employees engaged hereafter in the same or similar titles in the same geographic area, shall continue to be treated in a manner consistent with the language contained in the provisions of Section 8, Article VI.

Those employees previously covered by the provisions of a letter dated August 16, 1980 from W. S. Pursell (General manager - Labor Relations and Personnel Administration of the Bell Telephone Company of Pennsylvania) to Mrs. Gale P. Dreves, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letter.

Those employees previously covered by the provisions of separate letters dated August 23, 1983 from J. R. Lawrie, Division Manager - Labor Relations, Diamond State Telephone Company, to Charlotte Jamieson and to Robert J. Wehde, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letters.

Those employees previously covered by the provisions of Article 3.022 of the agreement between the Bell Telephone Company of Pennsylvania and the Union (formerly known as the Federation of Telephone Workers of Pennsylvania) (dated May 17, 1943 as last amended August 7, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.022.

Those employees previously covered by the provisions of Article 3.10E of the agreement between the Union and the South Central Bell Telephone Company (dated August 28, 1983), and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.10E.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

EFFECTIVE DATES

The Company and the Union agree that the 2012 Memorandum of Agreement is, unless a different effective date is set forth in a particular item, effective on April 8, 2012, but only if it is ratified by the Union membership employed in the Business Operating Units and Divisions listed in Appendix 3 to the 2012 Agreement and in the bargaining unit covered by this Agreement.

PARTIES' DEMANDS

All demands of either party not specifically covered or disposed of by this Memorandum of Agreement are hereby waived for the term of the 2012 Memorandum of Agreement, all such demands having been thoroughly discussed during the collective bargaining negotiations which are, by the execution of this Memorandum of Agreement, concluded. Neither party shall be obligated to bargain collectively during the term of this Memorandum of Agreement with respect to modification of their provisions or with respect to the demands of either party that have been the subject of the negotiations hereby concluded.

DURATION

This Memorandum of Agreement shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday, April 11, 2015.

SIGNATURES

The Communications Workers of America on behalf of the employees it represents, and the Company, having bargained in good faith and reached agreement as set forth in the Memorandum of Agreement applicable to its unit, sign through their duly authorized representatives as set forth below:

AGREED:

FOR THE UNION:

/s/Ralph V. Maly, Jr.
Vice President, CWA

/s/Lois J. Grimes-Patow, CWA
Representative

/s/Laura Unger
CWA Representative

/s/Martha Flagge
CWA Representative

/s/Roy Hegenbart
CWA Local 3250

/s/Richard Hunt
CWA Local 13500

/s/Larry Ihfe
CWA Local 6150

/s/Mary Ellen Mazzeo
CWA Local 1152

/s/LaNell Piercy
CWA Local 4252

APPROVED:

/s/Larry Cohen
President - CWA

FOR THE COMPANY:

/s/Diane Bradley
AVP, Labor Relations

/s/Lori J. Smith
Director, Labor Relations

/s/Steven J. Leonard
Director, Labor Relations

/s/Susan M. Evans
Lead Labor Relations Manager

/s/Susan M. McDermott
Lead Labor Relations Manager

/s/Andrea R. Ward
Lead Labor Relations Manager

INDEX

A

Absence	
Accidental Injury	58
Death or Funeral	57
Election Board Service	57
Jury Duty	56
Leave of, Military	76
Leave Of, Transition	265
Medical Office Visit	57
Personal Illness	56
Quarantine	57
Voting	57
Administrative Intern	344
Adoption Referral	325
Agency Shop	11
Agency Temporaries	344
Alliance (Funding)	288
Allowances	
Board and Lodging	371
Relocation	67, 304
Termination	68
Alternate Work Schedules	276
Appearance Guidelines	384
Arbitration	16
Awards - Interim Earnings	384
Expedited	19
AT&T Career Support Coordinator Committee	247
AT&T Career Support Coordinator Position	248
AT&T Option Prgraom (ATTOP)	
Optional Termination Payment	262
AT&T Option Program (ATTOP)	261
Extended Compensation Option	263
Special Leave Program	261
Transition Leave of Absense	265
AT&T Rehire System (ARS)	298
AT&T Transfer and Rehire System	
Oversight and Review Board	306
AT&T Transfer System (ATS)	298
AT&T, CWA, IBEW Learning	285
40 Hour Commitment	285
Bilingual/Literacy Training	286
Transition to Teaching	286
Tuition Assistance Plan	285
Awards	
Recognition	257

