

May 25, 2004

# Settlement Agreement

## Terms of the 2004 CWA-SBC Southwest Settlement Agreement

This document is for all managers in Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. It contains the terms of the tentative agreement between CWA and the companies listed above. If ratified by members of the CWA, District 6, this agreement will become effective April 4, 2004.

This document needs to be retained for the life of the 2004 Labor Agreements, as it contains provisions that will not be in the new contract, but that could still apply to workplace issues. Managers should feel free to share this information with their employees.

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## 2004 SETTLEMENT AGREEMENT

This Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or "the Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively "the Company" or "Management").

1. This Agreement shall become effective April 4, 2004, subject to receipt by the Company of written notification from an authorized representative of the Union that this Agreement has been duly ratified by the employees represented by the Union and approved by the President of Communications Workers of America, provided said notification is received by the Company on or before 5:00 p.m., July 9, 2004. If such notification is not received on or before 5:00 p.m., July 9, 2004, this Agreement shall have no force or effect, and all proposals made by the Company up to that time are withdrawn.

2. The basic wage schedules and basic wage rates, respectively, set forth in the 2001 Departmental Agreement shall be superseded on the effective dates of April 4, 2004, April 3, 2005, April 2, 2006, April 1, 2007 and April 6, 2008, as set forth in **Attachment A** hereto and as follows:

- 1% lump sum payment in 2004, of the employee's weekly or bi-weekly wage rate at the time of ratification, annualized (52 weeks), without differentials, paid on or before the second pay check after ratification.
- 2% increase to base wages effective 4/4/04. The wage schedules for each job title will be modified to reflect this increase, across the board. The retroactive wages from 4/4/04 to the date of ratification will be paid as soon as practicable after ratification.
- 2.5% increase to base wages effective 4/3/05. The wage schedules for each job title will be modified to reflect this increase, across the board.
- \$250 lump sum payment, paid by 4/14/06 and a 2.5% increase to base wages effective 4/2/06. The wage schedules for each job title will be modified to reflect this increase, across the board.
- \$375 lump sum payment, paid by 4/13/07, and a 2.25% increase to base wages effective 4/1/07. The wage schedules for each job title will be modified to reflect this increase, across the board.\*
- \$375 lump sum payment, paid by 4/11/08, and a 2.25% increase to base wages effective 4/6/08. The wage schedules for each job title will be modified to reflect this increase, across the board.\*

\*COLA at 36 and 48 months will be calculated under the provisions of Article V, **Cost-of-Living Allowance**, of the 2004 Departmental Agreement.

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All adjustments in basic wages resulting from this Agreement:

- A. shall be applied by the "straight-up" method;
- B. shall not affect progression intervals under the new wage schedules;
- C. shall not in any way affect or be affected by the amount of any applicable differential payments or that portion of any other wage rate arrived at by adding a fixed amount to a wage schedule rate; and
- D. shall be effective as of April 4, 2004, April 3, 2005, April 2, 2006, April 1, 2007 and April 6, 2008, respectively, and shall be applied before any other changes in payroll status which may be effective on the same date.

Except where otherwise specifically provided herein, no employee's wage rate resulting from any wage adjustments shall exceed the maximum rate provided by the basic wage schedule or basic wage table applicable to employee's occupation and location, plus the amount of any applicable differentials.

No wage adjustments resulting from this Agreement or under any Attachment hereto shall become effective:

- A. during a period of total disability which is continuous for eight (8) days or more; or
- B. during a period of leave of absence.

Such wage adjustments are not retroactive and shall become effective upon return to active duty.

#### Payments to Retirees

- A. All retirees eligible to enroll in a Company medical option as of the effective date of this agreement (or their estate) shall be eligible to receive payments.
- B. There shall be two payments, one on or about, but in any event no later than 12/31/04 and one on or about, but in any event no later than 12/31/05.
- C. The aggregate retiree payment shall be equal to but shall not exceed the savings generated from 1.00% of the first year's general wage paid in the form of a lump sum, which is determined to be \$1,250 per retiree per payment.

3. The Company will provide a Team Performance Award (TPA) plan which covers the performance years of 2004, 2005, 2006 and 2007. The TPA plan will make provisions for lump-sum payments based on the following conditions:

A. In order to reward employees for their contributions toward the achievement of the Company's financial goals and the satisfaction of customer expectations, eligible employees will receive payments in February of 2005, February of 2006, February of 2007 and February of 2008 for performance years 2004, 2005, 2006 and 2007 respectively. The payments will be calculated as follows:

2004 Multiplier\* % X \$500 = February 2005 Payment  
2005 Multiplier\* % X \$500 = February 2006 Payment  
2006 Multiplier\* % X \$500 = February 2007 Payment  
2007 Multiplier\* % X \$500 = February 2008 Payment

\* This is the performance percent used for Management in conjunction with the Management Team performance awards. If the measurement standard for Management Team performance awards should change, then that new measurement standard shall apply.

1) Eligible part-time employees (regular and temporary) will receive prorated payments, based on their part-time classification on the eligibility dates identified in C. below.

B. In order to link employee compensation to the financial returns of SBC shareowners, the Company will make lump-sum payments in accordance with the Stock Appreciation Table below, subject to the following conditions:

#### STOCK APPRECIATION TABLE

<u>PERCENT APPRECIATION</u>	<u>PAYMENT</u>
Less than 2%	\$ 0
2% but less than 4%	\$175
4% but less than 6%	\$225
6% but less than 8%	\$275
8% but less than 10%	\$325
10% but less than 15%	\$375
15% but less than 20%	\$425
20% or more	Add \$50 for each incremental increase of five (5) full percentage points.

- 1) Eligible employees will receive payments in February of 2005, February of 2006, February of 2007 and February of 2008 based on SBC stock appreciation in the performance years of 2004, 2005, 2006 and 2007 respectively, except as noted below:
  - a. The February 2005 payment will be based on each full percentage point increase of the 2004 stock price over the 2003 stock price. The February 2006 payment will be based on each full percentage point increase of the 2005 stock price over the 2004 stock price. The February 2007 payment will be based on each full percentage point increase of the 2006 stock price over the 2005 stock price. The February 2008 payment will be based on each full percentage point increase of the 2007 stock price over the 2006 stock price. The stock price for each calendar year shall be the average of the closing prices of the shares on the New York Stock Exchange for the last five (5) trading days of that year.
  - b. The stock price will be adjusted proportionally to reflect any stock split that occurs during the annual period for which an increase is calculated.
  - c. Eligible part-time employees (regular and temporary) will receive prorated payments, based on their part-time classification on December 31 of the performance year.
- C. Employees eligible for payments described in 3.A. and 3.B. above are those regular and temporary employees who have at least one year of Net Credited Service on December 31 of the performance year preceding the February payment date and who are on the payroll on February 1 of the payment year (unless separated from the payroll between December 31 and February 1 as a result of a surplus situation). Eligible employees who are on approved leaves of absence on February 1 of the payment year shall receive a payment, provided they return to duty on or before December 31 of the payment year.
- D. Payments described in 3.A. and 3.B. above, if applicable, will be combined into a single TPA payment in February of 2005, February of 2006, February of 2007 and February of 2008. In no case will the February 2005 TPA payout, the February 2006 TPA payout, the February 2007 TPA payout or the February 2008 TPA payout be less than \$500 (or its equivalent for part-time employees).
4. The Pension Plan shall continue in force and effect, except for the changes and modifications set forth in **Attachment B** hereto.

5. The Savings Plan shall continue in force and effect, except for the changes and modifications set forth in **Attachment C** hereto.
6. The PAYSOP shall continue in force and effect.
7. The changes set forth in **Attachments B and C** hereto concerning provisions of the Pension Plan and the Savings Plan are contingent upon and subject to Internal Revenue Service qualification and any required approval by the United States Department of Labor or any other appropriate governmental authority.
8. The Medical Plan Agreement shall continue in force and effect, except for the changes and modifications set forth in **Attachment D** hereto.
9. The Dental Plan Agreement shall continue in force and effect, except for the changes and modifications set forth in **Attachment E** hereto.
10. The Vision Plan Agreement shall continue in force and effect.
11. The Group Life and Accidental Death or Dismemberment Insurance Agreement shall continue in force and effect.
12. The Supplementary Group Life Insurance Agreement shall continue in force and effect.
13. The Dependent Group Life Insurance Agreement shall continue in force and effect.
14. The Leave of Absence Program Agreement shall continue in force and effect.
15. The Dependent Care Reimbursement Plan Agreement (DCRA) shall continue in force and effect.
16. The Medical Care Reimbursement Account Agreement (MCRA) shall continue in force and effect.
17. The Medical Care Reimbursement Plan (MCRP) Agreement shall continue in force and effect.
18. The Long Term Care Insurance Plan Agreement shall continue in force and effect.
19. The Adoption Assistance Program Agreement shall continue in force and effect, except for the changes and modifications in **Attachment F** hereto.
20. The Disability Income Plan Agreement shall continue in force and effect.

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21. The Employee Assistance Plan (EAP) shall continue in force and effect.
22. CarePlus, a Supplemental Medical Plan, shall continue in force and effect.
23. The Umbrella Benefit Plan No. 1 shall continue in force and effect.
24. The Umbrella Benefit Plan No. 2 shall continue in force and effect.
25. Other General Benefit Agreements are set forth in **Attachment G** hereto.

26. It is understood and agreed that the term "Plan" or "Program" as used herein refers to the benefits to be provided pursuant to this Collective Bargaining Agreement and the terms, provisions and conditions under which such benefits are to be provided. It is further understood and agreed that this is not a plan or the plan document for the benefits described herein as such terms are used in the Employee Retirement Income Security Act of 1974 (ERISA) as hereto or hereafter amended. The actual means for fulfilling the Collective Bargaining Agreement commitment 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 the Company's bargained-for personnel, the benefits agreed to be provided.

27. During the period they remain in effect, the Company will print the Agreements between the Company and the Union and Summary Plan Descriptions listed below and will distribute a copy of each to all employees in the Bargaining Unit, including new hires:

2004 DEPARTMENTAL AGREEMENT

2004 AGREEMENT OF GENERAL APPLICATION

OTHER AGREEMENTS

**Summary Plan Descriptions:**

MEDICAL PLAN

DENTAL PLAN

VISION PLAN

GROUP LIFE AND ACCIDENTAL DEATH OR DISMEMBERMENT INSURANCE PROGRAM

SUPPLEMENTARY GROUP LIFE INSURANCE PROGRAM

DEPENDENT GROUP LIFE INSURANCE PROGRAM

DISABILITY INCOME PLAN

LEAVE OF ABSENCE PROGRAM

DEPENDENT CARE REIMBURSEMENT PLAN

MEDICAL CARE REIMBURSEMENT ACCOUNT

MEDICAL CARE REIMBURSEMENT PLAN

SAVINGS PLAN

PENSION PLAN

EMPLOYEE STOCK OWNERSHIP PLAN (PAYSOP)

LONG TERM CARE INSURANCE PLAN

ADOPTION ASSISTANCE PROGRAM

CAREPLUS: A SUPPLEMENTAL MEDICAL PLAN

EMPLOYEE ASSISTANCE PLAN (EAP)

UMBRELLA BENEFIT PLAN NO. 1

UMBRELLA BENEFIT PLAN NO. 2

28. The 2001 Departmental Agreement entered into between the parties hereto effective as of February 1, 2001, shall continue in force and effect with the following changes and modifications and shall be known as the 2004 Departmental Agreement.

A. The 2004 Departmental Agreement shall include the following Articles:

<u>Article</u>	<u>Title</u>
I.	RECOGNITION AND ESTABLISHMENT OF THE UNIT
II.	CLASSIFICATION OF EMPLOYEES
III.	NEW JOB TITLES
IV.	BASIS OF COMPENSATION
V.	COST-OF-LIVING ALLOWANCE

- VI. HOURS OF WORK
- VII. WORK SCHEDULES
- VIII. HOLIDAYS
- IX. VACATIONS
- X. EXCUSED WORK DAYS
- XI. ABSENCES FROM DUTY
- XII. SENIORITY
- XIII. JOB VACANCY
- XIV. PROMOTIONAL PAY TREATMENT
- XV. TEMPORARY WORK IN HIGHER POSITIONS
- XVI. TRAVEL
- XVII. FORCE ADJUSTMENT
- XVIII. SEVERANCE PAYMENTS
- XIX. GRIEVANCES
- XX. UNION REPRESENTATION
- XXI. AGENCY SHOP
- XXII. DEDUCTION OF UNION DUES
- XXIII. NOTICE OF PROMOTIONS AND TRANSFERS OF UNION OFFICERS, ELECTED STEWARDS, AND DESIGNATED REPRESENTATIVES
- XXIV. SAFETY AND HEALTH
- XXV. CONTRACT WORK
- XXVI. PRIOR AGREEMENTS
- XXVII. DURATION

B. Article IV, **Basis of Compensation**, is amended as follows:

Effective April 5, 2009, Section 6., **Night Differentials**, paragraph a. is amended to read as follows:

“a. A night differential shall be paid to employees\* for each scheduled night tour worked in the amount of ten percent (10%) of the employee’s basic day’s pay. An hourly night differential shall also be paid to employees\* for each hour, or fraction thereof, worked on a scheduled tour that ends after 6 p.m. but not later than 7 p.m., in the amount of ten percent (10%) of the employee’s basic hourly rate.

\*Except for Cable Splicing Technicians, Operating employees, employees in Appendix I, and certain part-time employees identified in paragraph d., below.”

As a supplement to Article IV, **Basis of Compensation**, the Company will continue notifying the Vice President of the Union in writing whenever Tight Labor Market Wage Credit is authorized. Notification will include job title, the Exchange, the amount of wage credit authorized, and the expected duration. The Company also agrees to continue to discuss with the Union what impact, if any, such authorization has on incumbent employees in the same job title and Exchange.

C. Article V, **Cost-of-Living Allowance**, is amended to read as follows:

Replace the existing Sections 1. through 6. with the following:

“Section 1. The amount of the April 1, 2007 adjustment shall be 0.7 times the increase above two and one-quarter percent (2.25%) in the U.S. Department of Labor Bureau of Labor Statistics "CPI-W" (1982-84 = 100) for December 2006 over December 2005. It will be applied to the scheduled rates in effect in each wage schedule on March 31, 2007.

Section 2. The amount of the April 6, 2008 adjustment shall be 0.7 times the increase above two and one-quarter percent (2.25%) in the U.S. Department of Labor Bureau of Labor Statistics "CPI-W" (1982-84 = 100) for December 2007 over December 2006. It will be applied to the scheduled rates in effect in each wage schedule on April 5, 2008.”

D. Article VI, **Hours of Work**, is amended as follows:

Section 3., paragraph d., **Night Tours**, is amended to read as follows:

“d. Night Tours.\* A night tour shall be one which falls wholly or partially between the hours of 6 p.m. and 6 a.m.

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\*Effective April 5, 2009, a night tour shall be one which falls wholly or partially between the hours of 7 p.m. and 6 a.m.”

As a supplement to Article VI, **Hours of Work**, Section 9., **Assigned Overtime**, Vice President or equivalent approval is required to declare a service emergency.

- E. Effective December 31, 2004, unless otherwise noted, Article IX, **Vacations**, is amended as follows:
1. Section 1., **Vacation Eligibility**, paragraph e., is amended to read as follows:  
  
“Five (5) weeks’ vacation to any such employee who could complete twenty-five (25) or more years of service within the vacation year.”
  2. Section 8., **Time Off Scheduling**, is amended as follows:
    - a. Amend subtitle text in parentheses as follows:  
  
Replace “Effective December 31, 2001” with “Effective December 31, 2004”
    - b. Amend the note above paragraph a. as follows:  
  
Replace “December 31, 2001” with “December 31, 2004” and replace “1998 Departmental Agreement” with “2001 Departmental Agreement.”
    - c. Amend paragraph c. as follows:
      - 1) Delete subparagraph (3).
      - 2) Renumber subparagraph (4) to (3).

As a supplement to Article IX, **Vacations**, the Company agrees to instruct its managers to continue to make available vacation weeks/days originally offered but not selected in the initial or subsequent interview, or selected but vacated during the vacation year, force requirements permitting.

As a further supplement to Article IX, **Vacations**, the Company agrees to instruct its managers to continue to make available vacated weeks/days, force requirements permitting. Vacated weeks are previously selected vacation weeks/days that are vacated due to transfers out of or separations from the work group.

As a further supplement to Article IX, **Vacations**, the Company agrees that employees who retire on service pension, with service pension effective dates between January 1, 2004 and December 31, 2009, may elect to be paid in lieu of any vacation entitlement due as of the date of retirement. It will not be necessary for these employees to set the retirement date far enough beyond the last work day to cover the vacation period.

F. Effective the first pay period commencing ninety (90) days after ratification, Article XIII, **Job Vacancy**, Section 2., **Time-In-Title and Location**, paragraph (5), is amended to read as follows:

	"Time-In-
	<u>Title</u> <u>Location</u>
(5) Service Representative, Senior Consultant, Central Office Translations Specialist and Line Translations Specialist."	24 months    24 months

G. Article XIV, **Promotional Pay Treatment**, Section 4., is amended as follows:

1. Subsection V., is amended to delete the following title:

“Coin Collector”

2. Subsection VI., is amended to delete the following title:

“Drafting Clerk”

H. Effective January 1, 2005, unless otherwise noted, Article XVI, **Travel**, is amended as follows:

1. Section 3., **Same Day Temporary Assignment**, replace the second sentence of the first paragraph with the following:

“Effective January 1, 2005, the Same Day Travel Allowance will be increased to sixty-seven (67) cents per odometer mile, effective January 1, 2006 it will be increased to sixty-nine (69) cents per odometer mile, effective January 1, 2007 it will be increased to seventy-one (71) cents per odometer mile, effective January 1, 2008 it will be increased to seventy-three (73) cents per odometer mile, and effective January 1, 2009 it will be increased to seventy-five (75) cents per odometer mile.”

2. Section 4., **Overnight Temporary Assignment**, is amended as follows:

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- a. Subparagraph a.(1)(a) is amended to add the following to the end of the paragraph:

“The Overnight Temporary Assignment Allowance will be increased from thirty-six (36) dollars to thirty-eight (38) dollars effective January 1, 2005, and to thirty-nine (39) dollars effective January 1, 2008.”

- b. Replace the Note following subparagraph a.(1)(a) to read as follows:

“The Per Diem Allowance in the Dallas (Dallas County), Fort Worth (Tarrant County), Houston (Harris County), Kansas City, Kansas (Johnson and Wyandotte Counties), Kansas City, Missouri (Clay, Jackson, and Platte Counties), San Antonio (Bexar County) and St. Louis (St. Charles and St. Louis Counties) Exchanges will be the IRS maximum, but not to exceed forty-six (46) dollars. The Per Diem Allowance will be increased from forty-six (46) dollars to forty-eight (48) dollars effective January 1, 2005, and to forty-nine (49) dollars effective January 1, 2008.”

- c. The Note following subparagraph a.(2)(d) is amended as follows:

1) Rename “Note:” to “Note 1:”

2) Note 1 is amended to read as follows:

“Effective January 1, 2005, the Same Day Travel Allowance, if the distance is sixty (60) odometer miles or less, will be increased to sixty-seven (67) cents per odometer mile, effective January 1, 2006 it will be increased to sixty-nine (69) cents per odometer mile, effective January 1, 2007 it will be increased to seventy-one (71) cents per odometer mile, effective January 1, 2008 it will be increased to seventy-three (73) cents per odometer mile, and effective January 1, 2009 it will be increased to seventy-five (75) cents per odometer mile.”

3) A new Note 2 is added to read as follows:

“Note 2: Effective January 1, 2005, the Same Day Travel Allowance, if the distance is more than sixty (60) odometer miles, will be increased to ninety-eight (98) cents per odometer mile, effective January 1, 2006 it will be increased to one dollar and one cent (\$1.01) per odometer mile, effective January 1, 2007 it will be increased to one dollar and four cents (\$1.04) per odometer mile, effective January 1, 2008 it will be increased to one dollar and seven cents (\$1.07) per odometer mile, and effective January 1, 2009 it will be increased to one dollar and ten cents (\$1.10) per odometer mile.”

- d. Replace the table in Section b., Partial Per Diem Allowance, with the following:

“Traveling To  
Temporary Location  
(Departure Time)

	<b>Current</b>	<b>1/1/2005</b>	<b>1/1/2008</b>
Departure: 12 a.m. - 6:59 a.m.	\$33	\$36	\$38
Departure: 7 a.m. - 10:59 a.m.	\$26	\$28	\$30
Departure: 11 a.m. - 11:59 p.m.	\$18	\$19	\$20

Returning To  
Home Location  
(Arrival Time)

	<b>Current</b>	<b>1/1/2005</b>	<b>1/1/2008</b>
Arrival: 12 a.m. - 10:59 a.m.	\$7	\$8	\$8
Arrival: 11 a.m. - 4:59 p.m.	\$15	\$17	\$18
Arrival: 5 p.m. - 11:59 p.m.	\$33	\$36	\$38”

3. Section 5., Reimbursement Rate for Authorized Use of Personal Car on Company Business, is replaced as follows:

“Authorized use of an employee’s personal vehicle on Company business shall be reimbursed at the Internal Revenue Service (IRS) reimbursement rate for mileage. In the event the IRS changes the reimbursement rate for mileage, the Company will adjust the mileage reimbursement rate to the maximum allowable, effective on the first of the month following the effective date of the change by the IRS.”

- I. Article XVII, **Force Adjustment**, is amended as follows:
  1. Section 4., Wage Treatment, amend the Reassignment Pay Protection Plan (RPPP) Payout Table by increasing the payout amounts by ten percent (10%).
  2. Section 5. is amended to add the heading "Surplus Transfers."
  3. Section 6. is amended to add the heading "Geographic Scope Modifications."
  4. Section 7. is amended to add the heading "Relocation."
  5. Section 8. is amended as follows:
    - a. Add the heading "Reemployment."
    - b. Amend paragraph a. as follows:

Replace "six (6)" with "twelve (12)"
  6. Section 9. is amended to add the heading "Temporary Layoff."

**RPPP PAYOUT TABLE**  
**ASSIGNMENT TO LOWER WAGE RATE**

Weekly Difference		Years Of Net Credited Service			
		<10	10<15	15<25	25+
\$ 0.50	\$ 4.50	80	140	610	730
5.00	9.50	100	330	1,290	1,550
10.00	14.50	130	480	1,960	2,370
15.00	19.50	210	670	2,640	3,170
20.00	24.50	230	830	3,310	3,980
25.00	29.50	290	1,000	3,990	4,800
30.00	34.50	330	1,170	4,680	5,610
35.00	39.50	370	1,340	5,350	6,420
40.00	44.50	430	1,500	6,030	7,240
45.00	49.50	470	1,680	6,700	8,050
50.00	54.50	520	1,840	7,380	8,860
55.00	59.50	570	2,020	8,060	9,680
60.00	64.50	610	2,180	8,730	10,490
65.00	69.50	670	2,370	9,420	11,300
70.00	74.50	700	2,520	10,090	12,110
75.00	79.50	760	2,700	10,770	12,930
80.00	84.50	800	2,860	11,450	13,750
85.00	89.50	860	3,040	12,120	14,550
90.00	94.50	890	3,190	12,800	15,370
95.00	99.50	950	3,380	13,480	16,180
100.00	104.50	990	3,530	14,160	16,980
105.00	109.50	1,050	3,720	14,840	17,810
110.00	114.50	1,090	3,870	15,510	18,620
115.00	119.50	1,130	4,060	16,190	19,440
120.00	124.50	1,180	4,210	16,860	20,240
125.00	129.50	1,230	4,390	17,550	21,050
130.00	134.50	1,280	4,550	18,230	21,880
135.00	139.50	1,330	4,730	18,900	22,690
140.00	144.50	1,360	4,880	19,580	23,500
145.00	149.50	1,430	5,070	20,250	24,310
150.00	154.50	1,460	5,230	20,930	25,120
155.00	159.50	1,520	5,410	21,620	25,940
160.00	164.50	1,560	5,570	22,290	26,750
165.00	169.50	1,610	5,750	22,970	27,570
170.00	174.50	1,660	5,910	23,640	28,380
175.00	179.50	1,710	6,080	24,320	29,180
180.00	184.50	1,740	6,250	25,000	30,010
185.00	189.50	1,800	6,420	25,670	30,820
190.00	194.50	1,840	6,580	26,360	31,630
195.00	199.50	1,900	6,770	27,030	32,440
200.00	204.50	1,940	6,920	27,710	33,250
205.00	209.50	2,000	7,110	28,390	34,080
210.00	214.50	2,040	7,260	29,060	34,880
215.00	219.50	2,080	7,450	29,740	35,700
220.00	224.50	2,130	7,600	30,420	36,510
225.00 +		2,180	7,780	31,100	37,310

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- J. Article XVIII, **Severance Payments**, is amended as follows:
1. Section 1., **Eligibility**, is amended as follows:
    - a. Rename the note following paragraph d. as follows:  
Replace "Note:" with "Note A:"
    - b. After the new Note A, add the following note:  
  
"Note B: Any former surplus employee who is dismissed for unsatisfactory job performance from a position the employee accepted during a surplus condition shall receive a Severance Payment equal to the amount the employee would have received in the former surplus position, according to the Voluntary Severance Payment Table, if the dismissal occurs within six (6) months of placement into the position. Payment under this provision shall be determined as of the date the former surplus employee was placed in the current position."
  2. Section 2., **Amount of Severance Payment**, is amended as follows:
    - a. In the first sentence of the first paragraph, change "Continuous Service" to "Net Credited Service"
    - b. At the end of the second sentence in the first paragraph, add the following:  
  
", except for those employees covered by Note B above."
    - c. Delete the note above paragraph a.
    - d. Paragraph a. is amended as follows:
      - 1) Effective May 25, 2004, increase the Involuntary Severance Payment Table amounts by five percent (5%). The new table set forth in the Attachment will apply as appropriate, to any involuntary terminations that occur on or after May 25, 2004.
      - 2) On the Involuntary Severance Payment Table, change the first column header to read "Completed Years of Net Credited Service"

**INVOLUNTARY SEVERANCE PAYMENT TABLE**

<b>Completed Years of Net Credited Service</b>	<b>Pension Band Up to 107 7A8-707</b>	<b>Pension Band 108-109 708-709</b>	<b>Pension Band 110-111 710-711</b>	<b>Pension Band 112-114 712+</b>	<b>Pension Band 115-118</b>	<b>Pension Band 119-120</b>	<b>Pension Band 121 +</b>
1-3	\$1,760	\$1,820	\$2,000	\$2,140	\$2,430	\$2,490	\$2,660
4-5	\$3,470	\$3,640	\$3,960	\$4,310	\$4,850	\$4,970	\$5,340
6-7	\$5,780	\$6,070	\$6,620	\$7,160	\$8,050	\$8,320	\$8,860
8-9	\$8,050	\$8,490	\$9,270	\$10,020	\$11,290	\$11,630	\$12,360
10-11	\$11,520	\$12,130	\$13,230	\$14,320	\$16,140	\$16,600	\$17,700
12-13	\$15,590	\$16,370	\$17,820	\$19,350	\$21,780	\$22,440	\$23,880
14-15	\$20,180	\$21,220	\$23,160	\$25,030	\$28,270	\$29,110	\$30,990
16-17	\$24,800	\$26,070	\$28,440	\$30,750	\$34,680	\$35,720	\$38,080
18-19	\$29,420	\$30,920	\$33,730	\$36,500	\$41,120	\$42,390	\$45,190
20	\$31,710	\$33,410	\$36,380	\$39,420	\$44,350	\$45,710	\$48,710
21	\$34,020	\$35,890	\$39,040	\$42,340	\$47,620	\$49,060	\$52,270
22	\$36,330	\$38,380	\$41,730	\$45,240	\$50,850	\$52,380	\$55,820
23	\$38,640	\$40,860	\$44,380	\$48,130	\$54,090	\$55,730	\$59,370
24	\$40,950	\$43,380	\$47,070	\$51,050	\$57,350	\$59,050	\$62,920
25	\$43,230	\$45,850	\$49,730	\$53,970	\$60,590	\$62,400	\$66,480
26	\$45,540	\$48,340	\$52,380	\$56,890	\$63,820	\$65,720	\$69,990
27	\$47,850	\$50,820	\$55,060	\$59,800	\$67,070	\$69,070	\$73,540
28	\$50,160	\$53,310	\$57,720	\$62,690	\$70,310	\$72,390	\$77,100
29 and over	\$52,470	\$55,790	\$60,410	\$65,600	\$73,540	\$75,740	\$80,650

**Wage Progression Treatment**

If on Step 12 through 24 months, the employee shall receive 50% of Table Amount

If on Step 30 through 36 months, the employee shall receive 75% of Table Amount

If on Step 42 months and over, the employee shall receive 100% of Table Amount

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e. Paragraph b. is amended as follows:

1) Replace paragraph b. with the following:

"An employee who is terminated as provided in Section 1.b. above, or who is covered by Note B above, shall receive a Severance Payment in accordance with the table set forth below:"

2) On the Voluntary Severance Payment Table, change the first column header to read "Completed Years of Net Credited Service"

f. Paragraph c. is amended as follows:

1) Replace paragraph c. with the following:

"An employee who is dismissed as provided in Section 1.d. above, except for employees covered by Note B above, shall receive a Severance Payment computed as follows:"

2) Amend the six (6) subparagraphs following paragraph c. as follows:

Replace "Continuous Service" with "Net Credited Service"

K. Article XXVI, **Prior Agreements**, is amended as follows:

Section 1. is amended to change "1998" to read "2001"

L. Article XXVII, **Duration**, is amended as follows:

Replace the first paragraph with the following:

"This Agreement shall become effective as of April 4, 2004, and shall continue until 11:59 p.m., on April 4, 2009, at which time it will terminate unless extended by mutual agreement in writing prior to said termination date."

29. Appendices A, B, C, D, E, F, G, H and I of the 2004 Departmental Agreement shall continue in force and effect as Appendices A, B, C, D, E, F, G, H and I, respectively, to the 2004 Departmental Agreement, except for the changes and modifications set forth below:

- A. Appendix A is amended as follows:
1. The Company proposes to, effective the first pay period commencing ninety (90) days after ratification, upgrade employees in the Advanced Computer Attendant title who work in the Hostmaster group to the title of Technical Assistance Center Administrator.
  2. The Company proposes to, effective the first pay period commencing ninety (90) days after ratification, upgrade employees in the Senior Records Clerk title who work in the Subpoena Unit to the title of Accounting Clerk S-1.
  3. The Company proposes to, effective the first pay period commencing ninety (90) days after ratification, upgrade employees in the Senior Records Clerk title who work in the Special Pay Unit to the title of Senior Accounting Clerk S-2.
- B. Appendix B, Section 1.01 b., Contact Classifications, is amended as follows:
1. "Coin Collector Group" is replaced with "Coin Counter"
  2. The new Coin Counter classification is amended to delete the following title:  
  
"Coin Collector"
- C. Appendix C is amended as follows:
1. Effective the first pay period commencing ninety (90) days after ratification, upgrade employees in the Central Office Translations Specialist title to the Line Translations Specialist wage schedule.
  2. Effective the first pay period commencing ninety (90) days after ratification, move the Central Office Translations Specialist job title from Pension Band 111 to Pension Band 112.
  3. Section 1.01 e., Graphics and Drafting Classification, is amended as follows:
    - a. Delete the title "Drafting Clerk"
    - b. Delete the classification "Graphics and Drafting Classification"

- D. Appendix D is supplemented as follows:
1. For the duration of the 2004 Labor Agreements, surplus employees who are assigned to Operator, Service Assistant, and Central Office Clerk openings will be assigned job titles on the following basis:
    - a. When staffed by existing employees whose period of Net Credited Service commenced prior to November 6, 1995, the appropriate Operating title will be assigned. If the assignments are from positions with higher rates of pay, such employees will receive a payout in accordance with the RPPP Payout Table in Article XVII, **Force Adjustment**, Section 4., of the 2004 Departmental Agreement.
    - b. When staffed by current employees whose period of Net Credited Service commenced subsequent to November 5, 1995, the Console Operator title and Central Office Assistant title, as appropriate, will continue to be assigned. If the assignments are from positions with higher rates of pay, such employees will receive a payout in accordance with the Transition Allowance Table in Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement if assigned after January 1, 2001.
  2. For the duration of the 2004 Labor Agreements, the provisions of 1.a and 1.b above will be extended to non-surplus employees, except that RPPP and Transition Allowance provisions are not applicable.
  3. Effective April 5, 2009, all Operator, Service Assistant, and Central Office Clerk openings will be assigned job titles on the following basis:
    - a. When staffed by employees who are on an Operating title, the appropriate Operating title will be assigned.
    - b. When staffed by new hires and by existing employees who are not on an Operating title, the Console Operator and Central Office Assistant titles, as appropriate, will be assigned.
  4. The Company agrees to affirm its previous commitments regarding the use of the Console Operator title by forwarding a letter to the Union.

5. For the life of the 2004 Labor Agreements, the number of incumbents in the Console Operator title will not exceed 600, adjusted each month by the number of Operators who voluntarily retire during that month, beginning on September 1, 2000 and thereafter.

E. Appendix G, **Job Groups List**, is amended as follows:

1. Group E is amended to delete the following title:

“Coin Collector”

2. Group I is amended to delete the following title:

“Drafting Clerk”

F. Appendix I, **Supplemental Statements**, Statement Number 7., Temporary Work in Higher Positions, is amended as follows:

1. Amend the existing paragraph a. to read as follows:

“a. A qualified employee not otherwise covered by the provisions of Sections 1. through 5. above, who is temporarily scheduled or assigned and does work in a position with a higher established maximum rate of pay for less than 30 days, shall receive for each hour worked in such position a Classification Differential equal to one-fortieth (1/40<sup>th</sup>) of the amount of the weekly wage progression increase to which the employee would at the time be entitled if the employee were actually changed to the higher applicable classification at the employee’s regular location.”

2. Add a new paragraph b. after paragraph a. to read as follows:

“b. When the Company determines that it is necessary to temporarily upgrade a Contact employee and such upgrade is for more than 30 consecutive calendar days, the following wage treatment shall apply:

For the period of the temporary assignment the selected employee shall be upgraded to the higher job classification with change of title and promotional pay treatment as provided for in Article XIV, Promotional Pay Treatment.

Employees who are temporarily upgraded under this Section shall be returned to their regular classification and rate of pay when Management determines the temporary assignment is no longer required.”

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30. The 2001 Agreement of General Application entered into between the parties hereto effective as of February 1, 2001, shall continue in force and effect with the changes and modifications set forth below and shall be known as the 2004 Agreement of General Application.

A. The 2004 Agreement of General Application shall include the following Articles:

<u>Article</u>	<u>Title</u>
I.	COLLECTIVE BARGAINING PROCEDURE
II.	SERVICE INTERRUPTION
III.	UNUSUAL GRIEVANCES
IV.	ARBITRATION
V.	EXPEDITED ARBITRATION
VI.	LEAVES OF ABSENCE FOR UNION REPRESENTATIVES ON UNION BUSINESS
VII.	PENSIONS, DISABILITY BENEFITS, AND DEATH BENEFITS
VIII.	RESPONSIBLE UNION-COMPANY RELATIONSHIP
IX.	NONDISCRIMINATION
X.	TECHNOLOGY CHANGE
XI.	COMMON INTEREST FORUMS
XII.	TRAINING/RETRAINING
XIII.	PRIOR AGREEMENT
XIV.	DURATION

B. Article XI, **Common Interest Forums**, is amended as follows:

1. The first paragraph is amended as follows:

In the first sentence, delete the phrase "Scope (as defined in Appendix F of the Departmental Agreement) or other"

2. The first paragraph following Paragraph 5. is amended as follows:

In the third sentence, change "officers" to "Local Presidents"

C. Article XIII, **Prior Agreement**, is amended as follows:

Change "1998" to read "2001"

D. Article XIV, **Duration**, is amended as follows:

Replace the entire paragraph with the following:

"This Agreement shall become effective as of April 4, 2004, and shall continue until 11:59 p.m., on April 4, 2009, at which time it will terminate, unless extended by mutual agreement in writing prior to said termination date."

31. The parties agree to reaffirm and extend their cooperative and mutually beneficial efforts by signing and publishing the Statement of Renewed Commitment to the Principles of Cooperative Union-Management Relations, set forth in **Attachment H** hereto, so that it will continue to facilitate information flow and constructive dialogue throughout the life of the 2004 Labor Agreements.

32. The parties agree to reaffirm and extend their commitment to the Strategic Alliance, set forth in **Attachment I** hereto.

33. The parties agree to extend the Memorandum of Agreement, Monitoring, set forth in **Attachment J** hereto.

34. The parties agree to extend the October 17, 2002 Joint Agreements of the Service Representative Review Committee for the duration of the 2004 Labor Agreements.

35. The parties agree to extend the October 17, 2003 Recommendations of the Communications Consultant Joint Leadership Forum for the duration of the 2004 Labor Agreements.

36. The parties agree to extend the September 1, 2000 Recommendations of the Revenue Management Representative Working Group for the duration of the 2004 Labor Agreements.

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37. The parties agree to extend the provisions of the June 25, 2002 ad hoc Problem Solving Recommendations on Good Jobs in 8 and GPS through the life of the 2004 Labor Agreements.

38. The parties agree to extend the provisions of the June 9, 1999 Recommendations of the Operator Services Task Force for the duration of the 2004 Labor Agreements.

39. The prohibition against Decision Making Leaves (DMLs) and dismissals of Service Representatives solely for adherence performance, agreed to during 1998 Bargaining, and subsequently extended, will remain in effect through the life of the 2004 Labor Agreements.

40. The Company will write an annual letter, signed by the Vice President – Labor Relations, to all Departments reaffirming the need to expeditiously process the informal and formal steps of the grievance process. In addition, the Vice President – Labor Relations will supply CWA District 6, on a quarterly basis, a complete list of Company representatives with whom to file formal grievances.

41. The parties will implement the Memorandum of Agreement, NCS Tie-Breaker, set forth in **Attachment K** hereto.

42. The parties agree to extend the Memorandum of Agreement, CWA Internal Appeal Process, set forth in **Attachment L** hereto.

43. The parties agree to extend the Memorandum of Agreement, Service Leader, set forth in **Attachment M** hereto.

44. The parties agree to modify and extend the Memorandum of Agreement, Facilities Locate Work, set forth in **Attachment N** hereto.

45. The parties agree to extend the Memorandum of Agreement, Four-Day Work Week, set forth in **Attachment O** hereto.

46. Effective with ratification, and for the duration of the 2004 Labor Agreements, the Company will assign two (2) employees to interface with and assist the Union in resolving benefit issues experienced by Union members. The CWA will select employees from the Bargaining Unit who have demonstrated the skills, abilities and experience necessary to perform the duties of this position. The employees will be located at a place to be agreed upon by the Company and the Union. The June 22, 2003 Letter of Agreement relating to this position will remain in effect.

47. The parties agree to extend the Memorandum of Agreement, Employment Opportunity/Enhanced Retirement Benefit, set forth in **Attachment P** hereto.

48. The parties agree to extend the Memorandum of Agreement, Vacation Portability, set forth in **Attachment Q** hereto.

49. The parties agree to modify and extend the Memorandum of Agreement, Recovery of Wage or Benefits Overpayments, set forth in **Attachment R** hereto.

50. The parties agree to extend the Memorandum of Agreement, Uniform Services Leave of Absence – Executive Order for Operation Enduring Freedom / Operation Iraqi Freedom, set forth in **Attachment S** hereto.

51. The Company will write a Letter of Agreement to reimburse retired CWA Union Presidents or their retired designee for travel and associated expenses to attend Strategic Alliance Standing Joint Committees and Common Interest Forum meetings. This letter shall be effective for the life of the 2004 Labor Agreements.

52. The parties agree to modify and extend the Memorandum of Agreement, Informal Surplus, set forth in **Attachment T** hereto.

53. The parties agree to modify and extend the Memorandum of Agreement, Hometown Job Security Commitment (HJSC), set forth in **Attachment U** hereto. The Company further agrees not to cancel or suspend the application of the Commitment for the life of the 2004 Labor Agreements.

54. The parties agree to extend the Memorandum of Agreement, Modified Procedures for Expedited Arbitration, set forth in **Attachment V** hereto.

55. The parties agree to the following Employment Security Commitment. For regular employees who are on the payroll as of the date of contract ratification and for surplus declarations declared after ratification, the Employment Security Commitment (ESC), set forth in **Attachment W**, will be handled as follows: The Company will modify and extend the ESC and agrees not to suspend the ESC for the life of the 2004 Labor Agreements. The guaranteed job offer in the ESC may be to a job throughout the scope in which the employee currently works. The ESC will not apply to employees hired on or after the date of ratification.

56. As soon as practical, but not later than six (6) months after ratification, the Company will make a job offer to employees who were laid off since the suspension of the Employment Security Commitment, and who are currently on the recall/rehire list, in accordance with the provisions of the Employment Security Commitment in the 2001 Settlement Agreement.

Upon reemployment with the Company, the employee shall repay any severance payments received from the Company at the time of layoff in accordance with the rehire/recall provisions of Article XVIII, **Severance**, of the 2001 Departmental Agreement, as appropriate.

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Former employees who refuse the job offer, as provided above, will be removed from the recall/rehire list.

57. When possible, the Senior Manager will notify CWA leadership at least thirty (30) days in advance of contracting work which is not then being, or has not recently been performed by contractors in the Senior Manager's geographic scope of responsibility involving work directly related to the network. This notification will include:

- A. A description of the work to be contracted out.
- B. The location(s) where contracting will occur (city and state).
- C. The reason why the Company determined that the use of overtime in lieu of contracting is not feasible.
- D. When the new contracting will commence and the expected duration.
- E. If possible, an estimate of the number of personnel involved in the new contracting efforts.

58. The Company and Union will reinstate an ad hoc committee under the auspices of the Executive Council of the Strategic Alliance to review work identified by the Company or Union which is being contracted out. The focus shall be to:

- A. Afford the Union the opportunity to suggest ways to use the Bargaining Unit members to do the contracted out work.
- B. Give the Company the opportunity to receive input from the Union on how to jointly find practical and effective ways in which to meet cost and completion objectives of the business.

59. The Company and the Union will establish an ad hoc committee under the auspices of the Executive Council of the Strategic Alliance to review and make recommendations for administering the two-hour notice for assigned overtime at the end of a tour. This ad hoc committee will be established within 60 days of contract ratification.

60. With respect to the Union's demands concerning jobs of the future, the parties agree to implement the Memorandum of Agreement, Evolving Technologies, set forth in **Attachment X** hereto.

61. Contractor/Supplier/Partner Neutrality. The Company agrees to send a letter to those SBC suppliers/contractors, requested by the Union, informing the suppliers/contractors of our positive relationship with the CWA and encouraging them to strive for constructive relationships with their employees.

62. Intersubsidary Movement Process. Effective January 1, 2005, or as soon thereafter as administratively feasible, the Company will establish a web-based intersubsidary movement application process. The process will allow CWA-represented employees of participating companies to express an interest in employment with another of the participating companies represented by CWA.

Effective July 1, 2005, or as soon thereafter as administratively feasible, the Company will establish a web site for CWA-represented employees that will allow employees to view positions for which the participating companies intend to consider new hire applicants for placement.

The list of the participating companies is set forth in **Attachment Y** hereto.

For wholly-owned subsidiaries, SBC will agree to commit to take qualified candidates, as determined by the receiving subsidiary, who are designated surplus employees before hiring off the street. SBC will also agree to use our best efforts to encourage other subsidiaries where it is not in a position to direct implementation of this policy to voluntarily implement the same procedures.

Employees transferring from one SBC wholly-owned subsidiary to another wholly-owned subsidiary shall be given credit for all service with SBC or any of its wholly-owned subsidiaries under each benefit plan, program or policy (e.g., vacation) in which such transferred employee is eligible to participate for purposes of eligibility, vesting and benefit accrual, consistent with current procedures that avoid duplication of benefits. In all cases of intersubsidary movement, severance will be paid by the former company only if service credit is not given by the receiving company.

63. CWA NETT. Within 30 days of ratification, and each quarter thereafter and for the life of the contract, SBC agrees to promote the CWA NETT Academy training program, as an available option under the existing regional programs. In addition, the Company will arrange to have CWA meet with the appropriate training personnel about the CWA NETT.

64. Presidential Council. The Company proposes the Presidential Council be expanded and charged with addressing the following issues related to future technologies:

- the extent to which represented employees can perform, consistent with the competitive nature of these business lines, a greater portion of the emerging technology work, such as WiFi, VoIP, FTTP, and other developing technologies;
- the general nature of new technologies and product offerings;
- SBC's affiliations, partnerships and joint marketing programs;

- the joint identification of subject matter experts who can assist the Presidential Council in addressing these issues.