B

Bargaining Agreement	
Duration	396
Effective Date	396
Barnes Process	377
Benefit Plans	
Retired Employees	342
Bilingual Training	286
Board and Lodging	
Non-Located and Senior Construction Technicians	371

INDEX

Building Construction	279
Business Operating Units (Appendix 3)	234

C

Call In	178
Call Up	178
Call-In/Call Out	6
Career Placement (ATS)	299
Child/Elder Care Reimbursement Account	325
Compensation Plans	
Metro Segment	235
New Plans	257
Compensatory Time	344
Construction Technicians - Work Rules	369
Constructive Relationship Council	334
Consumer Common Interest Committee	289
Contracting of Work	74
COPE PAC	282
CSSC Scheduling	361
Customer Network service Center (CNSC) (Article 44)	
Wages	187
Customer Network Service Center (CNSC) (Article 44)	
Force Adjustment	196
Net Credited Service	191
Staffing	195
Termination Payments	198
CVS Caremark	315

D

Definitions	
Employees	7
Hours of Work	2
Tours	3
Wage Rates	4
Demotion	22
Designated Holidays (Union)	369
Disability - Limited Exception	278
Discipline	22
Demotions	22
Dismissals	22
Suspensions	22
Warnings	22
Dismissal	22
Drug Testing	341
Dues, Union	11

E

Education	
Training	285
Elder Care	325
Electronic Monitoring	316
Employee (Definitions)	
Full-Time	8
Non-Located	8
Part-Time	8
Regular	7
	399

INDEX

Temporary Term	7
Employee Assistance Program	333
Employment Security	267
Equivalent Service	24
Equivalent Work Week	32
Ergonomics	361
Extended Vacations	
List B	353
Excused Work Days	58
One Hour Increments	59
Extended Compensation Option	263
Extended Vacations	351
Clerical Employees	352

F

Force Adjustment	64
Force Adjustment Region (FAR)	66
Hawaii Information Transfer System (HITS)	375
Four Day Work Week	228
Funds for Alliance Distribution	266

G

Geographical Commuting Area	27
Geographical Commuting Area (GCA)	65
Gradual Return to Work	325
Green Circle Treatment	369
Grievance Procedure	14

H

Hardship Transfer (ATS)	298
Hawaii Information Transfer System (HITS)	
Force Adjustment	375
Holidays	373
Scheduling	374
Healthcare Coordinator Position	273
Holidays	
Authorized Holidays	63
Compensation	64
Designated, Union	369
Fixed Recognized Holiday	63
Hawaii Information Transfer System	373
Home Garaging (Network Process Grouping)	361
Hours of Work	2
Definitions	2

I

Illness During Vacation	150
Information Services	
General Wage Increase	148, 149
Interim Return Home	29
Interim Status Employment	361

INDEX

J

Job Security	269
Job Titles/Classification	31
Joint Health Care Cost Containment Committee (JHCCCC)	275

L

Labor Advisory Forum	326
Layoff (See Force Adjustment)	
Percent Protection	65
Leave of Absence	
Military	76
Transition	265
Union	9
Letters from Prior Agreements (Appendix 6)	244
Level Equalization Groups (LEGS)	308
Leveraged Title	318
Leveraged Title Sales Committee	320
Literacy Training	286
LNS Mesa and orlando (Article 45)	
Absence	215
LNS Mesa and Orlando (Article 45)	
Definitions	205
Excused Work Days	217
Force Adjustment	218
Termination Payments	220
Travel Expenses	214
Union Representation	211
Wages	211
Lodging	371