65. Successorship in any exchange sale. The Company agrees that in any agreement to sell a portion of its assets in a transaction involving the transfer of employees subject to this collective bargaining agreement, it shall require, as a condition of the closing of such sale, that the Buyer agree to enter into a substitute collective bargaining agreement(s) with respect to the employees subject to the Collective Bargaining Agreement on economic terms no less favorable to such employees than those currently contained in this Collective Bargaining Agreement, and, Buyer shall either (i) enter into such substitute collective bargaining agreement(s) effective as of the Closing or (ii) if no such substitute agreement is reached as of the Closing, agree to provide the employees with the economic benefits currently contained in this Collective Bargaining Agreement from the Closing until such time as a substitute collective bargaining agreement is negotiated with the CWA.

---

The Union and the Company execute this Agreement by their duly authorized officers and representatives as of the day and year above written.

FOR THE UNION:

FOR THE COMPANY:

By: Andy Milburn  
Andy Milburn  
Vice President, District 6

By: Mike Smith  
Mike Smith  
Vice President-Labor Relations

Approved By:

---

Morton Bahr  
President,  
Communications Workers of America

## APPENDIX A

### WAGE PROGRESSION SCHEDULE GRAPHICS AND DRAFTING CLASSIFICATION

Basic Wage Rates for Normal Work Week

#### GRAPHICS SPECIALIST - A

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$246.50	\$251.50	\$258.00	\$264.50	\$270.50	\$276.50
" 12 "	\$289.50	\$295.50	\$303.00	\$310.50	\$317.50	\$324.50
" 18 "	\$339.50	\$346.50	\$355.00	\$364.00	\$372.00	\$380.50
" 24 "	\$398.50	\$406.50	\$416.50	\$427.00	\$436.50	\$446.50
" 30 "	\$468.00	\$477.50	\$489.50	\$501.50	\$513.00	\$524.50
" 36 "	\$549.50	\$560.50	\$574.50	\$589.00	\$602.50	\$616.00
" 42 "	\$645.00	\$658.00	\$674.50	\$691.50	\$707.00	\$723.00
" 48 "	\$757.00	\$772.00	\$791.50	\$811.50	\$830.00	\$848.50
Pension Band	108	108	108	108	108	108

Present -- Effective 6/22/03

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## APPENDIX B

### WAGE PROGRESSION SCHEDULES CONTACT CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### BUSINESS REPRESENTATIVE GROUP

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$255.00	\$260.00	\$266.50	\$273.00	\$279.00	\$285.50
After 6 Months	\$293.00	\$299.00	\$306.50	\$314.00	\$321.00	\$328.00
" 12 "	\$336.00	\$342.50	\$351.00	\$360.00	\$368.00	\$376.50
" 18 "	\$386.00	\$393.50	\$403.50	\$413.50	\$423.00	\$432.50
" 24 "	\$443.00	\$452.00	\$463.50	\$475.00	\$485.50	\$496.50
" 30 "	\$509.00	\$519.00	\$532.00	\$545.50	\$558.00	\$570.50
" 36 "	\$584.50	\$596.00	\$611.00	\$626.50	\$640.50	\$655.00
" 42 "	\$671.00	\$684.50	\$701.50	\$719.00	\$735.00	\$751.50
" 48 "	\$770.50	\$786.00	\$805.50	\$825.50	\$844.00	\$863.00
" 54 "	\$884.50	\$902.00	\$924.50	\$947.50	\$969.00	\$991.00
" 60 "	\$1,015.50	\$1,036.00	\$1,062.00	\$1,088.50	\$1,113.00	\$1,138.00
Pension Band	119	119	119	119	119	119

#### COIN COUNTER

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$240.00	\$245.00	\$251.00	\$257.50	\$263.50	\$269.50
After 6 Months	\$275.50	\$281.00	\$288.00	\$295.00	\$301.50	\$308.50
" 12 "	\$316.00	\$322.50	\$330.50	\$339.00	\$346.50	\$354.50
" 18 "	\$362.50	\$370.00	\$379.50	\$389.00	\$398.00	\$407.00
" 24 "	\$416.00	\$424.50	\$435.00	\$446.00	\$456.00	\$466.50
" 30 "	\$477.00	\$486.50	\$498.50	\$511.00	\$522.50	\$534.50
" 36 "	\$547.50	\$558.50	\$572.50	\$587.00	\$600.00	\$613.50
" 42 "	\$628.00	\$640.50	\$656.50	\$673.00	\$688.00	\$703.50
" 48 "	\$720.50	\$735.00	\$753.50	\$772.50	\$790.00	\$808.00
" 54 "	\$826.50	\$843.00	\$864.00	\$885.50	\$905.50	\$926.00
" 60 "	\$948.50	\$967.50	\$991.50	\$1,016.50	\$1,039.50	\$1,063.00
Pension Band	116	116	116	116	116	116

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX B

### COMMUNICATIONS CONSULTANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$265.50	\$271.00	\$278.00	\$285.00	\$291.50	\$298.00
After 6 Months	\$306.50	\$312.50	\$320.50	\$328.50	\$336.00	\$343.50
" 12 "	\$354.00	\$361.00	\$370.00	\$379.50	\$388.00	\$396.50
" 18 "	\$409.00	\$417.00	\$427.50	\$438.00	\$448.00	\$458.00
" 24 "	\$472.50	\$482.00	\$494.00	\$506.50	\$518.00	\$529.50
" 30 "	\$545.50	\$556.50	\$570.50	\$585.00	\$598.00	\$611.50
" 36 "	\$630.00	\$642.50	\$658.50	\$675.00	\$690.00	\$705.50
" 42 "	\$728.00	\$742.50	\$761.00	\$780.00	\$797.50	\$815.50
" 48 "	\$840.50	\$857.50	\$879.00	\$901.00	\$921.50	\$942.00
" 54 "	\$971.00	\$990.50	\$1,015.50	\$1,041.00	\$1,064.50	\$1,088.50
" 60 "	\$1,121.50	\$1,144.00	\$1,172.50	\$1,202.00	\$1,229.00	\$1,256.50
Pension Band	123	123	123	123	123	123

### CUSTOMER CLERK

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
" 12 "	\$286.50	\$292.00	\$299.50	\$307.00	\$314.00	\$321.00
" 18 "	\$334.50	\$341.00	\$349.50	\$358.00	\$366.00	\$374.00
" 24 "	\$390.50	\$398.50	\$408.50	\$418.50	\$428.00	\$437.50
" 30 "	\$456.00	\$465.00	\$476.50	\$488.50	\$499.50	\$510.50
" 36 "	\$532.50	\$543.00	\$556.50	\$570.50	\$583.50	\$596.50
" 42 "	\$622.00	\$634.50	\$650.50	\$667.00	\$682.00	\$697.50
" 48 "	\$726.50	\$741.00	\$759.50	\$778.50	\$796.00	\$814.00
Pension Band	107	107	107	107	107	107

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX B

### CUSTOMER REPRESENTATIVE GROUP

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$260.00	\$265.00	\$271.50	\$278.50	\$285.00	\$291.50
After 6 Months	\$299.00	\$305.00	\$312.50	\$320.50	\$327.50	\$335.00
" 12 "	\$344.50	\$351.50	\$360.50	\$369.50	\$378.00	\$386.50
" 18 "	\$396.00	\$404.00	\$414.00	\$424.50	\$434.00	\$444.00
" 24 "	\$456.00	\$465.00	\$476.50	\$488.50	\$499.50	\$510.50
" 30 "	\$524.50	\$535.00	\$548.50	\$562.00	\$574.50	\$587.50
" 36 "	\$604.00	\$616.00	\$631.50	\$647.50	\$662.00	\$677.00
" 42 "	\$695.00	\$709.00	\$726.50	\$744.50	\$761.50	\$778.50
" 48 "	\$799.50	\$815.50	\$836.00	\$857.00	\$876.50	\$896.00
" 54 "	\$920.00	\$938.50	\$962.00	\$986.00	\$1,008.00	\$1,030.50
" 60 "	\$1,059.00	\$1,080.00	\$1,107.00	\$1,134.50	\$1,160.00	\$1,186.00
Pension Band	120	120	120	120	120	120

### CUSTOMER SERVICE REPRESENTATIVE II

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$243.00	\$248.00	\$254.00	\$260.50	\$266.50	\$272.50
After 6 Months	\$281.50	\$287.00	\$294.00	\$301.50	\$308.50	\$315.50
" 12 "	\$326.00	\$332.50	\$341.00	\$349.50	\$357.50	\$365.50
" 18 "	\$377.50	\$385.00	\$394.50	\$404.50	\$413.50	\$423.00
" 24 "	\$437.50	\$446.50	\$457.50	\$469.00	\$479.50	\$490.50
" 30 "	\$506.50	\$516.50	\$529.50	\$542.50	\$554.50	\$567.00
" 36 "	\$586.50	\$598.00	\$613.00	\$628.50	\$642.50	\$657.00
" 42 "	\$679.50	\$693.00	\$710.50	\$728.50	\$745.00	\$762.00
" 48 "	\$787.00	\$802.50	\$822.50	\$843.00	\$862.00	\$881.50
" 54 "	\$911.50	\$929.50	\$952.50	\$976.50	\$998.50	\$1,021.00
" 60 "	\$1,055.50	\$1,076.50	\$1,103.50	\$1,131.00	\$1,156.50	\$1,182.50
Pension Band	120	120	120	120	120	120

(Continued on next page)

Present -- Effective 6/22/03

## APPENDIX B

### CUSTOMER SERVICES SPECIALIST

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$215.00	\$219.50	\$225.00	\$230.50	\$235.50	\$241.00
After 6 Months	\$253.00	\$258.00	\$264.50	\$271.00	\$277.00	\$283.00
" 12 "	\$297.50	\$303.50	\$311.00	\$319.00	\$326.00	\$333.50
" 18 "	\$350.50	\$357.50	\$366.50	\$375.50	\$384.00	\$392.50
" 24 "	\$412.50	\$421.00	\$431.50	\$442.50	\$452.50	\$462.50
" 30 "	\$485.00	\$494.50	\$507.00	\$519.50	\$531.00	\$543.00
" 36 "	\$571.00	\$582.50	\$597.00	\$612.00	\$626.00	\$640.00
" 42 "	\$672.00	\$685.50	\$702.50	\$720.00	\$736.00	\$752.50
" 48 "	\$790.50	\$806.50	\$826.50	\$847.00	\$866.00	\$885.50
Pension Band	110	110	110	110	110	110

### HEAD SERVICE REPRESENTATIVE

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$240.50	\$245.50	\$251.50	\$258.00	\$264.00	\$270.00
After 6 Months	\$284.50	\$290.00	\$297.50	\$305.00	\$312.00	\$319.00
" 12 "	\$337.00	\$343.50	\$352.00	\$361.00	\$369.00	\$377.50
" 18 "	\$398.50	\$406.50	\$416.50	\$427.00	\$436.50	\$446.50
" 24 "	\$471.50	\$481.00	\$493.00	\$505.50	\$517.00	\$528.50
" 30 "	\$558.00	\$569.00	\$583.00	\$597.50	\$611.00	\$624.50
" 36 "	\$660.50	\$673.50	\$690.50	\$708.00	\$724.00	\$740.50
" 42 "	\$781.50	\$797.00	\$817.00	\$837.50	\$856.50	\$876.00
" 48 "	\$925.00	\$943.50	\$967.00	\$991.00	\$1,013.50	\$1,036.50
Pension Band	115	115	115	115	115	115

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Present -- Effective 6/22/03

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## APPENDIX B

### MARKETING OPERATIONS GROUP

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$272.50	\$278.00	\$285.00	\$292.00	\$298.50	\$305.00
After 6 Months	\$310.00	\$316.00	\$324.00	\$332.00	\$339.50	\$347.00
" 12 "	\$352.50	\$359.50	\$368.50	\$377.50	\$386.00	\$394.50
" 18 "	\$400.50	\$408.50	\$418.50	\$429.00	\$438.50	\$448.50
" 24 "	\$455.50	\$464.50	\$476.00	\$488.00	\$499.00	\$510.00
" 30 "	\$518.00	\$528.50	\$541.50	\$555.00	\$567.50	\$580.50
" 36 "	\$589.50	\$601.50	\$616.50	\$632.00	\$646.00	\$660.50
" 42 "	\$670.00	\$683.50	\$700.50	\$718.00	\$734.00	\$750.50
" 48 "	\$762.00	\$777.00	\$796.50	\$816.50	\$835.00	\$854.00
Pension Band	109	109	109	109	109	109

### REVENUE MANAGEMENT REPRESENTATIVE

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$248.00	\$253.00	\$259.50	\$266.00	\$272.00	\$278.00
" 12 "	\$293.00	\$299.00	\$306.50	\$314.00	\$321.00	\$328.00
" 18 "	\$345.50	\$352.50	\$361.50	\$370.50	\$379.00	\$387.50
" 24 "	\$408.00	\$416.00	\$426.50	\$437.00	\$447.00	\$457.00
" 30 "	\$482.00	\$491.50	\$504.00	\$516.50	\$528.00	\$540.00
" 36 "	\$569.00	\$580.50	\$595.00	\$610.00	\$623.50	\$637.50
" 42 "	\$672.00	\$685.50	\$702.50	\$720.00	\$736.00	\$752.50
" 48 "	\$793.50	\$809.50	\$829.50	\$850.00	\$869.00	\$888.50
Pension Band	110	110	110	110	110	110

(Continued on next page)

Present -- Effective 6/22/03

## APPENDIX B

### SALES CLERK

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$231.00	\$235.50	\$241.50	\$247.50	\$253.00	\$258.50
" 12 "	\$253.50	\$258.50	\$265.00	\$271.50	\$277.50	\$283.50
" 18 "	\$279.00	\$284.50	\$291.50	\$299.00	\$305.50	\$312.50
" 24 "	\$306.50	\$312.50	\$320.50	\$328.50	\$336.00	\$343.50
" 30 "	\$337.00	\$343.50	\$352.00	\$361.00	\$369.00	\$377.50
" 36 "	\$370.50	\$378.00	\$387.50	\$397.00	\$406.00	\$415.00
" 42 "	\$407.00	\$415.00	\$425.50	\$436.00	\$446.00	\$456.00
" 48 "	\$447.50	\$456.50	\$468.00	\$479.50	\$490.50	\$501.50
Pension Band	96	96	96	96	96	96

### SERVICE REPRESENTATIVE GROUP

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$220.00	\$224.50	\$230.00	\$236.00	\$241.50	\$247.00
After 6 Months	\$261.50	\$266.50	\$273.00	\$280.00	\$286.50	\$293.00
" 12 "	\$311.00	\$317.00	\$325.00	\$333.00	\$340.50	\$348.00
" 18 "	\$370.00	\$377.50	\$387.00	\$396.50	\$405.50	\$414.50
" 24 "	\$440.00	\$449.00	\$460.00	\$471.50	\$482.00	\$493.00
" 30 "	\$523.50	\$534.00	\$547.50	\$561.00	\$573.50	\$586.50
" 36 "	\$622.50	\$635.00	\$651.00	\$667.50	\$682.50	\$698.00
" 42 "	\$740.50	\$755.50	\$774.50	\$794.00	\$812.00	\$830.50
" 48 "	\$880.50	\$898.00	\$920.50	\$943.50	\$964.50	\$986.00
Pension Band	113	113	113	113	113	113

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX B

### TELLER

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
" 12 "	\$286.50	\$292.00	\$299.50	\$307.00	\$314.00	\$321.00
" 18 "	\$334.50	\$341.00	\$349.50	\$358.00	\$366.00	\$374.00
" 24 "	\$390.50	\$398.50	\$408.50	\$418.50	\$428.00	\$437.50
" 30 "	\$456.00	\$465.00	\$476.50	\$488.50	\$499.50	\$510.50
" 36 "	\$532.50	\$543.00	\$556.50	\$570.50	\$583.50	\$596.50
" 42 "	\$622.00	\$634.50	\$650.50	\$667.00	\$682.00	\$697.50
" 48 "	\$726.50	\$741.00	\$759.50	\$778.50	\$796.00	\$814.00
Pension Band	107	107	107	107	107	107

Present -- Effective 6/22/03

## APPENDIX B

### WAGE PROGRESSION SCHEDULE GRAPHICS AND DRAFTING CLASSIFICATION

Basic Wage Rates for Normal Work Week

#### GRAPHICS SPECIALIST - B

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$246.50	\$251.50	\$258.00	\$264.50	\$270.50	\$276.50
" 12 "	\$289.50	\$295.50	\$303.00	\$310.50	\$317.50	\$324.50
" 18 "	\$339.50	\$346.50	\$355.00	\$364.00	\$372.00	\$380.50
" 24 "	\$398.50	\$406.50	\$416.50	\$427.00	\$436.50	\$446.50
" 30 "	\$468.00	\$477.50	\$489.50	\$501.50	\$513.00	\$524.50
" 36 "	\$549.50	\$560.50	\$574.50	\$589.00	\$602.50	\$616.00
" 42 "	\$645.00	\$658.00	\$674.50	\$691.50	\$707.00	\$723.00
" 48 "	\$757.00	\$772.00	\$791.50	\$811.50	\$830.00	\$848.50
Pension Band	108	108	108	108	108	108

Present -- Effective 6/22/03

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## APPENDIX C

### WAGE PROGRESSION SCHEDULES CRAFT CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### GROUP 1

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$243.00	\$248.00	\$254.00	\$260.50	\$266.50	\$272.50
After 6 Months	\$281.50	\$287.00	\$294.00	\$301.50	\$308.50	\$315.50
" 12 "	\$326.00	\$332.50	\$341.00	\$349.50	\$357.50	\$365.50
" 18 "	\$377.50	\$385.00	\$394.50	\$404.50	\$413.50	\$423.00
" 24 "	\$437.50	\$446.50	\$457.50	\$469.00	\$479.50	\$490.50
" 30 "	\$506.50	\$516.50	\$529.50	\$542.50	\$554.50	\$567.00
" 36 "	\$586.50	\$598.00	\$613.00	\$628.50	\$642.50	\$657.00
" 42 "	\$679.50	\$693.00	\$710.50	\$728.50	\$745.00	\$762.00
" 48 "	\$787.00	\$802.50	\$822.50	\$843.00	\$862.00	\$881.50
" 54 "	\$911.50	\$929.50	\$952.50	\$976.50	\$998.50	\$1,021.00
" 60 "	\$1,055.50	\$1,076.50	\$1,103.50	\$1,131.00	\$1,156.50	\$1,182.50
Pension Band	120	120	120	120	120	120

#### GROUP 2

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$243.00	\$248.00	\$254.00	\$260.50	\$266.50	\$272.50
After 6 Months	\$280.50	\$286.00	\$293.00	\$300.50	\$307.50	\$314.50
" 12 "	\$323.50	\$330.00	\$338.50	\$347.00	\$355.00	\$363.00
" 18 "	\$373.50	\$381.00	\$390.50	\$400.50	\$409.50	\$418.50
" 24 "	\$431.00	\$439.50	\$450.50	\$462.00	\$472.50	\$483.00
" 30 "	\$497.50	\$507.50	\$520.00	\$533.00	\$545.00	\$557.50
" 36 "	\$574.50	\$586.00	\$600.50	\$615.50	\$629.50	\$643.50
" 42 "	\$663.00	\$676.50	\$693.50	\$711.00	\$727.00	\$743.50
" 48 "	\$765.00	\$780.50	\$800.00	\$820.00	\$838.50	\$857.50
" 54 "	\$883.00	\$900.50	\$923.00	\$946.00	\$967.50	\$989.50
" 60 "	\$1,019.00	\$1,039.50	\$1,065.50	\$1,092.00	\$1,116.50	\$1,141.50
Pension Band	119	119	119	119	119	119

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX C

### GROUP 2A

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$243.00	\$248.00	\$254.00	\$260.50	\$266.50	\$272.50
After 6 Months	\$280.50	\$286.00	\$293.00	\$300.50	\$307.50	\$314.50
" 12 "	\$323.50	\$330.00	\$338.50	\$347.00	\$355.00	\$363.00
" 18 "	\$373.50	\$381.00	\$390.50	\$400.50	\$409.50	\$418.50
" 24 "	\$431.00	\$439.50	\$450.50	\$462.00	\$472.50	\$483.00
" 30 "	\$497.50	\$507.50	\$520.00	\$533.00	\$545.00	\$557.50
" 36 "	\$574.50	\$586.00	\$600.50	\$615.50	\$629.50	\$643.50
" 42 "	\$663.00	\$676.50	\$693.50	\$711.00	\$727.00	\$743.50
" 48 "	\$765.00	\$780.50	\$800.00	\$820.00	\$838.50	\$857.50
" 54 "	\$903.00	\$921.00	\$944.00	\$967.50	\$989.50	\$1,012.00
" 60 "	--	--	--	--	--	--
Pension Band	114	114	114	114	114	114

Present -- Effective 6/22/03

*AS am*

## APPENDIX C

### WAGE PROGRESSION SCHEDULES NONCRAFT CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### AIR CONDITIONING SPECIALIST MOTOR EQUIPMENT INSPECTOR/MAINTAINER

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$243.00	\$248.00	\$254.00	\$260.50	\$266.50	\$272.50
After 6 Months	\$281.00	\$286.50	\$293.50	\$301.00	\$308.00	\$315.00
" 12 "	\$325.50	\$332.00	\$340.50	\$349.00	\$357.00	\$365.00
" 18 "	\$376.50	\$384.00	\$393.50	\$403.50	\$412.50	\$422.00
" 24 "	\$436.00	\$444.50	\$455.50	\$467.00	\$477.50	\$488.00
" 30 "	\$504.50	\$514.50	\$527.50	\$540.50	\$552.50	\$565.00
" 36 "	\$584.00	\$595.50	\$610.50	\$626.00	\$640.00	\$654.50
" 42 "	\$676.00	\$689.50	\$706.50	\$724.00	\$740.50	\$757.00
" 48 "	\$782.00	\$797.50	\$817.50	\$838.00	\$857.00	\$876.50
" 54 "	\$905.00	\$923.00	\$946.00	\$969.50	\$991.50	\$1,014.00
" 60 "	\$1,047.50	\$1,068.50	\$1,095.00	\$1,122.50	\$1,148.00	\$1,174.00
Pension Band	120	120	120	120	120	120

#### ASSISTANT CUSTOMER SERVICE TECHNICIAN

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$229.50	\$234.00	\$240.00	\$246.00	\$251.50	\$257.00
After 6 Months	\$260.00	\$265.00	\$271.50	\$278.50	\$285.00	\$291.50
" 12 "	\$295.00	\$301.00	\$308.50	\$316.00	\$323.00	\$330.50
" 18 "	\$334.50	\$341.00	\$349.50	\$358.00	\$366.00	\$374.00
" 24 "	\$379.00	\$386.50	\$396.00	\$406.00	\$415.00	\$424.50
" 30 "	\$429.50	\$438.00	\$449.00	\$460.00	\$470.50	\$481.00
" 36 "	\$487.00	\$496.50	\$509.00	\$521.50	\$533.00	\$545.00
" 42 "	\$552.00	\$563.00	\$577.00	\$591.50	\$605.00	\$618.50
" 48 "	\$625.50	\$638.00	\$654.00	\$670.50	\$685.50	\$701.00
Pension Band	103	103	103	103	103	103

(Continued on next page)

Present -- Effective 6/22/03

*AS am*

## APPENDIX C

### BUILDING MAINTAINER AND GARAGE ATTENDANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$242.00	\$247.00	\$253.00	\$259.50	\$265.50	\$271.50
" 12 "	\$278.50	\$284.00	\$291.00	\$298.50	\$305.00	\$312.00
" 18 "	\$320.50	\$327.00	\$335.00	\$343.50	\$351.00	\$359.00
" 24 "	\$369.00	\$376.50	\$386.00	\$395.50	\$404.50	\$413.50
" 30 "	\$425.00	\$433.50	\$444.50	\$455.50	\$465.50	\$476.00
" 36 "	\$489.50	\$499.50	\$512.00	\$525.00	\$537.00	\$549.00
" 42 "	\$563.50	\$575.00	\$589.50	\$604.00	\$617.50	\$631.50
" 48 "	\$649.00	\$662.00	\$678.50	\$695.50	\$711.00	\$727.00
Pension Band	104	104	104	104	104	104

### BUILDING MECHANIC

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$239.50	\$244.50	\$250.50	\$257.00	\$263.00	\$269.00
After 6 Months	\$275.50	\$281.00	\$288.00	\$295.00	\$301.50	\$308.50
" 12 "	\$317.50	\$324.00	\$332.00	\$340.50	\$348.00	\$356.00
" 18 "	\$365.00	\$372.50	\$382.00	\$391.50	\$400.50	\$409.50
" 24 "	\$420.50	\$429.00	\$439.50	\$450.50	\$460.50	\$471.00
" 30 "	\$484.00	\$493.50	\$506.00	\$518.50	\$530.00	\$542.00
" 36 "	\$557.00	\$568.00	\$582.00	\$596.50	\$610.00	\$623.50
" 42 "	\$641.00	\$654.00	\$670.50	\$687.50	\$703.00	\$719.00
" 48 "	\$738.00	\$753.00	\$772.00	\$791.50	\$809.50	\$827.50
" 54 "	\$849.50	\$866.50	\$888.00	\$910.00	\$930.50	\$951.50
" 60 "	\$977.50	\$997.00	\$1,022.00	\$1,047.50	\$1,071.00	\$1,095.00
Pension Band	117	117	117	117	117	117

(Continued on next page)

Present -- Effective 6/22/03

*AS am*

## APPENDIX C

### CAD TECHNICAL SPECIALIST

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$247.50	\$252.50	\$259.00	\$265.50	\$271.50	\$277.50
" 12 "	\$291.00	\$297.00	\$304.50	\$312.00	\$319.00	\$326.00
" 18 "	\$343.00	\$350.00	\$359.00	\$368.00	\$376.50	\$385.00
" 24 "	\$404.00	\$412.00	\$422.50	\$433.00	\$442.50	\$452.50
" 30 "	\$475.50	\$485.00	\$497.00	\$509.50	\$521.00	\$532.50
" 36 "	\$560.00	\$571.00	\$585.50	\$600.00	\$613.50	\$627.50
" 42 "	\$659.50	\$672.50	\$689.50	\$706.50	\$722.50	\$739.00
" 48 "	\$776.50	\$792.00	\$812.00	\$832.50	\$851.00	\$870.00
Pension Band	109	109	109	109	109	109

### CENTRAL OFFICE TRANSLATIONS SPECIALIST\* CUSTOMER SERVICES REPRESENTATIVE CIRCUIT DESIGN SPECIALIST FACILITIES SPECIALIST

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$219.00	\$223.50	\$229.00	\$234.50	\$240.00	\$245.50
After 6 Months	\$258.50	\$263.50	\$270.00	\$277.00	\$283.00	\$289.50
" 12 "	\$305.00	\$311.00	\$319.00	\$327.00	\$334.50	\$342.00
" 18 "	\$359.50	\$366.50	\$375.50	\$385.00	\$393.50	\$402.50
" 24 "	\$424.00	\$432.50	\$443.50	\$454.50	\$464.50	\$475.00
" 30 "	\$500.50	\$510.50	\$523.50	\$536.50	\$548.50	\$561.00
" 36 "	\$590.50	\$602.50	\$617.50	\$633.00	\$647.00	\$661.50
" 42 "	\$696.50	\$710.50	\$728.50	\$746.50	\$763.50	\$780.50
" 48 "	\$821.50	\$838.00	\$859.00	\$880.50	\$900.50	\$921.00
Pension Band	111	111	111	111	111	111

(Continued on next page)

Present -- Effective 6/22/03

\*Effective first pay period commencing 90 days after ratification, see Line Translations Specialist Wage Schedule

*AS am*

## APPENDIX C

### DRIVER-TRACTOR TRAILER

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Pension Band	111	111	111	111	111	111

### HOUSE SERVICE ATTENDANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$239.50	\$244.50	\$250.50	\$257.00	\$263.00	\$269.00
" 12 "	\$273.00	\$278.50	\$285.50	\$292.50	\$299.00	\$305.50
" 18 "	\$311.50	\$317.50	\$325.50	\$333.50	\$341.00	\$348.50
" 24 "	\$355.50	\$362.50	\$371.50	\$381.00	\$389.50	\$398.50
" 30 "	\$405.00	\$413.00	\$423.50	\$434.00	\$444.00	\$454.00
" 36 "	\$462.00	\$471.00	\$483.00	\$495.00	\$506.00	\$517.50
" 42 "	\$527.00	\$537.50	\$551.00	\$565.00	\$577.50	\$590.50
" 48 "	\$601.00	\$613.00	\$628.50	\$644.00	\$658.50	\$673.50
Pension Band	102	102	102	102	102	102

### HOUSE SERVICE MAINTAINER

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$241.00	\$246.00	\$252.00	\$258.50	\$264.50	\$270.50
" 12 "	\$277.00	\$282.50	\$289.50	\$296.50	\$303.00	\$310.00
" 18 "	\$318.50	\$325.00	\$333.00	\$341.50	\$349.00	\$357.00
" 24 "	\$365.50	\$373.00	\$382.50	\$392.00	\$401.00	\$410.00
" 30 "	\$420.00	\$428.50	\$439.00	\$450.00	\$460.00	\$470.50
" 36 "	\$482.50	\$492.00	\$504.50	\$517.00	\$528.50	\$540.50
" 42 "	\$554.00	\$565.00	\$579.00	\$593.50	\$607.00	\$620.50
" 48 "	\$636.50	\$649.00	\$665.00	\$681.50	\$697.00	\$712.50
Pension Band	104	104	104	104	104	104

(Continued on next page)

Present -- Effective 6/22/03

*AS am*

## APPENDIX C

### INSTALLATION COORDINATOR

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$272.50	\$278.00	\$285.00	\$292.00	\$298.50	\$305.00
After 6 Months	\$310.00	\$316.00	\$324.00	\$332.00	\$339.50	\$347.00
" 12 "	\$352.50	\$359.50	\$368.50	\$377.50	\$386.00	\$394.50
" 18 "	\$400.50	\$408.50	\$418.50	\$429.00	\$438.50	\$448.50
" 24 "	\$455.50	\$464.50	\$476.00	\$488.00	\$499.00	\$510.00
" 30 "	\$518.00	\$528.50	\$541.50	\$555.00	\$567.50	\$580.50
" 36 "	\$589.50	\$601.50	\$616.50	\$632.00	\$646.00	\$660.50
" 42 "	\$670.00	\$683.50	\$700.50	\$718.00	\$734.00	\$750.50
" 48 "	\$762.00	\$777.00	\$796.50	\$816.50	\$835.00	\$854.00
Pension Band	109	109	109	109	109	109

### CENTRAL OFFICE TRANSLATIONS SPECIALIST\* LINE TRANSLATIONS SPECIALIST

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$220.00	\$224.50	\$230.00	\$236.00	\$241.50	\$247.00
After 6 Months	\$260.50	\$265.50	\$272.00	\$279.00	\$285.50	\$292.00
" 12 "	\$308.00	\$314.00	\$322.00	\$330.00	\$337.50	\$345.00
" 18 "	\$364.50	\$372.00	\$381.50	\$391.00	\$400.00	\$409.00
" 24 "	\$431.50	\$440.00	\$451.00	\$462.50	\$473.00	\$483.50
" 30 "	\$510.50	\$520.50	\$533.50	\$547.00	\$559.50	\$572.00
" 36 "	\$604.50	\$616.50	\$632.00	\$648.00	\$662.50	\$677.50
" 42 "	\$715.50	\$730.00	\$748.50	\$767.00	\$784.50	\$802.00
" 48 "	\$846.50	\$863.50	\$885.00	\$907.00	\$927.50	\$948.50
Pension Band	112	112	112	112	112	112

(Continued on next page)

Present -- Effective 6/22/03

\*Effective the first pay period commencing 90 days after ratification

*AS am*

## APPENDIX C

### PAY TELEPHONE TECHNICIAN

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$240.00	\$245.00	\$251.00	\$257.50	\$263.50	\$269.50
After 6 Months	\$276.50	\$282.00	\$289.00	\$296.00	\$302.50	\$309.50
" 12 "	\$318.00	\$324.50	\$332.50	\$341.00	\$348.50	\$356.50
" 18 "	\$366.50	\$374.00	\$383.50	\$393.00	\$402.00	\$411.00
" 24 "	\$422.00	\$430.50	\$441.50	\$452.50	\$462.50	\$473.00
" 30 "	\$486.00	\$495.50	\$508.00	\$520.50	\$532.00	\$544.00
" 36 "	\$559.50	\$570.50	\$585.00	\$599.50	\$613.00	\$627.00
" 42 "	\$644.50	\$657.50	\$674.00	\$691.00	\$706.50	\$722.50
" 48 "	\$742.00	\$757.00	\$776.00	\$795.50	\$813.50	\$832.00
" 54 "	\$854.50	\$871.50	\$893.50	\$916.00	\$936.50	\$957.50
" 60 "	\$984.00	\$1,003.50	\$1,028.50	\$1,054.00	\$1,077.50	\$1,101.50
Pension Band	117	117	117	117	117	117

### SUPPLIES ATTENDANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$248.00	\$253.00	\$259.50	\$266.00	\$272.00	\$278.00
" 12 "	\$292.50	\$298.50	\$306.00	\$313.50	\$320.50	\$327.50
" 18 "	\$345.00	\$352.00	\$361.00	\$370.00	\$378.50	\$387.00
" 24 "	\$407.00	\$415.00	\$425.50	\$436.00	\$446.00	\$456.00
" 30 "	\$480.50	\$490.00	\$502.50	\$515.00	\$526.50	\$538.50
" 36 "	\$567.00	\$578.50	\$593.00	\$608.00	\$621.50	\$635.50
" 42 "	\$669.00	\$682.50	\$699.50	\$717.00	\$733.00	\$749.50
" 48 "	\$789.50	\$805.50	\$825.50	\$846.00	\$865.00	\$884.50
Pension Band	110	110	110	110	110	110

(Continued on next page)

Present -- Effective 6/22/03

*AS am*

## APPENDIX C

### TECHNICAL ASSOCIATE

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$247.50	\$252.50	\$259.00	\$265.50	\$271.50	\$277.50
" 12 "	\$291.00	\$297.00	\$304.50	\$312.00	\$319.00	\$326.00
" 18 "	\$343.00	\$350.00	\$359.00	\$368.00	\$376.50	\$385.00
" 24 "	\$404.00	\$412.00	\$422.50	\$433.00	\$442.50	\$452.50
" 30 "	\$475.50	\$485.00	\$497.00	\$509.50	\$521.00	\$532.50
" 36 "	\$560.00	\$571.00	\$585.50	\$600.00	\$613.50	\$627.50
" 42 "	\$659.50	\$672.50	\$689.50	\$706.50	\$722.50	\$739.00
" 48 "	\$776.50	\$792.00	\$812.00	\$832.50	\$851.00	\$870.00
Pension Band	109	109	109	109	109	109

Present -- Effective 6/22/03

## APPENDIX D

### WAGE PROGRESSION SCHEDULE CENTRAL OFFICE ASSISTANT CLASSIFICATION

Basic Wage Rates for Normal Work Week

#### CENTRAL OFFICE ASSISTANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$215.00	\$219.50	\$225.00	\$230.50	\$235.50	\$241.00
After 6 Months	\$252.50	\$257.50	\$264.00	\$270.50	\$276.50	\$282.50
" 12 "	\$296.50	\$302.50	\$310.00	\$318.00	\$325.00	\$332.50
" 18 "	\$348.50	\$355.50	\$364.50	\$373.50	\$382.00	\$390.50
" 24 "	\$409.00	\$417.00	\$427.50	\$438.00	\$448.00	\$458.00
" 30 "	\$480.50	\$490.00	\$502.50	\$515.00	\$526.50	\$538.50
" 36 "	\$564.00	\$575.50	\$590.00	\$605.00	\$618.50	\$632.50
" 42 "	\$662.50	\$676.00	\$693.00	\$710.50	\$726.50	\$743.00
Pension Band	105	105	105	105	105	105

Present -- Effective 6/22/03

*AS am*

## APPENDIX D

### WAGE PROGRESSION SCHEDULE CONSOLE OPERATOR CLASSIFICATION

Basic Wage Rates for Normal Work Week

#### CONSOLE OPERATOR

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
" 12 "	\$286.00	\$291.50	\$299.00	\$306.50	\$313.50	\$320.50
" 18 "	\$333.50	\$340.00	\$348.50	\$357.00	\$365.00	\$373.00
" 24 "	\$389.00	\$397.00	\$407.00	\$417.00	\$426.50	\$436.00
" 30 "	\$454.00	\$463.00	\$474.50	\$486.50	\$497.50	\$508.50
" 36 "	\$529.50	\$540.00	\$553.50	\$567.50	\$580.50	\$593.50
" 42 "	\$618.00	\$630.50	\$646.50	\$662.50	\$677.50	\$692.50
Pension Band	103	103	103	103	103	103

Present -- Effective 6/22/03

## APPENDIX D

### WAGE PROGRESSION SCHEDULE CONTACT CLASSIFICATION

Basic Wage Rates for Normal Work Week

#### BUSINESS SERVICES INSTRUCTOR

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$229.50	\$234.00	\$240.00	\$246.00	\$251.50	\$257.00
After 6 Months	\$268.50	\$274.00	\$281.00	\$288.00	\$294.50	\$301.00
" 12 "	\$314.50	\$321.00	\$329.00	\$337.00	\$344.50	\$352.50
" 18 "	\$368.00	\$375.50	\$385.00	\$394.50	\$403.50	\$412.50
" 24 "	\$430.50	\$439.00	\$450.00	\$461.50	\$472.00	\$482.50
" 30 "	\$504.00	\$514.00	\$527.00	\$540.00	\$552.00	\$564.50
" 36 "	\$589.50	\$601.50	\$616.50	\$632.00	\$646.00	\$660.50
" 42 "	\$690.00	\$704.00	\$721.50	\$739.50	\$756.00	\$773.00
" 48 "	\$807.50	\$823.50	\$844.00	\$865.00	\$884.50	\$904.50
Pension Band	110	110	110	110	110	110

Present -- Effective 6/22/03

*AS am*

## APPENDIX D

### WAGE PROGRESSION SCHEDULES OPERATING CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### CENTRAL OFFICE CLERK SERVICE ASSISTANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$219.00	\$223.50	\$229.00	\$234.50	\$240.00	\$245.50
After 6 Months	\$256.00	\$261.00	\$267.50	\$274.00	\$280.00	\$286.50
" 12 "	\$299.50	\$305.50	\$313.00	\$321.00	\$328.00	\$335.50
" 18 "	\$350.50	\$357.50	\$366.50	\$375.50	\$384.00	\$392.50
" 24 "	\$409.50	\$417.50	\$428.00	\$438.50	\$448.50	\$458.50
" 30 "	\$479.00	\$488.50	\$500.50	\$513.00	\$524.50	\$536.50
" 36 "	\$560.50	\$571.50	\$586.00	\$600.50	\$614.00	\$628.00
" 42 "	\$655.50	\$668.50	\$685.00	\$702.00	\$718.00	\$734.00
" 48 "	\$766.50	\$782.00	\$801.50	\$821.50	\$840.00	\$859.00
Pension Band	109	109	109	109	109	109

#### OPERATOR

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$246.00	\$251.00	\$257.50	\$264.00	\$270.00	\$276.00
" 12 "	\$288.00	\$294.00	\$301.50	\$309.00	\$316.00	\$323.00
" 18 "	\$337.00	\$343.50	\$352.00	\$361.00	\$369.00	\$377.50
" 24 "	\$394.50	\$402.50	\$412.50	\$423.00	\$432.50	\$442.00
" 30 "	\$462.00	\$471.00	\$483.00	\$495.00	\$506.00	\$517.50
" 36 "	\$540.50	\$551.50	\$565.50	\$579.50	\$592.50	\$606.00
" 42 "	\$633.00	\$645.50	\$661.50	\$678.00	\$693.50	\$709.00
" 48 "	\$741.00	\$756.00	\$775.00	\$794.50	\$812.50	\$831.00
Pension Band	108	108	108	108	108	108

Present -- Effective 6/22/03

## APPENDIX E

### WAGE PROGRESSION SCHEDULES CLERICAL CLASSIFICATIONS

#### APPENDICES A, B, C, D and H

#### Basic Wage Rates for Normal Work Week

#### E-1 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$240.00	\$245.00	\$251.00	\$257.50	\$263.50	\$269.50
" 12 "	\$274.50	\$280.00	\$287.00	\$294.00	\$300.50	\$307.50
" 18 "	\$313.50	\$320.00	\$328.00	\$336.00	\$343.50	\$351.00
" 24 "	\$358.50	\$365.50	\$374.50	\$384.00	\$392.50	\$401.50
" 30 "	\$410.00	\$418.00	\$428.50	\$439.00	\$449.00	\$459.00
" 36 "	\$468.50	\$478.00	\$490.00	\$502.50	\$514.00	\$525.50
" 42 "	\$535.50	\$546.00	\$559.50	\$573.50	\$586.50	\$599.50
" 48 "	\$612.00	\$624.00	\$639.50	\$655.50	\$670.00	\$685.00
Pension Band	103	103	103	103	103	103

#### E-2 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$244.00	\$249.00	\$255.00	\$261.50	\$267.50	\$273.50
" 12 "	\$284.00	\$289.50	\$296.50	\$304.00	\$311.00	\$318.00
" 18 "	\$330.50	\$337.00	\$345.50	\$354.00	\$362.00	\$370.00
" 24 "	\$384.00	\$391.50	\$401.50	\$411.50	\$421.00	\$430.50
" 30 "	\$447.00	\$456.00	\$467.50	\$479.00	\$490.00	\$501.00
" 36 "	\$519.50	\$530.00	\$543.50	\$557.00	\$569.50	\$582.50
" 42 "	\$604.50	\$616.50	\$632.00	\$648.00	\$662.50	\$677.50
" 48 "	\$703.00	\$717.00	\$735.00	\$753.50	\$770.50	\$788.00
Pension Band	106	106	106	106	106	106

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX E

### E-3 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
" 12 "	\$286.50	\$292.00	\$299.50	\$307.00	\$314.00	\$321.00
" 18 "	\$334.50	\$341.00	\$349.50	\$358.00	\$366.00	\$374.00
" 24 "	\$390.50	\$398.50	\$408.50	\$418.50	\$428.00	\$437.50
" 30 "	\$456.00	\$465.00	\$476.50	\$488.50	\$499.50	\$510.50
" 36 "	\$532.50	\$543.00	\$556.50	\$570.50	\$583.50	\$596.50
" 42 "	\$622.00	\$634.50	\$650.50	\$667.00	\$682.00	\$697.50
" 48 "	\$726.50	\$741.00	\$759.50	\$778.50	\$796.00	\$814.00
Pension Band	107	107	107	107	107	107

### SS-1 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$246.00	\$251.00	\$257.50	\$264.00	\$270.00	\$276.00
" 12 "	\$288.00	\$294.00	\$301.50	\$309.00	\$316.00	\$323.00
" 18 "	\$337.50	\$344.50	\$353.00	\$362.00	\$370.00	\$378.50
" 24 "	\$395.50	\$403.50	\$413.50	\$424.00	\$433.50	\$443.50
" 30 "	\$463.00	\$472.50	\$484.50	\$496.50	\$507.50	\$519.00
" 36 "	\$542.50	\$553.50	\$567.50	\$581.50	\$594.50	\$608.00
" 42 "	\$635.00	\$647.50	\$663.50	\$680.00	\$695.50	\$711.00
" 48 "	\$744.00	\$759.00	\$778.00	\$797.50	\$815.50	\$834.00
Pension Band	108	108	108	108	108	108

(Continued on next page)

Present -- Effective 6/22/03

## APPENDIX E

### SS-2 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$247.00	\$252.00	\$258.50	\$265.00	\$271.00	\$277.00
" 12 "	\$290.50	\$296.50	\$304.00	\$311.50	\$318.50	\$325.50
" 18 "	\$342.00	\$349.00	\$357.50	\$366.50	\$374.50	\$383.00
" 24 "	\$402.00	\$410.00	\$420.50	\$431.00	\$440.50	\$450.50
" 30 "	\$473.00	\$482.50	\$494.50	\$507.00	\$518.50	\$530.00
" 36 "	\$556.00	\$567.00	\$581.00	\$595.50	\$609.00	\$622.50
" 42 "	\$654.00	\$667.00	\$683.50	\$700.50	\$716.50	\$732.50
" 48 "	\$769.50	\$785.00	\$804.50	\$824.50	\$843.00	\$862.00
Pension Band	109	109	109	109	109	109

### S-1 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$215.00	\$219.50	\$225.00	\$230.50	\$235.50	\$241.00
After 6 Months	\$253.00	\$258.00	\$264.50	\$271.00	\$277.00	\$283.00
" 12 "	\$297.50	\$303.50	\$311.00	\$319.00	\$326.00	\$333.50
" 18 "	\$350.50	\$357.50	\$366.50	\$375.50	\$384.00	\$392.50
" 24 "	\$412.50	\$421.00	\$431.50	\$442.50	\$452.50	\$462.50
" 30 "	\$485.00	\$494.50	\$507.00	\$519.50	\$531.00	\$543.00
" 36 "	\$571.00	\$582.50	\$597.00	\$612.00	\$626.00	\$640.00
" 42 "	\$672.00	\$685.50	\$702.50	\$720.00	\$736.00	\$752.50
" 48 "	\$790.50	\$806.50	\$826.50	\$847.00	\$866.00	\$885.50
Pension Band	110	110	110	110	110	110