M

Management Performing Bargaining Unit Work	354
Management Relief Differential	6
Meal Allowance	348
Meal Period	3
Mediation	20
Metro Segment Compensation Plan	354
Military Duty	76
Military Service - Operation Enduring Freedom/Operation Iraqi Freedom	321
Monitoring	316
Monthly Benefit Table	52
Moving Expenses	
ATS	304
Job Claiming	67
Transfer	30
Mutual Respect	2

N

National Safety Advisory Committee	23
National Transfer Plan	250
Net Credited Service	
Definition	8
Network (Article 43)	
Certification Incentive Payment Program	184
	401

INDEX

Force Adjustment	181
Termination Payments	181
Variable Workforce Agreement	184
Neutrality and Card Check Recognition	290
Non-Discrimination	13
NPG Home Garaging	361

O

Optional Termination Payment	262
Oversight and Review Board (ATS/ARS)	303, 306
Overtime	5

P

Part-Time Employees	
Definition	8
Pension Band Credits	55
Pension Protection Act	322
Per Diem	28
Personnel Records	22
Pooled Titles	66
Presidential Council	329
Promotion	26

R

Reassignment Pay Protection Plan	71
Recall	66
Recall Forward	313
Recognition	1
Recognition Award Programs	257
Relief Period	3
Relocation Expenses	
ATS	304
Job Claiming	67
Retirement Related Benefit Eligibility	342

S

Safety	22
Ergonomics	361
Selection Criteria (ATS)	304
Seniority	
Definition	8
Service Anniversary	324
Service Assistant	389
Single, One-Time Pension Contribution	284
Skills Match Center	263
Social Security Supplement	337
Special Allowances	232
Special City Allowance	233
Special Leave Program	261, 338
Staffing	(See AT&T Transfer and Rehire System)
Starting Rates	24
Subcontracting Committees	270
Sub-contracting of Work	368

INDEX

Sub-Contracting of Work	367
Success Sharing Plan	258
Successorship	272
Surplus Placement	300
Surplus Placement Administration (ATS)	302
Suspension	22

T

Technological Displacement	71
Telecommuting	280
Teleconference Specialist - Force Adjustment	385
Temporary Assignment to Higher Job Classification	6
Temporary Employee (Definition)	7
Tentative Wage Schedule Assignments	26
Term Employee (Definition)	7
Term Employees	340
Term Placement (ATS/ARS)	300
Termination Payments	68
Testing	
ARS	305
ATS	305
Drug	341
Joint Subcommittee	314
Titles	
Time in Title (ATS)	299
Titles and Wages	24
General Wage Schedule Increases	25
Tours	
Definitions	3
Trailing Spouse (ATS)	298
Transfers	
ATS	298
Wage Treatment (ATS)	305
Transfers, Travel Allowances and Moving Expenses	26
Transition Leave of Absence	265
Transition to Teaching	286
Transition To Teaching	339
Transportation to a Temporary Assignment	29
Travel Allowances	
Temporary Transfer	27
Travel on Company Time	30
Trials	(See Constructive Relationship Council)
Tuition Assistance Plan	285

U

Union	
Absence for Union Activities	9
Activity on Company Premises	10
Bulletin Boards	10
Designated Holidays	369
Dues	11
Leave of Absence	9
Notice Regarding Union Representation	8
Officers Promotion/Transfer	9
Orientation for New Employees	11
Representation	10
Union - Management Activities	11
Union Representation	328

INDEX

V

Vacation	
Carry Over	60
Day-at-a-Time	60
Eligibility	59
Extended	351
Payments in Lieu Of	60
Rescheduling Due to Transfer	62
Scheduling	61
Vacations	
Extended Vacations	351
VRCP	
Change Notification	376

W

Wage	
Green Circle Treatment	369
Information Services Wage Increases	148, 149
Protection Allowance (WPA)	7
Rates (Definitions)	4
Surplus, Lateral or Dowgrade Treatment (ATS)	307
Wages	
General Wage Increase	95
Warning	22
Weather Emergencies (Operator Services)	387
Work & Family Programs	325
Work Hours and Assignments	2
Workforce	330