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Present -- Effective 6/22/03

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## APPENDIX E

### S-2 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$224.00	\$228.50	\$234.00	\$240.00	\$245.50	\$251.00
After 6 Months	\$263.50	\$269.00	\$275.50	\$282.50	\$289.00	\$295.50
" 12 "	\$309.50	\$315.50	\$323.50	\$331.50	\$339.00	\$346.50
" 18 "	\$363.50	\$371.00	\$380.50	\$390.00	\$399.00	\$408.00
" 24 "	\$427.50	\$436.00	\$447.00	\$458.00	\$468.50	\$479.00
" 30 "	\$502.50	\$512.50	\$525.50	\$538.50	\$550.50	\$563.00
" 36 "	\$590.50	\$602.50	\$617.50	\$633.00	\$647.00	\$661.50
" 42 "	\$694.00	\$708.00	\$725.50	\$743.50	\$760.00	\$777.00
" 48 "	\$816.00	\$832.50	\$853.50	\$875.00	\$894.50	\$914.50
Pension Band	111	111	111	111	111	111

Present -- Effective 6/22/03

## APPENDIX I

### WAGE PROGRESSION SCHEDULES CLERICAL CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### E-1 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$240.00	\$245.00	\$251.00	\$257.50	\$263.50	\$269.50
" 12 "	\$274.00	\$279.50	\$286.50	\$293.50	\$300.00	\$307.00
" 18 "	\$313.00	\$319.50	\$327.50	\$335.50	\$343.00	\$350.50
" 24 "	\$357.50	\$364.50	\$373.50	\$383.00	\$391.50	\$400.50
" 30 "	\$408.00	\$416.00	\$426.50	\$437.00	\$447.00	\$457.00
" 36 "	\$466.00	\$475.50	\$487.50	\$499.50	\$510.50	\$522.00
" 42 "	\$532.50	\$543.00	\$556.50	\$570.50	\$583.50	\$596.50
" 48 "	\$608.00	\$620.00	\$635.50	\$651.50	\$666.00	\$681.00
Pension Band	703	703	703	703	703	703

#### E-2 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$244.00	\$249.00	\$255.00	\$261.50	\$267.50	\$273.50
" 12 "	\$283.50	\$289.00	\$296.00	\$303.50	\$310.50	\$317.50
" 18 "	\$329.50	\$336.00	\$344.50	\$353.00	\$361.00	\$369.00
" 24 "	\$382.50	\$390.00	\$400.00	\$410.00	\$419.00	\$428.50
" 30 "	\$444.50	\$453.50	\$465.00	\$476.50	\$487.00	\$498.00
" 36 "	\$516.50	\$527.00	\$540.00	\$553.50	\$566.00	\$578.50
" 42 "	\$600.50	\$612.50	\$628.00	\$643.50	\$658.00	\$673.00
" 48 "	\$697.50	\$711.50	\$729.50	\$747.50	\$764.50	\$781.50
Pension Band	706	706	706	706	706	706

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX I

### E-3 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
" 12 "	\$286.00	\$291.50	\$299.00	\$306.50	\$313.50	\$320.50
" 18 "	\$333.50	\$340.00	\$348.50	\$357.00	\$365.00	\$373.00
" 24 "	\$389.50	\$397.50	\$407.50	\$417.50	\$427.00	\$436.50
" 30 "	\$454.50	\$463.50	\$475.00	\$487.00	\$498.00	\$509.00
" 36 "	\$530.00	\$540.50	\$554.00	\$568.00	\$581.00	\$594.00
" 42 "	\$618.50	\$631.00	\$647.00	\$663.00	\$678.00	\$693.50
" 48 "	\$722.00	\$736.50	\$755.00	\$774.00	\$791.50	\$809.50
Pension Band	707	707	707	707	707	707

### SS-1 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$246.00	\$251.00	\$257.50	\$264.00	\$270.00	\$276.00
" 12 "	\$287.50	\$293.50	\$301.00	\$308.50	\$315.50	\$322.50
" 18 "	\$336.50	\$343.00	\$351.50	\$360.50	\$368.50	\$377.00
" 24 "	\$394.00	\$402.00	\$412.00	\$422.50	\$432.00	\$441.50
" 30 "	\$461.00	\$470.00	\$482.00	\$494.00	\$505.00	\$516.50
" 36 "	\$540.00	\$551.00	\$565.00	\$579.00	\$592.00	\$605.50
" 42 "	\$632.00	\$644.50	\$660.50	\$677.00	\$692.00	\$707.50
" 48 "	\$739.50	\$754.50	\$773.50	\$793.00	\$811.00	\$829.00
Pension Band	708	708	708	708	708	708

(Continued on next page)

Present -- Effective 6/22/03

## APPENDIX I

### SS-2 CLERICAL

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$210.00	\$214.00	\$219.50	\$225.00	\$230.00	\$235.00
After 6 Months	\$247.00	\$252.00	\$258.50	\$265.00	\$271.00	\$277.00
" 12 "	\$290.00	\$296.00	\$303.50	\$311.00	\$318.00	\$325.00
" 18 "	\$341.00	\$348.00	\$356.50	\$365.50	\$373.50	\$382.00
" 24 "	\$400.50	\$408.50	\$418.50	\$429.00	\$438.50	\$448.50
" 30 "	\$470.50	\$480.00	\$492.00	\$504.50	\$516.00	\$527.50
" 36 "	\$553.00	\$564.00	\$578.00	\$592.50	\$606.00	\$619.50
" 42 "	\$650.00	\$663.00	\$679.50	\$696.50	\$712.00	\$728.00
" 48 "	\$764.00	\$779.50	\$799.00	\$819.00	\$837.50	\$856.50
Pension Band	709	709	709	709	709	709

Present -- Effective 6/22/03

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## APPENDIX I

### WAGE PROGRESSION SCHEDULES CONTACT CLASSIFICATIONS

Basic Wage Rates for Normal Work Week

#### SALES AGENT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$245.00	\$250.00	\$256.50	\$263.00	\$269.00	\$275.00
After 6 Months	\$267.50	\$273.00	\$280.00	\$287.00	\$293.50	\$300.00
" 12 "	\$292.50	\$298.50	\$306.00	\$313.50	\$320.50	\$327.50
" 18 "	\$319.50	\$326.00	\$334.00	\$342.50	\$350.00	\$358.00
" 24 "	\$349.00	\$356.00	\$365.00	\$374.00	\$382.50	\$391.00
" 30 "	\$381.00	\$388.50	\$398.00	\$408.00	\$417.00	\$426.50
" 36 "	\$416.50	\$425.00	\$435.50	\$446.50	\$456.50	\$467.00
" 42 "	\$455.00	\$464.00	\$475.50	\$487.50	\$498.50	\$509.50
" 48 "	\$497.00	\$507.00	\$519.50	\$532.50	\$544.50	\$557.00
Pension Band	7A8	7A8	7A8	7A8	7A8	7A8

#### SALES AND SERVICE CONSULTANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$265.00	\$270.50	\$277.50	\$284.50	\$291.00	\$297.50
After 6 Months	\$290.00	\$296.00	\$303.50	\$311.00	\$318.00	\$325.00
" 12 "	\$317.50	\$324.00	\$332.00	\$340.50	\$348.00	\$356.00
" 18 "	\$347.00	\$354.00	\$363.00	\$372.00	\$380.50	\$389.00
" 24 "	\$380.00	\$387.50	\$397.00	\$407.00	\$416.00	\$425.50
" 30 "	\$415.50	\$424.00	\$434.50	\$445.50	\$455.50	\$465.50
" 36 "	\$455.00	\$464.00	\$475.50	\$487.50	\$498.50	\$509.50
" 42 "	\$497.50	\$507.50	\$520.00	\$533.00	\$545.00	\$557.50
" 48 "	\$544.50	\$555.50	\$569.50	\$583.50	\$596.50	\$610.00
Pension Band	700	700	700	700	700	700

(Continued on next page)

Present -- Effective 6/22/03

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## APPENDIX I

### SENIOR CONSULTANT

Wage Length of Service	Effective Dates					
	Present	4/04/04	4/03/05	4/02/06	4/01/07	4/06/08
Minimum	\$220.00	\$224.50	\$230.00	\$236.00	\$241.50	\$247.00
After 6 Months	\$260.00	\$265.00	\$271.50	\$278.50	\$285.00	\$291.50
" 12 "	\$307.50	\$313.50	\$321.50	\$329.50	\$337.00	\$344.50
" 18 "	\$364.00	\$371.50	\$381.00	\$390.50	\$399.50	\$408.50
" 24 "	\$430.50	\$439.00	\$450.00	\$461.50	\$472.00	\$482.50
" 30 "	\$509.00	\$519.00	\$532.00	\$545.50	\$558.00	\$570.50
" 36 "	\$601.50	\$613.50	\$629.00	\$644.50	\$659.00	\$674.00
" 42 "	\$711.50	\$725.50	\$743.50	\$762.00	\$779.00	\$796.50
" 48 "	\$841.50	\$858.50	\$880.00	\$902.00	\$922.50	\$943.50
Pension Band	712	712	712	712	712	712

Present -- Effective 6/22/03

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AMENDMENTS TO THE PENSION PLAN

Effective January 1, 2005, unless otherwise noted, amend the SBC Pension Benefit Plan-Bargained Program as follows:

1. Increase pension bands for all employees, as follows:
  - 3% effective January 1, 2005
  - 2.5% effective January 1, 2006
  - 2.5% effective January 1, 2007
  - 2.25% effective January 1, 2008 plus the applicable COLA adjustment made to wages (April 1, 2007)
  - 2.25% effective January 1, 2009 plus the applicable COLA adjustment made to wages (April 6, 2008)

Bonus payments in 2006, 2007, and 2008 shall be included in the supplemental pension calculations.

Pension benefit amounts will be effective for those persons having pension effective dates during the life of these Agreements, on and after the dates as set forth in the Monthly Benefit Tables A, B, C, D and E attached hereto and, for SBC Operations, Inc., the Monthly Benefit Tables F, G, H, I and J attached hereto.

2. The annual GATT rate (Southwest Region currently uses quarterly GATT rates) will be used for:
  - Lump sum calculations
  - Calculation of QDRO offsets
  - Interest on payments of lump sums that are repaid pursuant to MPA
  - Calculation of § 415 limits

The applicable rate shall be determined annually, and it shall be the GATT rate from November of the prior year. The annual GATT replaces the quarterly GATT rate.

However, through 2005, participants will receive the greater benefit that results from using the annual GATT rate or the current quarterly GATT rate methodology.

If the 30 year Treasury Security rate ceases to be published, the parties will establish a joint committee to discuss and mutually agree on a formula to determine the lump sum interest rate.

3. Upon recall from layoff, allow employee to repay a lump sum distribution according to following rules:

- Repayment of lump sum (plus interest) must be within 90 days of being placed on the payroll following rehire from a layoff or recall from a layoff
- Interest @ 8.5%

Implement as soon as administratively feasible and subject to Company receipt of favorable determination from IRS (ensures that repaid monies are considered employer contributions and tax qualified status is maintained).

4. Provide a single lump sum:
  - distribution option for Service Pensions with a pension effective date on and after January 1, 2005 and before January 1, 2010, including a Service Pension into which a Disability Pension is converted when the disability pensioner turns age 65.
  - pre-retirement survivor benefit for an employee who dies on or after January 1, 2005 and before January 1, 2010.
5. Eliminate any Net Credited Service (NCS) adjustment for employees who have an unpaid absence from work on or after July 1, 2004, under a Company-approved Family and Medical Leave Act (FMLA) leave.

**MONTHLY BENEFIT TABLE A  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2005  
AND BEFORE JANUARY 1, 2006**

Increase = 3%

PENSION BAND NUMBERS	ANY AGE
94	\$21.48
95	\$22.77
96	\$24.05
97	\$25.32
98	\$26.60
99	\$27.87
100	\$29.16
101	\$30.44
102	\$31.73
103	\$33.03
104	\$34.32
105	\$35.59
106	\$36.86
107	\$38.18
108	\$39.47
109	\$40.75
110	\$42.01
111	\$43.32
112	\$44.58
113	\$45.90
114	\$47.16
115	\$48.42
116	\$49.74
117	\$50.99
118	\$52.30
119	\$53.57
120	\$54.87
121	\$56.15
122	\$57.45
123	\$58.71
124	\$60.01
125	\$61.30
126	\$62.57
127	\$63.86
128	\$65.14
129	\$66.45
130	\$67.70
131	\$69.02
132	\$70.27
133	\$71.55
134	\$72.85
135	\$74.12

**MONTHLY BENEFIT TABLE B  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2006  
AND BEFORE JANUARY 1, 2007**

Increase = 2.50%

PENSION BAND NUMBERS	ANY AGE
94	\$22.02
95	\$23.34
96	\$24.65
97	\$25.95
98	\$27.27
99	\$28.57
100	\$29.89
101	\$31.20
102	\$32.52
103	\$33.86
104	\$35.18
105	\$36.48
106	\$37.78
107	\$39.13
108	\$40.46
109	\$41.77
110	\$43.06
111	\$44.40
112	\$45.69
113	\$47.05
114	\$48.34
115	\$49.63
116	\$50.98
117	\$52.26
118	\$53.61
119	\$54.91
120	\$56.24
121	\$57.55
122	\$58.89
123	\$60.18
124	\$61.51
125	\$62.83
126	\$64.13
127	\$65.46
128	\$66.77
129	\$68.11
130	\$69.39
131	\$70.75
132	\$72.03
133	\$73.34
134	\$74.67
135	\$75.97

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**MONTHLY BENEFIT TABLE C  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2007  
AND BEFORE JANUARY 1, 2008**

Increase = **2.50%**  
PENSION  
BAND  
NUMBERS            ANY AGE

94	\$22.57
95	\$23.92
96	\$25.27
97	\$26.60
98	\$27.95
99	\$29.28
100	\$30.64
101	\$31.98
102	\$33.33
103	\$34.71
104	\$36.06
105	\$37.39
106	\$38.72
107	\$40.11
108	\$41.47
109	\$42.81
110	\$44.14
111	\$45.51
112	\$46.83
113	\$48.23
114	\$49.55
115	\$50.87
116	\$52.25
117	\$53.57
118	\$54.95
119	\$56.28
120	\$57.65
121	\$58.99
122	\$60.36
123	\$61.68
124	\$63.05
125	\$64.40
126	\$65.73
127	\$67.10
128	\$68.44
129	\$69.81
130	\$71.12
131	\$72.52
132	\$73.83
133	\$75.17
134	\$76.54
135	\$77.87

**MONTHLY BENEFIT TABLE D  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2008  
AND BEFORE JANUARY 1, 2009\***

Increase = **2.25%**  
PENSION  
BAND  
NUMBERS            ANY AGE

94	\$23.08
95	\$24.46
96	\$25.84
97	\$27.20
98	\$28.58
99	\$29.94
100	\$31.33
101	\$32.70
102	\$34.08
103	\$35.49
104	\$36.87
105	\$38.23
106	\$39.59
107	\$41.01
108	\$42.40
109	\$43.77
110	\$45.13
111	\$46.53
112	\$47.88
113	\$49.32
114	\$50.66
115	\$52.01
116	\$53.43
117	\$54.78
118	\$56.19
119	\$57.55
120	\$58.95
121	\$60.32
122	\$61.72
123	\$63.07
124	\$64.47
125	\$65.85
126	\$67.21
127	\$68.61
128	\$69.98
129	\$71.38
130	\$72.72
131	\$74.15
132	\$75.49
133	\$76.86
134	\$78.26
135	\$79.62

\*subject to adjustment based on the COLA adjustment, if any, applied to wages (April 1, 2007)

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**MONTHLY BENEFIT TABLE E  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2009\*\***

Increase =	2.25%
PENSION BAND NUMBERS	ANY AGE
94	\$23.60
95	\$25.01
96	\$26.42
97	\$27.81
98	\$29.22
99	\$30.61
100	\$32.03
101	\$33.44
102	\$34.85
103	\$36.29
104	\$37.70
105	\$39.09
106	\$40.48
107	\$41.93
108	\$43.35
109	\$44.75
110	\$46.15
111	\$47.58
112	\$48.96
113	\$50.43
114	\$51.80
115	\$53.18
116	\$54.63
117	\$56.01
118	\$57.45
119	\$58.84
120	\$60.28
121	\$61.68
122	\$63.11
123	\$64.49
124	\$65.92
125	\$67.33
126	\$68.72
127	\$70.15
128	\$71.55
129	\$72.99
130	\$74.36
131	\$75.82
132	\$77.19
133	\$78.59
134	\$80.02
135	\$81.41

\*\*subject to adjustment based on the COLA adjustment, if any, applied to wages (April 6, 2008)

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**MONTHLY BENEFIT TABLE F  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2005  
AND BEFORE JANUARY 1, 2006**

Increase =		3%
PENSION BAND NUMBERS	ANY AGE	
7A8	\$26.60	
7A9	\$27.87	
700	\$29.16	
701	\$30.44	
702	\$31.73	
703	\$33.03	
704	\$34.32	
705	\$35.59	
706	\$36.86	
707	\$38.18	
708	\$39.47	
709	\$40.75	
710	\$42.01	
711	\$43.32	
712	\$44.58	

**MONTHLY BENEFIT TABLE G  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2006  
AND BEFORE JANUARY 1, 2007**

Increase =		2.50%
PENSION BAND NUMBERS	ANY AGE	
7A8	\$27.27	
7A9	\$28.57	
700	\$29.89	
701	\$31.20	
702	\$32.52	
703	\$33.86	
704	\$35.18	
705	\$36.48	
706	\$37.78	
707	\$39.13	
708	\$40.46	
709	\$41.77	
710	\$43.06	
711	\$44.40	
712	\$45.69	

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**MONTHLY BENEFIT TABLE H  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2007  
AND BEFORE JANUARY 1, 2008**

Increase =		2.50%
PENSION BAND NUMBERS	ANY AGE	
7A8	\$27.95	
7A9	\$29.28	
700	\$30.64	
701	\$31.98	
702	\$33.33	
703	\$34.71	
704	\$36.06	
705	\$37.39	
706	\$38.72	
707	\$40.11	
708	\$41.47	
709	\$42.81	
710	\$44.14	
711	\$45.51	
712	\$46.83	

**MONTHLY BENEFIT TABLE I  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2008  
AND BEFORE JANUARY 1, 2009\*\*\***

Increase =		2.25%
PENSION BAND NUMBERS	ANY AGE	
7A8	\$28.58	
7A9	\$29.94	
700	\$31.33	
701	\$32.70	
702	\$34.08	
703	\$35.49	
704	\$36.87	
705	\$38.23	
706	\$39.59	
707	\$41.01	
708	\$42.40	
709	\$43.77	
710	\$45.13	
711	\$46.53	
712	\$47.88	

\*\*\*subject to adjustment based on the COLA adjustment, if any, applied to wages (April 1, 2007)

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**MONTHLY BENEFIT TABLE J  
FOR PENSION EFFECTIVE DATES  
ON OR AFTER JANUARY 1, 2009\*\*\*\***

<b>Increase =</b>	<b>2.25%</b>
PENSION BAND NUMBERS	ANY AGE
7A8	\$29.22
7A9	\$30.61
700	\$32.03
701	\$33.44
702	\$34.85
703	\$36.29
704	\$37.70
705	\$39.09
706	\$40.48
707	\$41.93
708	\$43.35
709	\$44.75
710	\$46.15
711	\$47.58
712	\$48.96

\*\*\*\*subject to adjustment based on the COLA adjustment, if any, applied to wages (April 6, 2008)

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AMENDMENTS TO THE SAVINGS PLAN

Effective January 1, 2005, or as otherwise noted, the following amendments will be made to the SBC Savings and Security Plan:

1. The Deemed IRA will be referred to the Presidential Council for discussion and consideration.
2. Provide a maximum Basic Allotment of \$55.00 per week for weekly rates of pay of \$1,000 to \$1,099, a maximum Basic Allotment of \$60.00 per week for weekly rates of pay of \$1,100 to \$1,199, a maximum Basic Allotment of \$65.00 per week for weekly rates of pay of \$1,200 to \$1,299, and a maximum Basic Allotment of \$70.00 per week for weekly rates of pay of \$1,300 and above.

AMENDMENTS TO THE MEDICAL PLAN AGREEMENT

Effective January 1, 2005, unless otherwise noted, the following amendments will be made to the SBC Medical and Group Life Insurance Plan (MGLIP) – CustomCare Medical Plan:

All changes noted below apply to active employees. In addition these changes will apply through 2009 to those employees who retire during the life of this agreement.

1. No monthly contributions except working spouse contributions, which are \$40 per month for spouses who have access to coverage from their employer and do not take it and meet both of the following conditions: 1) the spouse earns more than \$25,000 per year, and 2) the spouse's monthly contribution rate (individual rate) for such coverage would have been less than \$75 per month.
2. Network and ONA medical/surgical benefits (see table below for Non-network):
  - A. Office visit copays at \$15 – 2005, 2006; \$20 – 2007
  - B. Emergency room copay at \$50 – 2005, 2006, 2007; \$75 - 2008

	POS Plans (Network/ONA) PPO and NonPPO	POS Plans (NonNetwork)
Office Visits - all (PCP & SCP) [Notes 1, 2, 3, 4]	\$15 copay 2005, 2006 \$20 copay 2007	No change
Hospital Emergency Room [Notes 1, 2, 3, 4]	\$50 copay 2005, 2006, 2007 \$75 copay 2008	\$50 copay 2005, 2006, 2007 \$75 copay 2008

Notes:

1. Copays above do not accumulate toward deductibles or out-of-pocket maximums
2. Current copays exceeding those amounts listed above will not be reduced
3. Urgent Care Facility is treated like an Office Visit
4. Any existing coinsurance also applies

3. Prescription drug benefits
  - A. \$50 annual out of Network retail deductible
  - B. 3-tier copayments - Network retail: \$5/15/25 and Mail order: \$10/30/50. Copays will increase according to the table below. Non-network

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pharmacy: participant pays the greater of the applicable Network copay or balance remaining after the Plan pays 75%

Schedule of Prescription Drug Copays - 2007 through 2009

	RETAIL			MAIL		
	Generic	Formulary	NonFormulary	Generic	Formulary	NonFormulary
2007	\$7	\$17	\$27	\$14	\$34	\$54
2008	\$8	\$18	\$28	\$16	\$36	\$56
2009	\$10	\$20	\$40	\$20	\$40	\$80

- C. Out of pocket maximums (OOP max)
- \$750 single; \$1500 family
  - Only copays for generic and formulary drugs count towards OOP max
- D. Maintenance prescriptions are required to be filled at mail after the first fill at retail.
- E. If brand prescriptions are chosen when a generic equivalent is available, company contribution is limited to the cost of the generic less the applicable copay (the participant must pay the generic copay plus the cost difference between the generic and the brand). Exception: a formulary or nonformulary copay shall apply when a participant provides written documentation from the prescribing provider that confirms that all generic alternatives have been considered and the brand drug is the only effective and safe treatment for the patient.
- F. Specialty pharmacy program applies.
- G. Nonformulary drug – appeal process  
Plan participants will be charged formulary copays for nonformulary prescriptions under the following circumstances:
- i. Those participants who have tried all generic and formulary alternatives may file an appeal requesting the lower formulary copay be applied toward their nonformulary drug – the appeal will be granted with a 365-day formulary copay if: 1) electronic records at the PBM confirm that the participant has filled scripts for all available generic and formulary alternatives within the preceding 90 days, and 2) the participant provides written documentation from the prescribing provider that confirms the nonformulary drug is the only effective treatment.
  - ii. Those participants who cannot take any of the generic or formulary alternatives because of known drug interactions between those alternatives and other prescription drugs they are taking and whose

doctor as a result prescribes a nonformulary drug, may file an appeal requesting the lower formulary copay be applied toward their nonformulary drug. The appeal will be granted with a 365-day formulary copay if: 1) electronic records at the PBM confirm the participant is taking one or more prescription drugs with known drug interactions with the generic and formulary alternatives, and 2) the participant provides written documentation from the prescribing provider that confirms the nonformulary drug is the only effective treatment.

- iii. Those participants who provide written documentation from the prescribing provider that confirms that all generic and formulary alternatives have been considered and the nonformulary drug is the only effective and safe treatment for the patient.
4. Eliminate HMO geo/demo adjustments.
5. Delay implementation of the 2001 CWA/SWBT Settlement Agreement provision to eliminate Medicare Part B reimbursement for Class I dependents of retirees. Elimination of this reimbursement will become effective for employees whose pension commencement date is on or after January 1, 2010.

AMENDMENTS TO THE DENTAL PLAN AGREEMENT

Effective January 1, 2005, the Company will amend the Dental Plan Agreement to provide an average 5% increase to applicable Dental schedules.

AMENDMENTS TO THE ADOPTION REIMBURSEMENT PROGRAM

Effective January 1, 2005, amend the SBC Adoption Reimbursement Program as follows:

1. Change the employee eligibility requirement from attainment of six months Net Credited Service (NCS) to the first day of the month in which six months NCS will be attained.
2. Change the deadline for filing an adoption claim from sixty days after the adoption is final to twelve months after the adoption is final.
3. Increase the total maximum reimbursement amount from \$2,500 to \$5,000 for each adoption.

GENERAL BENEFIT AGREEMENTS

Effective as indicated below, the following changes will be made to the applicable plans or program agreements and/or practices:

1. Effective January 1, 2005 or as soon as administratively feasible, the Company will provide access to the LifeCare program. LifeCare is a resource, education and referral service that helps eligible employees to manage daily and life responsibilities, including child care services.
2. Effective January 1, 2005, unless otherwise noted, amend Benefit Plans (Medical, Dental, Vision, Adoption, CarePlus and Life Insurance).

Common enrollment and effective dates of coverage rules for medical, dental, vision, CarePlus, life insurance and adoption reimbursement. Maintain current rules regarding default coverage in the event employee fails to enroll on a timely basis.

3. Effective January 1, 2005, establish a National Health Care Committee. Representation from the Union will be from the individual Districts as well as the National Headquarters staff. The Committee shall meet at least quarterly (by conference call, teleconference or in person). The charter of this committee will be to review cost, access and quality issues in the bargained health plans in order to identify opportunities and recommend solutions of mutual benefit to the Company and the Union membership to reduce plan cost, enhance plan efficiency, and improve plan administration. The focus of this committee will be plan performance and not individual participant issues, though participant education may be an outcome. In addition, state and federal health policy, legislative and regulatory health issues and developments may be addressed by this Committee.



Southwest  
**STRATEGIC Alliance**



**Statement of Renewed Commitment to the Principles of Cooperative Union-Management Relations**

The Company and the Union recognize that significant benefits have been derived and will continue to derive from cooperative Union-Management relations. Through such cooperation, the parties have been able to explore innovative methods of operation which seek to modify traditional workplace relationships in ways designed to enhance the Company's effectiveness and competitiveness, increase Union and employee participation in local workplace decisions, and maximize employees' satisfaction with their work.

The parties also recognize that the 1996 Telecommunications Act and associated legislation changed the market place from heavily regulated to highly competitive. Therefore, achieving mutual goals of competitive excellence and employment security in this environment will present ever-increasing challenges.

In light of these challenges, the parties realize that the need for effective and mutually respectful cooperation between the Union and Management at all levels of the business is more important now than ever before. Therefore, the Company and the Union hereby renew and strengthen their commitment to the following Principles of Cooperative Union-Management Relations:

1. Participative Management Employee Involvement (PMEI) is based on the tenet that employees are responsible, trustworthy and capable of making contributions when equipped with the necessary business information and training. In this regard, the Company and the Union will promote strategies designed to:
  - educate employees and all levels of Union and Management leadership to promote PMEI efforts and increase understanding of the link between PMEI and improvement in both bottom-line results and job satisfaction; and
  - provide access to relevant business information to improve employees' level of competitive responsiveness and their ability to make well-informed, customer-focused decisions.
2. The principles of PMEI require engaging employees and Company and Union leadership at all levels in meaningful opportunities for participation in and contribution to business decisions that affect their work. The parties will promote the goals of increasing shareowner value and enriching jobs by actively soliciting employees' input and by recognizing their contributions to these objectives.

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3. The Company and the Union agree to uphold and promote PMEI principles and to encourage and support implementation of PMEI processes in a consistent and effective manner at every level of their respective organizations. The parties recognize that effectiveness and productivity can and will be enhanced by delegating authority, responsibility, and accountability to employees closer to the actual work process, resulting in greater pride and satisfaction with the work, as well as increased personal growth.
4. The PMEI Companywide Steering Committee will continue to guide, support, and promote PMEI efforts to increase shareowner value and enrich jobs. The Steering Committee will also serve as a forum to explore and exchange innovative ideas and successful applications of PMEI concepts using both internal and external sources. The Companywide Steering Committee, with input from Operations Steering Committees, will continue to plan, evaluate, and introduce training and developmental programs to facilitate and enhance PMEI efforts.
5. PMEI efforts will continue to be viewed as a supplement to the collective bargaining process. The integrity of the collective bargaining process, the contractual rights of the parties, and the workings of the grievance procedure must be upheld and maintained.
6. Process improvement is based on the belief that improved quality leads to improved productivity, decreased costs, and increased market share, all of which allow the Company to provide more jobs and increase shareowner value. The Company and the Union recognize that a continuous quality improvement process is in their mutual best interest, and that a PMEI approach should be used to gain commitment to and support of such improvements. For example, the principles of PMEI can be applied from the beginning of, and throughout, implementation of the process improvement methodology, thus becoming the key link in obtaining input from bargaining unit employees for use in improving the business operations in which they are involved. The Company will encourage all levels of Management to utilize a participative approach in forming process improvement committees when involvement of bargaining unit employees is desired.
7. Employment security will continue to be a major concern of the Company and the Union. Innovations which result from the PMEI processes will not result directly in the layoff of any regular employee or negatively affect the pay or seniority status of any Union-eligible employee, whether or not he or she is a participant in the process. In addition, process improvement committees on which bargaining unit employees serve will not undertake activities or make recommendations that could be expected to result directly in the layoff of any regular employee or negatively affect the pay or seniority status of any Union-eligible employee, whether or not he or she is a participant in the process.





Southwest  
**STRATEGIC Alliance**



Building on early successes in the Company/Union partnership, District 6 of the Communications Workers of America (CWA) and Southwestern Bell Telephone Company (SWBT) agreed to institute the Strategic Alliance in 1992.

The Strategic Alliance, then and now, has two objectives. They remain:

- **To strengthen the Company's competitive position in the marketplace; and**
- **Provide a broader role for the Union in critical human resource issues affecting the CWA and its members.**

Since its inception, the Strategic Alliance has achieved notable successes in opening new avenues of approach toward addressing traditional workplace issues of mutual concern. As this partnership matures, the parties now desire to intensify and streamline their efforts to meet even greater challenges and to reach lasting solutions to those challenges. The parties also recognize the contribution this partnership can make toward resolving disputes that historically have been referred to third parties for disposition.

The Executive Council, originally formed to review progress toward achieving the goals of the Strategic Alliance, will continue to meet on a semi-annual basis. Its role will be expanded by increasing the involvement of operating management at the highest levels to facilitate early and timely responsiveness to competitive pressures through the introduction of workplace innovations. The Council will continue to be co-chaired by the Vice President, Labor Relations and the Vice President, District 6, of the Communications Workers of America. Key senior managers from operating units, as well as District 6 CWA officials, will comprise the Council.

#### Executive Council Responsibilities

The Executive Council will be responsible for implementing the strategy to champion this cooperative venture. The Council will work primarily with standing joint committees at the Company level and will commission ad hoc Joint Problem-Solving Teams, as appropriate, to accomplish the goals of the Strategic Alliance.

Standing joint committees include Joint Health Care Cost Containment, Safety and Health, Technology Change, Training Advisory Board, Participative Management Employee Involvement (PMEI), and Employment Security.

Ad hoc Joint Problem-Solving Teams will be assigned critical issues impacting working conditions and the competitive marketplace which are not addressed by standing joint committees. Membership on these teams, as well as the time frame in which they operate, will be determined by the Executive Council.

In carrying out its mission, the Executive Council will:

1. Identify and prioritize issues impeding progress toward the creation of an environment where the working conditions foster exceeding customer expectations with a fully trained and well-educated work force.
2. Call upon their standing joint committees to reassess their mission and report on progress toward achieving the goals of the Strategic Alliance.
3. Create ad hoc Joint Problem-Solving Teams when needed.
4. Review status reports from standing joint committees on a semi-annual basis.
5. Assure recommendations received from the standing joint committees as well as ad hoc Joint Problem-Solving Teams are reviewed with senior management from the appropriate operating entity. Any subsequent action taken by the operating entity to address these issues will be shared with the Executive Council.
6. The Executive Council shall have the authority to implement, at its discretion, and on a trial basis, recommendations from the standing joint committees and/or ad hoc Joint Problem-Solving Teams.

#### Direction of Standing Joint Committees

In order to support the Strategic Alliance, the standing joint committees will be called upon to focus their activities in the near term as follows:

- Participative Management Employee Involvement (PMEI) Companywide Steering Committee

Explore strategies to generate increased joint involvement by key operations personnel in addressing major workplace issues; develop more efficient channels to educate employees regarding the benefits of a participative approach; and adopt a proactive role in monitoring team evolution. This committee will focus on such activities as the development of individual committee structures that enhance and expedite the integration of a PMEI philosophy into business operations. The committee will serve as a forum to explore and exchange innovative ideas and successful applications of participative concepts using both internal and external sources. The committee will also direct the Employee Involvement Development Subcommittee (EIDS) comprised of Company and Union subject matter experts in the field of employee involvement. The EIDS

will: research issues and make recommendations that require joint CWA/SWBT employee involvement expertise; assess work groups' current level of employee involvement and transfer that assessment expertise to operations PMEI support personnel; and provide guidance to and determine the effectiveness of PMEI consultants.

- Employment Security

The telecommunications industry continues on a path of unprecedented growth in competition and innovation in all segments of the market place. Achieving the parties' mutual goals of competitive excellence and employment security presents ever-increasing challenges. The Employment Security Committee will continue to address mutually-agreed upon issues that influence these goals, and to recommend Union and Company actions to minimize negative impacts and enhance opportunities in the workplace.

- Joint Health Care Cost Containment Committee

In recognition that the problems of cost and quality of care are complex problems requiring comprehensive solutions, the Joint Health Care Cost Containment Committee will continue to address mutually agreed-upon health care issues and to recommend joint Union and Company actions in an effort to influence health care problems.

- Safety and Health Committee

Continue to address ergonomic concerns in the workplace. Continue to consider existing practices and rules relating to occupational safety and health and formulate suggested changes in design and adoption of new practices and rules.

- Technology Change Committee

Strengthen efforts to address human resource issues impacted by new technology that cause changes in equipment, organization, or methods of operation.

- Training Advisory Board (TAB)

Continue to expand and monitor the effectiveness of the Accelerated Technical Training (AccTT) Program. Determine the feasibility of alternative delivery methods of the AccTT Program in small markets.

Review approved personal or career development and job displacement training courses and curricula and furnish advice to the Company on recommended additional courses.

The TAB will explore web-based solutions to supplement the provision of additional information by Career Resource Centers (CRCs) and on training/retraining.

### Conclusion

Initiatives undertaken by the Strategic Alliance will be viewed as a supplement to the collective bargaining process. The Union and the Company expressly reserve the right to reopen, by mutual agreement, negotiations at any time during the life of the 2004 Agreements for the purpose of implementing changes resulting from recommendations from joint committees/teams commissioned by the Executive Council.

In terms of pay treatment associated with the Strategic Alliance, the employee members involved in these joint efforts shall suffer no loss in pay for time consumed in, and necessarily consumed in traveling to and from, meetings. In addition, the Company will reimburse employee members for the cost of round-trip coach airfare for attending Standing Joint Committee meetings. The number of employee members reimbursed on each committee shall not exceed the number of employee members as of April 5, 1998, except for the Joint Health Care Cost Containment Committee, which will add the two (2) CWA benefit representatives effective April 4, 2004.

**MEMORANDUM OF AGREEMENT**  
**MONITORING**

Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management") and the Communications Workers of America ("CWA" or the "Union") recognize that joint involvement of Management and Union is essential for mutual benefit and quality of work life. In that spirit, the parties have mutually agreed to enter into this Memorandum of Agreement. This Agreement supersedes the Memorandum of Agreement entered into February 1, 2001. It shall take effect on the effective date of the 2004 Labor Agreements and shall continue in force and effect until 11:59 p.m. on December 31, 2009, at which time it will terminate unless otherwise mutually agreed in writing by the parties.

1. Voice Monitoring

In an effort to provide courteous responses, accurate information, and superior service, customer calls are subject to monitoring. These efforts are focused on:

- training and development of employees;
- identification of customers' needs;
- identification of procedural problems; and
- overall improvement of the Company processes that involve direct interaction with the customer.

Voice Monitoring may be characterized as either:

- Employee Development Monitoring, or
- Service Measurement Monitoring.

A. Employee Development Monitoring

When Employee Development Monitoring (EDM) is conducted, it will be performed using consistent standards established by the organization.

The following parameters will be adhered to when conducting EDM:

- 1) Individual notification will be given to employees to be monitored the day the EDM is to take place.
- 2) Employees will have the option of "remote" or "side-by-side" EDM, where facilities exist.

- 3) Feedback from EDM efforts will be provided to employees by the end of the employees' next tour, unless unusual circumstances warrant otherwise.

Exception: Parameters (1) and (2) above are applicable once an employee has six (6) months' on-job experience after completion of formal training.

Where an employee demonstrates difficulty meeting established performance expectations (except in the areas of adherence, attendance, and safety), he/she may lose the privileges outlined in (1) & (2) above. If the employee loses these privileges, he/she will be notified. The loss of privileges will remain in effect until performance expectations are met on a consistent basis.

B. Service Measurement Monitoring

Service Measurement Monitoring (SMM) will be conducted for the purpose of ensuring consistent application of standards, evaluation of customer acceptance of new or changed procedures, or isolation of possible causes of a problem, such as fluctuation of work times, or an increase in customer complaints. The following parameters will be adhered to when conducting SMM:

- 1) No advance notification will be given to employees prior to monitoring since these efforts are oriented toward overall office performance rather than individual performance.
- 2) SMM will be conducted "remotely," where facilities exist.
- 3) SMM feedback may be documented and given to the monitored employees for developmental/diagnostic purposes.
- 4) During SMM, when an employee demonstrates an inability to consistently meet standards established by the organization, privileges of advance notification and choice of side-by-side or remote EDM may be revoked.

If an employee loses these privileges, he/she will be notified. This loss of privileges will remain in effect until performance expectations are met on a consistent basis.

It is not intended that this loss of privilege would be arbitrarily and routinely used.

- 5) Employees will not be evaluated for appraisal purposes on calls sampled through SMM.

C. Disciplinary Restrictions

No employee may be disciplined as a result of voice monitoring except for any of the following conditions:

- 1) When gross discourtesy or abuse of a customer is observed.
- 2) Attempts to defraud the Company through misuse of service and equipment are observed.
- 3) The employee violates privacy of communications or demonstrates integrity problems.
- 4) An employee fails to meet established performance expectations, as identified through EDM.

2. Electronic Monitoring

Electronic monitoring is defined as follows:

The collection, storage, analysis, and reporting about employee activities by means of computer observation and supervision.

All employees will be pre-notified of electronic monitoring reports and the intended use of such reports within their work group. The local Union president (or designee) will be notified of electronic monitoring reports prior to their use for appraisal or disciplinary purposes.

3. This Agreement does not preclude the Union's right of grievance procedure and/or arbitration as set forth in the 2004 Labor Agreements between both parties.

FOR THE UNION:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By Mike Smith  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**NCS TIE-BREAKER**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement shall be effective for the life of the 2004 Labor Agreements.

When employees have the same Net Credited Service (NCS) date, the Company will use a common method for determining seniority. The last four digits of the Social Security Number (SSN) will be used to break NCS ties, with the higher number considered more senior.

Example      447-62-4789            (more senior)  
                    448-88-3926

If two employees with a common NCS date have the same last four digits, revert to the middle two digits to determine seniority, again with the higher number deemed more senior.

Example      446-43-6624            (more senior)  
                    447-40-6624

Work groups and Placement Bureaus will utilize this method for breaking NCS ties as follows:

1. Selection of Vacation, Excused Work Days, Designated Holidays, etc.
2. Work Schedules
3. Surpluses (treatment within a work group)
4. Requisitions
5. Miscellaneous – Use for any other circumstances where seniority is a factor.

Nothing in this Agreement shall be subject to arbitration.

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FOR THE UNION:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:


By Mike Smith  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**CWA INTERNAL APPEAL PROCESS**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into February 1, 2001 as set forth in the 2001 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

1. Whenever the Union, during the term of this trial, notifies the Company in writing of its election to arbitrate a grievance pursuant to Article IV, **Arbitration**, of the 2004 Agreement of General Application, and in the same writing also notifies the Company: (1) that the election to arbitrate is involved in the Union's internal appeal process, and (2) that the notice of election to arbitrate is therefore being given solely to preserve the Union's right to arbitrate in the event that the appeal is upheld, the parties agree that the running of the 150-day time limit provided for in Section 2. of the said Article IV shall be frozen as of the date the Company receives said notice.
  
2. With respect to any grievance as to which notice is given to the Company in accordance with the terms of paragraph 1. above, the Union shall notify the Company promptly in writing of the outcome of its internal appeal process, and at the same time:
  - A. If the appeal is upheld, the Union shall also notify the Company of its intent to proceed to arbitration, and the running of the 150-day time limit provided for in Section 2., of Article IV, **Arbitration**, of the 2004 Agreement of General Application shall resume as of the date upon which the Company receives this notice.
  
  - B. If the appeal is denied, the Union shall also notify the Company of withdrawal of its previous notice of election to arbitrate the subject grievance.

FOR THE UNION:

By   
 Andy Milburn  
 Vice President, District 6

FOR THE COMPANY:

By   
 Mike Smith  
 Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**SERVICE LEADER**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management").

This Agreement specifically addresses work groups consisting of Group 1 Craft employees whose predominant functions are the installation/maintenance of PBX equipment.

1. The Company may, as it determines necessary, appoint a qualified non-management employee to act as a Service Leader. A Service Leader will have the responsibility for directing the efforts of the work group while at the same time performing normal technician duties.
2. An employee acting as a Service Leader shall not take or recommend disciplinary action against another employee.
3. Selection of the Service Leader will be made on a seniority basis from those qualified employees who volunteer. The Company shall determine those employees who are qualified for such assignment.
4. When an employee is appointed by the Company to perform the duties of a Service Leader for one or more days in a week, the employee shall be paid ten (10) percent of one-fortieth (1/40<sup>th</sup>) of the employee's current applicable weekly wage rate for each hour the employee performs this work.
5. The intent, meaning and application of this Agreement shall be subject to the provisions of Article XIX, **Grievances**, of the 2004 Departmental Agreement and Article IV, **Arbitration**, of the 2004 Agreement of General Application.

FOR THE UNION:

By Andy Milburn  
 Andy Milburn  
 Vice President, District 6

FOR THE COMPANY:

By Mike Smith  
 Mike Smith  
 Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**FACILITIES LOCATE WORK**

This Memorandum of Agreement is entered into as of April 4, 2004 between the Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into November 22, 2002 and shall be effective for the life of the 2004 Labor Agreements.

1. For the purposes of this Agreement, the job duties for the title Assistant Customer Service Technician shall include facilities locate work and all work associated with facilities locates, excluding such work in Arkansas.
2. Surplus employees who accept an Assistant Customer Service Technician position shall retain the pension band from their immediately preceding job title if such band was higher, along with any applicable Reassignment Pay Protection Plan (RPPP) payment; otherwise, a surplus employee moving into the Assistant Customer Service Technician position shall have the pension band associated with such title. It is the intent of the parties that surplus employees accepting Assistant Customer Service Technician positions move back to their former positions as soon as practicable. Accordingly, surplus employees who accept the Assistant Customer Service Technician position and who receive a higher pension band under this paragraph must continually have a job vacancy request on file to return to their former job title in order to continue to receive the higher pension band. If an employee receiving a higher pension band treatment under this Agreement declines an offer for a former job title in the employee's Force Adjustment Area, then such employee shall receive the pension band normally associated with an Assistant Customer Service Technician.
3. If an Assistant Customer Service Technician performs work (excluding facilities locate work) normally performed by employees in a Group 1 Craft title for at least one (1) hour in a tour, then the Assistant Customer Service Technician shall be entitled to the Classification Differential equal to one-fortieth (1/40<sup>th</sup>) of the amount of the weekly wage progression for each hour worked. The Company will not employ Assistant Customer Service Technicians to permanently supplement work performed by Group 1 Craft titles.
4. The Company will not pay moving expenses for employees who accept an Assistant Customer Service Technician position. Notwithstanding the preceding sentence, surplus employees in Arkansas accepting Assistant Customer Service Technician positions shall be entitled to moving expenses under the terms provided in the 2004 Labor Agreements.

5. This Agreement shall not prohibit the Company from contracting out facilities locate work, nor shall it be applicable to or admissible in any arbitration or legal proceeding relating to contracting out any other work.
6. The Union further agrees that its officers will continue to support SBC in regulatory and legislative bodies in its efforts to remain competitive in and gain new entry into telecommunications markets. Toward that end, the Union agrees that its officers will not take a position on telecommunications policy or service matters contrary to SBC's position with the PUC, legislators (state & federal), the FCC, any other governmental entities or in the media, unless the Union determines its support would directly and immediately conflict with its own interests. If the Union determines SBC's position on these matters is contrary to the Union's interests, the Union will promptly notify the Company and, at the request of the Company, meet to discuss, confer and, if possible, resolve any differences on such matters. If, despite the foregoing language, the Union takes a position contrary to SBC concerning the above matters, this Agreement shall be null and void. This paragraph is not intended to limit the Union's ability to take a position inconsistent with SBC on non-telecommunications policy matters or matters involving federal, state or local labor laws (e.g., FMLA, NLRA, FLSA, OSHA, etc.), nor does this paragraph limit the Union's right to take a position inconsistent with SBC before legislators, regulators, a court of law, the NLRB, or in an arbitration arising from the parties' labor agreements with respect to such labor laws or contract matters.

FOR THE UNION:

FOR THE COMPANY:

By Andy Milburn  
 Andy Milburn  
 Vice President, District 6

By Mike Smith  
 Mike Smith  
 Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**FOUR-DAY WORK WEEK**

This Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into December 1, 1998 as set forth in the 1998 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, and will remain in force until cancelled in writing with reasonable advance notice by either party.

In certain administrative work units or work groups, it may be beneficial to employees and in the best interests of the business to establish a four-days-per-week, ten-hours-per-day (four-day work week) schedule as a normal work week.

The provisions of the Departmental Agreement, Agreement of General Application, and any other applicable existing Union-Management agreements will continue to apply to bargaining unit employees on four-day work week schedules except as noted in the parameters and implementation procedures listed below.

1. Management and the Union must jointly agree at the local level to implement a four-day work week schedule within a particular work group. A work group may include employees working four-day work weeks and employees working five-day work weeks. The Union has designated the appropriate CWA Representative in each state as the local Union contact for discussing implementation of these procedures. When the implementation of four-day work weeks in a group in one CWA Local will impact the scheduling of tours in a group in another CWA Local, the implementation must be approved by the Vice President, District 6, or his designated representative. A general-level manager, or designated representative thereof, will normally be the Company contact.
2. Either the Union or Management, at the local level, may terminate a four-day work week schedule by giving the other party reasonable advance notice.
3. Transfers/changes to or from a four-day work week will normally be at the beginning of a work week. When this is not possible, or in case of temporary assignments to meet service requirements, affected employees will take their existing schedule with them for the remainder of the week. Management may, at its discretion, elect to leave a temporarily loaned employee on his/her existing work week basis throughout the period of the loan.

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4. Employees may request a change to or from a four-day work week schedule. Requests will be considered by Management based on tour availability and needs of the business.
5. The four ten-hour days may be scheduled on consecutive or non-consecutive days, depending on the terms of the joint agreement between the Union and Management. If tours are scheduled on non-consecutive days, at least two of the three days off must be consecutive. On consecutive-day schedules, during those weeks containing Authorized Holidays, the non-holiday tours need not be contiguous with the holiday tour.
6. Overtime will be paid when an employee works in excess of ten hours (or its equivalent for Operating employees), outside scheduled hours for employees covered under Article VII, **Work Schedules**, of the 2004 Departmental Agreement or in excess of forty hours (or its equivalent for Operating employees) in a work week.

For employees covered under Article VII, **Work Schedules**, of the 2004 Departmental Agreement, on those days when an employee is absent without pay (at his/her request) for a portion of a normally scheduled tour, and is required to work either before or after the scheduled tour, compensation at the rate of one and one-half times the basic hourly rate shall be paid only for time worked at the Company's request in excess of ten hours on that day. (Similar treatment shall apply in the case of tardiness.) This treatment does not apply to the Excused Work Day without pay taken in accordance with the provisions of Article X, **Excused Work Days**, of the 2004 Departmental Agreement, nor to time excused without pay in accordance with Section 3., Article VI, **Leaves of Absence For Union Representatives On Union Business**, of the 2004 Agreement of General Application.

7. Scheduled Sunday work is compensated for at one and one-half times the basic rate of pay for the first eight hours worked. Time worked during the ninth and tenth hours will be compensated for at the basic hourly wage rate. The overtime rate will apply to Operating employees working in excess of ten hours, and to employees covered by Article VII, **Work Schedules**, of the 2004 Departmental Agreement for all non-scheduled work, except as described in Item 6., above.
8. A night tour shall be one which falls wholly or partially between the hours of 8 p.m. and 5 a.m.
9. Subject to the conditions of Article IV, **Basis of Compensation**, Section 6., Night Differentials, of the 2004 Departmental Agreement the special night differential pay treatment applicable to Cable Splicing Technicians will be altered as follows:

Under those conditions where the rate of one and one-half times the basic hourly rate is applicable, it will only apply to the first eight hours of each of the first three consecutively scheduled ten-hour night tours. The last two hours of such tours will be compensated at the basic hourly rate. The night differential will apply to each succeeding consecutively scheduled ten-hour night tour.

10. Time parameters for extra payments to Operating employees for tours ending after 6 p.m. and tours ending after 9 p.m., as provided in Article IV, **Basis of Compensation**, Section 6.c., of the 2004 Departmental Agreement will be extended by two hours. Extra payment at the weekly rate of \$2.50 will apply for tours nine and one-half hours in length.
11. Except for Operating employees, the normal work week shall consist of four ten-hour tours. Sessions shall be no less than four hours, nor more than six hours in length.
12. The time parameter, 10 p.m., associated with shortened tours for Operating employees, as provided in Article VI, **Hours of Work**, Section 2., Note 2, of the 2004 Departmental Agreement shall be changed to 11 p.m. Tour lengths will also be changed as follows:  
  
6 hours to 7.5 hours  
7 hours to 9 hours  
7.5 hours to 9.5 hours
13. Employees electing to take day-at-a-time vacations will do so on a four-day, ten-hour basis. Individual vacation days may also be taken in half-day increments. When changes to or from four-day work week schedules occur, unused day-at-a-time vacation time will first be divided into full or half-days if possible. Any remaining time will be designated as "residual time" and credited to such employees.

Residual time may be disposed of as follows:

1. "Bought-out" by Management at the basic hourly rate (including any evening or night differentials when applicable).
2. Taken in complete time increments as excused, paid time in conjunction with:
  - a) Excused Work Day residual time.
  - b) Paid (work) time.
  - c) Excused not-paid time (including EWN time if available).
  - d) A combination of the above.

Management must approve "buy-outs" along with when and how residual excused paid time will be taken. Residual excused paid time must be taken in situations where an employee would be paid for time he/she is normally not eligible to receive. These procedures will also apply to Vacation Holidays earned but not taken prior to a change/transfer to or from a four-day work week schedule.

14. A maximum of eight Authorized Holidays (including the two Floating Holidays) shall be compensated for on a ten-hour basis. This includes all Authorized Holidays except the Day After Thanksgiving and the Designated Holiday. Employees are only entitled to eighty hours of holiday pay. When employees move/change to or from a four-day schedule, they become eligible for remaining Authorized Holidays only, up to the maximum of eighty hours. This would include a Designated Holiday on moves from a four-day work week if the employee has holiday hours remaining.

When changes to or from a four-day work week schedule occur, Management should determine how many hours of holiday pay the employee has been compensated for and how many hours he/she has remaining. Those hours should be divided into full days if possible. Any remaining time will be designated as "residual time" and handled as described in Item 13.

15. Eligible employees will qualify for thirty-two hours of Excused Work Days which may be taken as either three paid Excused Work Days and a two-hour increment or two paid Excused Work Days and six two-hour increments. All Excused Work Days may be taken in two-hour increments. Transfers to or from four-day work week schedules and residual time will be handled and treated in the same manner as vacations covered in Item 13. above, except they may continue to be taken in two-hour increments.
16. "Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death, as provided in Article IX, **Vacations**, Section 3., of the 2004 Departmental Agreement will also apply to residual time. Pay for unused vacation time due to Leaves of Absence or transfers will include payment for any residual time.
17. Difference in pay for military training duty and emergency duty will be allowed for a maximum of eighty-eight hours.
18. An illness waiting day as provided in Article XI, **Absences From Duty**, Section 5., Illness, of the 2004 Departmental Agreement will be an absence of at least one session from scheduled time. Likewise, an absence of a full day will be paid on a ten-hour per day basis.

- 19. Subject to the conditions of Article XV, **Temporary Work In Higher Positions**, of the 2004 Departmental Agreement, Classification Differentials will be paid on the basis of one-fourth of the weekly wage rate instead of one-fifth. The Classification Differential paid to Supplies Attendants temporarily assigned Driver-Tractor Trailer duties in accordance with the provisions of Section 3., will be increased to \$6.25.
- 20. All employees participating in collective bargaining will be paid on a five-day, eight-hours-per-day basis.
- 21. Leaves of Absence for Union representatives on Union business will be converted to hours as follows:
  - 60 days becomes 480 hours
  - 120 days becomes 960 hours

FOR THE UNION:

FOR THE COMPANY:

BY Andy Milburn  
 Andy Milburn  
 Vice President, District 6

BY Mike Smith  
 Mike Smith  
 Vice President - Labor Relations

**MEMORANDUM OF AGREEMENT**  
**EMPLOYMENT OPPORTUNITY/ENHANCED RETIREMENT BENEFIT**

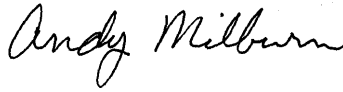
In response to the Union's concern for its members' employment security and its expressed interest in removing impediments to movement between the various SBC Companies, the parties agree effective with the date of the ratification of the 2004 Labor Agreements, to the following provisions for employee movement among CWA-represented bargaining units in SBC Companies, except the Wireless Companies (Participating Companies):

1. There will be pension portability among all Participating Companies.
2. Any CWA-represented employee covered by the CWA-SWBT Labor Agreement may express an interest in moving to a CWA-represented bargaining unit in any other Participating Company, and may receive priority consideration before off-street hires for any bargaining-unit job for which he/she qualifies, subject to all applicable qualifications and selection criteria at the receiving Company. Employees who continue employment with a Participating Company under the terms of this paragraph will not receive any severance payment from their former Companies.
3. Any CWA-represented regular employee covered by the CWA-SWBT Labor Agreement whose work is moving outside CWA District 6 to a CWA-represented bargaining unit in any other Participating Company, may follow the work pursuant to Article XVII, **Force Adjustment**, subject to 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 a \$10,000 Relocation Allowance in addition to any other relocation benefit otherwise applicable under the terms of the collective bargaining agreements at their former Companies. This Relocation Allowance will not be paid where 1) the employee does not relocate his/her home residence as a result of following the work; or 2) the employee's new place of reporting is within fifty (50) miles of the home residence the employee had prior to following the work.
4. Employees selected to fill vacancies in accordance with the terms outlined in Items 2. and 3. above, will be subject to all applicable receiving Company practices, policies, collective bargaining agreement provisions and benefit plan eligibility standards related to or affected by Net Credited Service.

5. Any service pension eligible CWA-represented employee covered by the CWA-SWBT Labor Agreement, whose work is moving outside CWA District 6 to a CWA-represented bargaining unit in any other Participating Company, may, in lieu of the involuntary severance payment otherwise applicable under the terms of the CWA-SWBT Labor Agreement, Article XVIII, **Severance Payments**, elect to retire and receive a pension benefit enhanced by an amount equivalent to 120 percent of the otherwise applicable involuntary severance payment.
  
6. The Union agrees that it will not seek to alter any existing bargaining units in any SBC 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.
  
7. This Agreement replaces any and all existing Surplus Employee Interchange Agreements and Subsidiary Movement Interest Form Agreements that apply to employees covered by the CWA-SWBT Labor Agreement and is effective for the duration of the 2004 Labor Agreements, providing the following Communications Workers of America Districts and SBC Companies: District 1 and Southern New England Telecommunications; District 4 and Ameritech; District 6 and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc. and SBC Telecom, Inc.; and District 9 and Pacific Bell/Nevada Bell, all execute a corresponding Memorandum of Agreement Employment Opportunity/Enhanced Retirement Benefit.

FOR THE UNION:

FOR THE COMPANY:

By   
 Andy Milburn  
 Vice President, District 6

By   
 Mike Smith  
 Vice President-Labor Relations



**MEMORANDUM OF AGREEMENT**  
**VACATION PORTABILITY**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management") and shall remain in effect throughout the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties. This Agreement describes the treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) when a bargained-for employee moves among bargaining units of the Company represented by the Union in Arkansas, Kansas, Missouri, Oklahoma and Texas with no more than thirty days between resignation and rehire (covered employee).

(NOTE: As used herein, "the Company" means those Companies identified above, as well as Southwestern Bell Yellow Pages, Southwestern Bell Video Services, Inc., and Southwestern Bell Messaging Services, Inc., operating in Arkansas, Kansas, Missouri, Oklahoma and Texas, and employing CWA-represented employees.)

1. 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.
2. Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of, if applicable, or taken at the former entity.
3. In no case will an employee's movement from one entity to another result in the double payment for covered time.
4. The Union hereby waives any claim, allegation, and/or argument; agrees not to make or file any claim, allegation, or argument; and promises not to present this Agreement or any employee movement between subsidiaries which are covered by this Agreement as evidence in support of any claim, allegation, or argument that SBC Communications Inc., and/or any of its current or future subsidiaries and/or their divisions, units, agents, or affiliates are or ever have been a single employer, joint employers, accretions, alter egos, or successors with respect to each or any of them because of the existence of this Agreement or any employee movement between subsidiaries which are covered by this Agreement.

FOR THE UNION:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By Mike Smith  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**RECOVERY OF WAGE OR BENEFITS OVERPAYMENTS**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management").

1. It is hereby agreed that for the duration of this Agreement, when the Company determines that employees represented by the Union have been paid benefits in excess of their entitlement under the Disability Income Plan or any other wage or benefits overpayments, the Company will withhold wages from the employees in order to recoup such overpayment in accordance with the terms of this Agreement. The Company, however, is not precluded from exercising any rights it may have under applicable law to recover overpayments to employees if employees either refuse or violate the terms of this Agreement, or if the employee is about to be or has been dismissed.
  
2. In cases where the Payroll Office becomes aware of an overpayment, the Company will provide express written notice to the employee at least thirty (30) calendar days before the first payroll deduction to recoup such overpayment occurs. The notice will include the percentage of gross wages that will be deducted from each paydraft until the overpayment is recovered, a statement informing the employee how to request review of the overpayment determination, and a statement informing the employee that he/she may contact the Company to request alternate payment arrangements no later than ten (10) days prior to the first scheduled deduction. The notice will also include the telephone number of a Company representative who will handle the employee's request. If the employee requests review of the overpayment determination by no later than ten (10) days prior to the first scheduled deduction, no payroll deduction, if any, shall begin until ten (10) days after the administrative decision in response to the request for review. The parties hereby acknowledge and agree that the review provided for in this paragraph 2. shall be in addition to, and not in lieu of, any right the employee may have to appeal a benefit determination under the provisions of any applicable employee welfare or pension benefit plan, and/or under applicable law, including but not limited to the Employee Retirement Income Security Act (ERISA). The parties also acknowledge and agree that the initial determination by the Company of an overpayment, and the administrative decision in response to an employee's request for review under this paragraph 2. are not, and shall not be construed as, employee welfare or pension benefit plan determinations under ERISA or any similar law or regulation of the United States or any other jurisdiction.

3. In any case, the maximum amount of wages the Company may withhold through an arrangement created by this Agreement shall be as follows:
  - (a)(1) If the total amount of the overpayment is four thousand dollars (\$4,000) or less, the greater of one hundred dollars (\$100) or ten percent (10%) of the employee's gross wages, per pay period, until the overpayment is recouped.
  - (a)(2) If the total amount of the overpayment is more than four thousand dollars (\$4,000), the greater of one hundred dollars (\$100) or twenty percent (20%) of the employee's gross wages, per pay period, until the overpayment is recouped.
  - (b) If the employee requests alternate payment arrangements as described in paragraph 2., above, such alternate arrangements may be agreed to by the Company, as management determines to be appropriate and reasonable under the circumstances of each case. The employee may be represented by the Union in discussing alternate payment arrangements with the Company. The Company's final determination will not be subject to the grievance or arbitration provisions of any collective bargaining agreement between the Company and the Union, although all employees retain their existing rights to appeal benefit determinations according to the applicable plan terms and governing law.
4. This Agreement shall continue through the term of the 2004 Labor Agreements between the Company and the Union, including any extensions thereof, unless terminated or modified prior to the expiration of the 2004 Labor Agreements by express mutual agreement of the Company and the Union.

FOR THE UNION:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By Mike Smith  
Mike Smith  
Vice President-Labor Relations

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**MEMORANDUM OF AGREEMENT  
UNIFORM SERVICES LEAVE OF ABSENCE -  
EXECUTIVE ORDER FOR  
OPERATION ENDURING FREEDOM / OPERATION IRAQI FREEDOM**

This Memorandum of Agreement is entered into as of April 4, 2004, between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc., Southwestern Bell Video Services, Inc., and Southwestern Bell Messaging Services, Inc. (collectively referred to as the "Company" or "Management").

This confirms our understanding regarding the Uniform Services Leave of Absence for employees who are called up for active military 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 change will be effective April 4, 2004 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 allowances for such employees entering active duty in the armed forces of the United States. Other terms of the existing Uniform Services Leave of Absence apply unchanged.

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

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 occurs first.

FOR THE UNION:

FOR THE COMPANY:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

By Mike Smith  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**INFORMAL SURPLUS**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into February 1, 2001 as set forth in the 2001 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

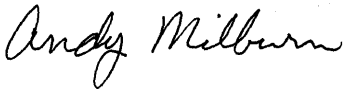
Whenever it determines that a force reduction is necessary and Management feels they can clear the surplus with follow-the-work or voluntary severance, the Company can implement the following process:

1. Prior to a formal declaration of surplus and notification to the Union as described in Section 3.a. of Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement, Management may, at its discretion, conduct an open canvass of the affected work group(s) in an effort to effect the force reduction without formally invoking the Force Adjustment process. If Management determines that such an open canvass is appropriate, it shall so notify the CWA Staff Representative(s) having responsibility for the affected work group(s) prior to the start of the canvass. Notification shall include the work group(s) involved, job title(s) and approximate number of employees affected, the location(s) and the force reduction date.

If Management determines that an open canvass is not feasible and decides to declare a formal surplus instead, its written notification to the Union will include an explanation of why a canvass was not conducted.

2. The canvass shall be conducted in order of seniority within the affected work group(s). The purpose of the canvass shall be to solicit volunteers to either follow their work to a new location, if such an opportunity exists, or to accept a Voluntary Severance Payment under the provisions of Section 1.b. of Article XVIII, **Severance Payments**, of the 2004 Departmental Agreement.
3. Employees who follow their work to a new location and who are required to relocate their residence as a result thereof, shall be reimbursed by the Company for reasonable moving expenses incurred consistent with Section 7. of Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement.

FOR THE UNION:

By   
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By   
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**HOMETOWN JOB SECURITY COMMITMENT (HJSC)**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into February 1, 2001 as set forth in the 2001 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

In response to CWA and employee concerns regarding employment security, and in addition to the existing provisions of Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement, and of the Memorandum of Agreement, Employment Security Commitment (ESC), the parties agree as follows:

1. The Company will provide two options for placement consideration to regular surplus employees who wish to restrict the area for such consideration to something less than the Force Adjustment Area, subject to the conditions and provisions contained in this Commitment. These options shall be as follows:

A. "Hometown A" Option

An employee may restrict the area within which he/she will be considered for placement to the Exchange in which the surplus is located and up to four additional Exchanges. A surplus employee selecting this option who has not received a job offer (lateral, downgrade or upgrade) in the designated Exchanges by the anticipated Force Disposition Date (FDD) will be removed from the active payroll and placed on a Surplus Leave of Absence (SLA) with a monthly Voluntary Severance Payment (VSP), will maintain a regular transfer in file and be considered for all jobs for which he/she is qualified in the designated Exchanges, and will be eligible for educational development. The terms and conditions of the SLA are described in Section 4.

B. "Hometown B" Option

An employee electing this option may restrict the area for placement consideration in the same manner as provided in the "Hometown A" option. If no job offer is received by the anticipated FDD, the surplus employee will terminate employment and will receive a lump sum VSP per Section 2.b. of Article XVIII, **Severance Payments**, of the 2004 Departmental Agreement. The employee will not be eligible for the SLA or educational development.



2. Any regular employee who, after the effective date of this Agreement, becomes surplus pursuant to Article XVII, **Force Adjustment**, shall be offered the two (2) options described above, provided the following conditions are met:

A. An employee may elect either of these options by so advising the Company, not less than two (2) days and not more than twenty-eight (28) days following the date of formal Surplus Notification, or by such later date as is determined by Management. Prior to invoking the HJSC, employees will be treated under the terms of Article XVII, **Force Adjustment**.

Note: Once an employee selects an HJSC option, prior to the FDD he/she may change his/her election between the two options. However, once an employee selects an HJSC option, the employee cannot revoke that decision and revert to treatment under Article XVII, **Force Adjustment**, or the ESC.

1) A displaced employee shall have two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke one of the options of the HJSC. The employee will be considered for appropriate jobs for which he/she is qualified within the designated Exchange(s) up to the 14th day following the date of notification. If the employee selects "Hometown A," and has not received a job offer by the 14th day, on the 15th day he/she will be placed on an SLA and be treated as described in Section 4. He/she shall be required to be qualified in accordance with 2.C.1) and 2.C.2), following, immediately upon invoking the option. If the employee selects "Hometown B" and has not received a job offer by the 14th day, on the 15th day, he/she will be terminated and receive a VSP.

Note: A surplus employee who elects to invoke either HJSC option shall not be permitted to displace a junior employee as provided in Section 3.g. and h. of Article XVII, **Force Adjustment**.

B. A surplus employee declining a lateral job offer within the FAA prior to invoking the HJSC will not be eligible for either option.

C. Employees selecting the "Hometown A" option must also meet the following conditions:

1) The employee must be already qualified for consideration or become so qualified by passing the Keyboarding Test-Level 1 and the appropriate operator and entry level clerical tests.

- 2) The employee must meet expectations on his/her current job.
3. Offers under the HJSC prior to the anticipated FDD shall be made to qualified employees as follows:
    - A. An employee to whom an HJSC job offer is made has one (1) working day to accept the offer after which it will be considered rejected.
    - B. If an employee rejects an HJSC job offer, regardless of whether it is a lateral, downgrade, or upgrade, the employee is eligible to receive additional job offers until the anticipated FDD, at which time the employee will be terminated without a severance payment.
  4. A regular surplus employee who has invoked the "Hometown A" option and has not received a job offer by the anticipated FDD will be removed from the active payroll and placed on a Surplus Leave of Absence. The terms and conditions of the SLA are as follows:
    - A. The period of the SLA shall extend up to twenty-four (24) months from the date the employee leaves the active payroll. The employee shall receive service credit for the first thirty (30) days of the leave. The employee may maintain, at his/her expense, coverage under the Medical, Dental, Long-Term Care, CarePlus, and Supplementary and Dependent Group Life Insurance plans for the duration of the leave.

Note: Employees who are eligible to receive a Service Pension as of the beginning of an SLA, or who become Service Pension eligible at any time during the leave, will remain entitled to all benefits otherwise available to retirees as of the Pension Effective Date.
    - B. While on the SLA, the employee will be eligible to participate in an educational development program that will provide training and/or tuition up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract. This educational development program will be jointly administered by the Union and the Company through the Training Advisory Board.
    - C. The employee shall receive a VSP calculated in accordance with the provisions of Article XVIII, **Severance Payments**, of the 2004 Departmental Agreement, payable in monthly installments of 1/24th of the total VSP. If, during the period of the leave, the employee declines any job offer from the Company in the designated Exchanges, the SLA shall be canceled, the employee will be considered to have resigned, the monthly VSP installments shall cease, and no further payments will be due the employee. If, during the period of the leave, an eligible employee decides to retire, which may or may not occur as a result of declining a job

offer in the designated Exchanges, the SLA shall be canceled and the monthly VSP installments shall cease, and no further VSP payments will be due the employee.

- D. During the period of the leave, the employee must maintain an active regular transfer on file for the Exchange(s) originally selected, and the employee shall be considered for all jobs for which he/she is qualified at all locations in the designated Exchange(s). Once selected, these Exchanges may not be altered or modified, but may be supplemented up to the maximum of five (5). Employees on an SLA shall be considered for applicable job offers in the same order as if they were active, non-surplus candidates.
- E. An employee on the SLA who receives and accepts a job offer from the Company shall suffer no break in his/her term of employment for pension purposes for the period of the leave, and his/her Net Credited Service shall be bridged immediately upon return to the active payroll.

For additional information on the SLA, refer to Exhibit 1.

5. The terms of this Commitment shall not apply to “local Union/Management modifications” to the force surplus disposition procedures as provided for in Section 6. of Article XVII, **Force Adjustment**, unless said local Union and Management mutually agree.
6. The force surplus conditions contemplated and dealt with in this Commitment are those which occur in the normal course of business for reasons such as technological change, etc. The Company retains the right, however, to suspend or cancel at any time the application of this Commitment when a force surplus is declared because of any significant change or extraordinary fluctuation in economic or business conditions as determined by the President of the Company.
7. Wage treatment, including Reassignment Pay Protection Plan (RPPP) treatment, will be administered to eligible employees who accept or receive jobs under the provisions of this Commitment in accordance with Section 4., Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement.

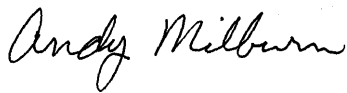
Note: An employee returning from a Surplus Leave of Absence shall have the amount of monthly VSP payments received during the leave deducted from any RPPP payout.

In the event of any conflict between the provisions of this Memorandum of Agreement and the provisions of Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement, the provisions of this Memorandum of Agreement shall control.

Paragraphs 2. and 7. of this Agreement shall be subject to arbitration. All other provisions of this Agreement shall be subject to the grievance procedures set forth in Article XIX, **Grievances**, in the 2004 Departmental Agreement, and any grievance shall initially be filed at the second step with the Vice President-Labor Relations and shall not be delegated. However, with respect to the Surplus Leave of Absence, only the issue of the employee's eligibility for reinstatement shall be subject to the grievance procedure. Except for matters pertaining to Paragraphs 2. and 7., no other such grievance shall be subject to arbitration, nor shall any determination by the Leaves of Absence Policy Administrator and the Administrator of the SBC Pension Benefit Plan-Bargained Program (as defined by ERISA Section 3(16)(A)) with respect to such leaves be subject to the formal grievance procedure.

FOR THE UNION:

FOR THE COMPANY:

By   
Andy Milburn  
Vice President, District 6

By   
Mike Smith  
Vice President-Labor Relations

**ELEMENTS OF THE SURPLUS LEAVE OF ABSENCE**

Eligibility	All bargained-for employees who are part of a surplus work group, and who request the leave on or before the twenty-eighth calendar day following the affected employee's surplus notification.
Minimum Duration	None
Length of Leave	This leave may be granted for a maximum of 24 months. The leave will terminate at the end of the 24 month leave period, or when either: 1) the employee receives a job offer within the Exchange(s) designated by the employee; or 2) the employee accepts employment with SBC Communications Inc., any of its subsidiaries, joint ventures or entities, any of their competitors, or any companies involved in divestiture; or 3) an eligible employee elects to retire.
Service Credit	Upon return to work, the employee will receive service credit for the length of the leave, up to a maximum of 30 days.
Severance Pay	Company pays 1/24th of the employee's severance pay each month, as calculated from the day next following the force disposition date.
Job Reinstatement	Provides no guarantee that at the end of the leave the employee will be returned to the same or any other position of employment.
CustomCare/HMO, Dental, and Vision	Company-extended coverages are available, subject to regular Company and employee contributions, as such contributions are applicable and existed immediately prior to the start of the leave, until the end of the month in which the leave begins, then for the duration of the leave Company-extended coverages are available, subject to the employee paying the full cost of coverage; COBRA continuation coverage is available as an alternative.
Basic Group Life and AD&D Insurance	Company-paid coverage will continue through the end of the leave.
Seat Belt Incentive	Terminates the day before the effective date of the leave.
CarePlus	Company-extended coverage is available, subject to regular employee contributions, as such contributions are applicable and existed immediately prior to the start of the leave, for the duration of the leave.
Supplementary Group Life, Dependent Group Life, and Long-Term Care Insurance	Coverage may continue through the end of the leave by making the required contributions.
Dependent Care Reimbursement Account (DCRA), Medical Care Reimbursement Account (MCRA)	DCRA deposits cease at the beginning of the leave. MCRA pre-tax deposits cease immediately at the start of the leave; COBRA continued coverage is available for continuation of MCRA coverage, including deposits on an after-tax basis.
Savings Plan	Participation is suspended during the leave. Employee obligation under the loan provision continues.
Educational Development	Tuition assistance and training will be jointly administered by the Union and the Company through the Training Advisory Board, up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract.
Telephone Concession	Telephone concession will continue until the end of the month in which the leave begins.

**MEMORANDUM OF AGREEMENT**  
**MODIFIED PROCEDURES FOR EXPEDITED ARBITRATION**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into February 1, 2001 as set forth in the 2001 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

1. The trial period for the following modified procedures will be applicable to formal grievances initially filed during the term of the 2004 Labor Agreements unless extended or modified by the parties in writing.
2. For the duration of this trial, in all grievances involving employee dismissals that qualify for expedited arbitration pursuant to Section 1. of Article V, **Expedited Arbitration**, of the 2004 Agreement of General Application, one of the following options shall be elected within thirty (30) days of the date the decision regarding the first level grievance is communicated to the Union:
  - Option 1. An appeal to the second level of the grievance procedure. The thirty (30) day time period for this appeal shall be in lieu of the two (2) weeks time period set forth in Section 3.a. of Article XIX, **Grievances**, of the 2004 Departmental Agreement; or,
  - Option 2. A request for expedited arbitration. The thirty (30) day time period for this request shall be in lieu of the sixty (60) day time period set forth in Section 2. of Article IV, **Arbitration**, of the 2004 Agreement of General Application. The Company shall, within fifteen (15) calendar days after the filing of the request, notify the Union in writing whether or not it agrees thereto. If the Company agrees, then the grievance shall proceed in accordance with Article V, **Expedited Arbitration**, of the 2004 Agreement of General Application. If the Company does not agree, and the Union wishes to proceed further with the grievance, then the appropriate grievance procedure must be followed as set forth in Article XIX, **Grievances**, Section 3., of the 2004 Departmental Agreement. The time limit for appeal to the second level of the grievance procedure shall begin to run as of the date of the Company's written response to the Union's request for expedited arbitration pursuant to this trial.



3. For the duration of this trial, in any grievance arbitrated under the trial provisions, the Company shall under no circumstances be liable for back pay for more than twelve (12) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the dismissal complained of in the grievance. Delays requested by the Union in which the Company concurs shall not be included in such additional time. These time periods shall be in lieu of the time periods set forth in Section 3.h. of Article V, **Expedited Arbitration**, of the 2004 Agreement of General Application.
4. Except as specifically provided above, all grievances shall continue to be subject to the applicable provisions of Article XIX, **Grievances**, of the 2004 Departmental Agreement, as well as Article IV, **Arbitration**, and Article V, **Expedited Arbitration**, of the 2004 Agreement of General Application.

FOR THE UNION:

By Andy Milburn  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By Mike Smith  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**EMPLOYMENT SECURITY COMMITMENT (ESC)**

This Memorandum of Agreement is entered into as of April 4, 2004, between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into March 16, 2001 as set forth in the 2001 Settlement Agreement and shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

1. The Company will guarantee employment security from involuntary layoff (Job Offer Guarantee), during the period stated herein to qualified surplus regular employees, subject to the conditions and provisions contained in this Commitment.

NOTE: This Commitment does not apply to an employee who has been offered the opportunity to follow the work within his/her Job Vacancy Scope, as defined in Appendix F, Exchanges and Job Vacancy Scopes, of the 2004 Departmental Agreement (based on the employee's Regular Place of Reporting; Job Vacancy Scope hereinafter referred to as Scope) or to an employee who has invoked the HJSC, nor shall it continue to apply to an employee who is offered the opportunity to fill a position in his/her Scope under Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement.

2. Any regular employee (except those excluded by the note in 1. above) who, after the effective date of this Agreement, is in a surplus status pursuant to Article XVII, **Force Adjustment**, shall, prior to involuntary layoff, be offered a job in the Scope for which he/she is qualified, provided the employee has first fulfilled the following conditions:
  - A. Is already qualified for consideration, or becomes so qualified, by passing the Keyboarding Test - Level 1 and the appropriate operator and entry level clerical tests.
  - B. Meets expectations on his/her current job.
  - C. Within sixty (60) days of the date of surplus notification, or by such later date as is determined by Management, advises the Company of his/her election to invoke the Job Offer Guarantee, and to be considered for all jobs at all locations within the Scope beginning on the ninety-first (91<sup>st</sup>) day following the date of surplus notification (or on the day following the

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anticipated force disposition date for those surplus situations declared more than ninety [90] days in advance). A displaced employee shall have two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke the Job Offer Guarantee and to be considered for all jobs at all locations within his/her Scope beginning on the fifteenth (15th) day following the date of notification. He/she shall be required to be qualified in accordance with 2.A. and 2.B., preceding, at the time of the guaranteed job offer.

NOTE: A surplus employee who elects to invoke the Job Offer Guarantee shall not be permitted to displace a junior employee as provided in Section 3.g. and h. of Article XVII, **Force Adjustment**.

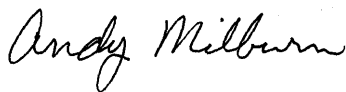
3. The guaranteed job offer shall be made to those qualified employees in the Surplus Work Group, as defined in Article XVII, **Force Adjustment**, by order of seniority beginning on the ninety-first (91<sup>st</sup>) day after surplus notification (or on the day following the anticipated force disposition date for those surplus situations declared more than ninety [90] days in advance).
  - A. An employee to whom a guaranteed job offer has been made has one (1) working day to accept the offer after which it will be considered rejected.
  - B. Rejection of a guaranteed job offer voids this Employment Security Commitment, and shall be considered an election by the employee to continue under the terms of Article XVII, **Force Adjustment**, except for the displacement provisions outlined in Section 3.g. and h. of this Article.
  - C. A qualified surplus employee or displaced employee who, at his/her force disposition date, is entitled to, but has not yet received, a guaranteed job offer shall remain on the payroll at his/her existing wage rate and shall be assigned such work within the Force Adjustment Area as Management deems appropriate until the guaranteed job offer is made.

NOTE: Any employee who has been retained on the Company payroll beyond his/her force disposition date pursuant to this Employment Security Commitment and who then rejects the guaranteed job offer shall be terminated. The amount of wages paid to the employee between the force disposition date and termination shall be deducted from any severance pay due.

4. The terms of this Commitment shall not apply to "local Union-Management modifications" to the force surplus disposition procedures as provided for in Section 6. of Article XVII, **Force Adjustment**, unless said local Union and Management mutually agree.

5. The force surplus conditions contemplated and dealt with in this Commitment are those which occur in the normal course of business for reasons such as technological change, etc. The Company retains the right, however, to suspend or cancel at any time the application of this Commitment when a force surplus is declared because of any significant change or extraordinary fluctuation in economic or business conditions as determined by the President of the Company.
6. Wage treatment, including Reassignment Pay Protection Plan (RPPP) treatment, will be administered to eligible employees who accept or receive jobs under the provisions of this Commitment in accordance with Section 4., Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement.
7. In the event of any conflict between the provisions of this Memorandum of Agreement and the provisions of Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2004 Departmental Agreement, the provisions of this Memorandum of Agreement shall control.
8. Paragraphs 2. and 6. of this Agreement shall be subject to arbitration. All other provisions of this Agreement shall be subject to the grievance procedures set forth in Article XIX, **Grievances**, of the 2004 Departmental Agreement, and any grievance shall initially be filed at the second step with the Vice President-Labor Relations and shall not be delegated. Except for matters pertaining to Paragraphs 2. and 6., no other such grievance shall be subject to arbitration.

FOR THE UNION:

By   
\_\_\_\_\_  
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By   
\_\_\_\_\_  
Mike Smith  
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT**  
**EVOLVING TECHNOLOGIES**

This Memorandum of Agreement is entered into as of April 4, 2004 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., SBC Operations, Inc., SBC Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement shall be effective for the life of the 2004 Labor Agreements, unless otherwise mutually agreed in writing by the parties.

Much of the work related to the evolving technologies of the telecommunications industry are extensions of traditional telephone work or copper cable switched technology. The new technologies referred to here are Fiber to the Premise (FTTP), WiFi and other data services, and Voice over Internet Protocol (VoIP). Traditional telephone work has been installation, maintenance, network construction & surveillance, repair, customer premise work, billing, operator services, sales and service, customer service, and technical support. Since the work supporting the new technologies is functionally related to the work required in the public switched telephone network (PSTN), the new work will be performed by workers covered by the collective bargaining agreements.

Fiber to the Premise (FTTP)

Both parties recognize that most FTTP work today is done under the core contracts. The parties agree that all non-management FTTP work which falls into the comparable categories of traditional telephone work now performed on the switched network including construction, repair, customer service, billing, sales, technical support, terminations, splicing and testing will be performed under the core contracts. Construction work that is similar to work that is currently done in the circuit network will continue to be performed as it is under the core contracts. For example, the parties recognize that trenching is work that is traditionally contracted.

Fiber to the premise shall be CWA bargaining unit work as described below. The assignment of fiber to the premise work shall be made just as it is for the copper switched network today. As the network evolves to a packet-switched fiber network, the core bargaining unit will continue to perform the type of work that was previously bargaining unit work in the circuit switched network.

CWA shall be recognized for construction, splicing, testing, terminations of fiber to premise/neighborhood or node work and all associated equipment required to make fiber operational. Aerial drops to the premise shall be CWA-represented work. All other service drops in the fiber network shall be done as they are in the circuit-switched network.

When the customer premise work is performed by SBC, SBC CWA employees will do it under the core contracts or DataComm contracts as it is done today. If in the view of the Company, the nature of some of the customer premise work and interacting with the customer and the required set of skills to perform that work require a different craft title, the parties agree to meet to bargain an appropriate rate.

This includes testing, splicing and termination at the interface device as well as installing associated equipment to make the fiber functional as communications cable at the premise.

### WiFi

Currently, WiFi (and other wireless data technologies) consists of DSL (and high-speed internet) lines installed by SBC CWA-represented employees from and including the central office to the customer premise termination including the interface device or protector. Terminal equipment is installed on the customer premise. As the WiFi business grows, SBC expects to expand the work performed by SBC employees. If SBC performs the customer premise work, SBC will utilize core or DataComm employees for CPE installations. Outside the SBC footprint, SBC may use contractors to perform this work. Within the SBC footprint contractors may be used on a temporary basis under unusual circumstances. SBC and the Union will discuss at the President's Council the best way to meet service and installation commitments and grow the Business. These SBC non-management employees shall be represented by CWA or eligible for card check recognition. All DSL customer service work associated with WiFi (and other wireless data technologies) shall be done by CWA-represented employees.

### VoIP

To the extent that routers and servers go into the network owned by SBC, SBC shall assign that work to the CWA bargaining unit since they perform related work in the circuit world. VoIP is an evolution of the PSTN and comparable work performed today by CWA-represented employees shall be performed for VoIP technology. VoIP work in the network and at the premises will be performed under the DataComm contracts. As the work transitions from the circuit switched network, the current core technicians will transition with the work. The Company will make training available to enable their transition.

### Customer Service

Tier 1 DSL customer service work is best performed bundled with other SBC services. CWA-represented employees will perform this work as well as all customer service work for all SBC services. This work shall include billing, selling and servicing. This includes Tier II customer service work. Currently, EchoStar employees will deal with TV and satellite service quality issues and other technical support issues.

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The Union and SBC share similar views about utilizing SBC service reps to interface with the customer. CWA-represented employees shall do all customer service work of SBC products.

SBC-represented employees shall sell DSL (and other high-speed internet services), VoIP, long distance, and video and service SBC customer accounts which include these services.

The parties will discuss expanding outbound telemarketing jobs within the bargaining unit at the President's Council.

It is understood that the Company will continue to use sales agents and multiple sales channels, e.g., Radio Shack, Best Buy.

#### Global Services/DataComm

Global Services/Datacomm work done today by bargaining unit employees will continue per applicable CBA. SBC will not remove work from existing CWA bargaining units to non-represented worksites, centers, or contractors.

No bargaining unit employees currently performing Datacomm associated work as defined in the FCC OI&M order shall be laid-off.

SBC concurs that card check applies to non-management employees performing work within Global Services/Datacomm including Premier Care, Customer Care Centers, and Dedicated Support & Services.

Where there are mixed units of non-represented and represented DataComm employees, SBC shall be neutral in any accretion petition filed by the Union at the NLRB provided SBC concurs as to which bargaining agreement will be applicable to any accreted employees.

#### Tier 1 and 2 Customer Contact/Technical Support

Technical support work today is contracted work through Accenture. At the conclusion of the contract (without extension) SBC prefers that its employees perform this work. In order to facilitate moving this work to SBC employees, in 2006 SBC shall perform cost studies to determine the potential wage, benefits, and procedures to perform this work by SBC employees. It is the mutual goal of the parties to have this work performed by CWA represented employees. This will be discussed at the President's Council. CWA represented employees shall do all Tier II customer contact/technical support work.

### Buried Service Wire

In order for SBC to compete in buried service wire, it is in both parties' interest to negotiate and reach an agreement which will make this business a success.

The Company and the Union agree that they will meet for the purposes of negotiating a nationwide collective bargaining agreement.

In the event the parties are unable to reach final agreement on any element of the collective bargaining agreement stated above, the disputed issues will be submitted to the President's Council for resolution. The Council, at its discretion, may submit the issues to a neutral third party for mediation.

Any and all Buried Service Wire work currently performed in any of the core bargaining units will continue to be performed by that unit under the terms and conditions of the relevant collective bargaining agreement.

### Video

Any and all video work currently performed in any of the CWA bargaining units will continue to be performed by that unit under the terms and conditions of the relevant collective bargaining Agreement.

It is in both parties' interest to negotiate and reach an agreement which will make this business a success. The parties recognize that this is a competitive business and that a competitive cost structure will be required to succeed.

SBC shall recognize the Union as the exclusive representative for all non-management employees performing work associated with video provided the work is performed at an overall cost structure that is competitive.

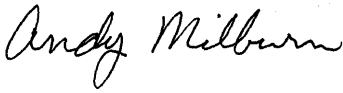
Work required to be done by other companies through present or future partnerships or alliances with SBC will also continue to be done by such other companies if required by contract. Such work will transition to CWA-represented employees if permissible and the President's Council shall review its progress.

### Dispute Resolution on Evolving Technologies

If there is no mutual resolution of any dispute at the President's Council, CWA shall have the right to enforce the terms of this agreement through any lawful means (other than the grievance or arbitration process), including, but not limited to recourse to the National Labor Relations Board, recourse to any court of competent jurisdiction, or a combination of any such actions.

*AS am*

FOR THE UNION:

By   
Andy Milburn  
Vice President, District 6

FOR THE COMPANY:

By   
Mike Smith  
Vice President-Labor Relations

**CURRENT PARTICIPATING COMPANIES  
COVERED BY INTERSUBSIDIARY MOVEMENT**

Ameritech Advanced Data Services  
Ameritech Services, Inc.  
Illinois Bell Telephone Company  
Indiana Bell Telephone Company  
Michigan Bell Telephone Company  
Nevada Bell Telephone Company  
Ohio Bell Telephone Company  
Pacific Bell Home Entertainment  
Pacific Bell Long Distance  
Pacific Bell Telephone Company  
SBC Advanced Solutions, Inc. (Southwest, West Regions)  
SBC DataComm, Inc. (Southwest, West Regions)  
SBC Internet Services, Inc. (West Region)  
SBC Long Distance (West Region)  
SBC Messaging California  
SBC Operations, Inc.  
SBC Services, Inc.  
SBC Telecom, Inc. (Southwest, West Regions)  
SNET America, Inc.  
SNET Diversified Group, Inc.  
SNET Yellow Pages  
Southern New England Telecommunications  
Southern New England Telephone  
Southwestern Bell Messaging Services, Inc.  
Southwestern Bell Telephone, L.P.  
Southwestern Bell Video Services, Inc.  
Southwestern Bell Yellow Pages, Inc.  
Wisconsin Bell Telephone Company  
The Woodbury Telephone Company