

**OUTSIDE THE
AGREEMENT BETWEEN**



AT&T MIDWEST

AND



**COMMUNICATIONS WORKERS
OF AMERICA
DISTRICT 4**

(Effective April 8, 2012 through April 11, 2015)

Memorandums & Letters Outside The Contract

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William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
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Location 2H67
Hoffman Estates, IL 60192-5000

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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: 2012 Collective Bargaining Understandings

Dear Mr. Schaeff:

This letter confirms understandings reached by the Company and the Union during the course of the 2012 Collective Bargaining discussions:

1. All costs and expenses as described in Article 7 associated with payroll deductions for the Committee on Political Education (COPE) will be incorporated into the total 2012 collective bargaining economic settlement package to cover reimbursement to the Company for the 2012 Collective Bargaining Agreement time period. The parties agree that past obligations have been satisfied.
2. The Company will comply with all federal and state laws regarding employees' inspection of personnel records, including the review of documentation concerning discipline that is to be included in the personnel file. Upon written request by the Local President, the Company will provide the Union with all information and documentation as required under the National Labor Relations Act for grievances and all other matters. If there is any dispute regarding the requested information, the matter will be decided by the National Labor Relations Board (NLRB).

For employee-specific confidential information requests and documentation not provided for under the NLRA, a written authorization will be required from the employee before such information will be provided to the Union.

3. The Operator Services organization intends to (1) continue, whenever possible, its scheduling practice of assigning "off days" to employees on the Saturday prior, and the Sunday after a vacation week; (2) provide as much advance notice as possible to affected employees and the Local Union President, but no later than the Thursday preceding the week when the opening and/or closing hours of an office will be changed; (3) provide new employees information about the Operator Services' scheduling process.
4. The existing Michigan practice pertaining to adherence to Michigan Complied Law (MCL) Sec. 247.184a, and the Letter of Agreement in Michigan from 1992 bargaining pertaining to the same which provides for a second person alert surveillance while performing

manhole work, will continue for the term of the 2012 Collective Bargaining Agreement. This applies to employees working in Michigan only.

5. Absence for union business, covered under Article 10.08, shall be counted as “hours worked” for purposes of calculating eligibility for Family/Medical Care Leaves.
6. The “Temporary Assignment” Differential (Article 19.07) will be included in the calculation of overtime when working in the assignment.
7. The conditions of the Memorandums of Agreement Concerning Breakthrough Leadership Force Transition, Recognition Agreement; dated July 25, 1993 (Recognition Agreements), have been completed with the exception of that treatment to be afforded to four remaining non-management, non-union represented employees listed on Attachment 1 hereto (“Opt-out NMNUs”).

The Company and the Union agree that the Union is recognized as the bargaining agent for those employees covered by the Recognition Agreements in the states of Ohio, Michigan, Wisconsin and Indiana (excluding Lake and Porter counties), except for the Opt-out, NMNUs and those who work in the Labor Relations, Human Resources or Legal organizations.

These exceptions shall apply to the scope of the Union’s representation, whether or not such individuals could lawfully be represented by the Union or are subject to the Fair Labor Standards Act.

The Opt-out NMNUs will, however, remain excluded from union representation and the collective bargaining agreements, if they so desire, for as long as they continue to perform their initial job assignments. Any subsequent employee-initiated change of job within the bargaining unit will terminate this exclusion for the employee involved, who will then become union represented and subject to the terms and conditions of the applicable collective bargaining agreement. Replacements for employees so excluded will be subject to union representation and to the terms and conditions of the applicable collective bargaining agreement.

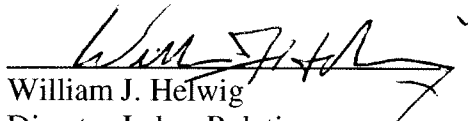
8. This confirms understandings reached by the Company and the Union during the course of 2012 Collective Bargaining discussions concerning conditional pay for disability claims under the AT&T Midwest Disability Benefits Program.

Effective January 1, 2013, the Company will reduce the amount of conditional pay granted to employees who are absent from work and seeking benefits under the AT&T Midwest Disability Benefits Program to 10 days.


9. Effective with the printing of the 2012 Collective Bargaining Agreement, the Company will no longer include the Index, Appendix B Wage Schedule Index, Wage Schedules and Job Titles in the printed book. The Appendix B Wage Schedule Index, Wage Schedules and Job Titles will continue to be available online at the Midwest Labor Relations website. The Company agrees to ship the appropriate number of contract books to one Union location in each of the States covered by the 2012 Collective Bargaining Agreement, as designated by the Union, for distribution to Union members.
10. The Company will identify a single point of contact in its Labor Relations Organization to whom the Union may bring questions concerning service recognition arising out of the SBC/AT&T merger.

Please confirm your understanding of these arrangements by signing a copy of this letter and returning it to me.

Sincerely,


William J. Helwig
Director Labor Relations

Acknowledged:


Jerry W. Schaeff
CWA Assistant to the Vice-President

April 8, 2012

Date

LAST_NAME	FIRST_NAME	JOB TITLE
KOBAIA	CATHERINE	TECHNICAL SPECIALIST/N (CLA) [CWA04]
HEIN	CANDACE	SERVICE REPRESENTATIVE/N (SRL) [CWA04]
KOPENSKI	MARY	SERVICE REPRESENTATIVE/N (SRL) [CWA04]
ROSIK	SHARON	TECHNICAL SPECIALIST/N (CLA) [CWA04]

MEMORANDUM OF AGREEMENT

AMENDMENT TO MODIFY THE FORMULA FOR CALCULATING THE 2009 SUCCESS SHARING PLAN

This Amendment to the Memorandum of Agreement Success Sharing Plan (“2012 SSP Amendment”) provides for an acceleration of a payment that might otherwise be due under the terms of the 2009 Collective Bargaining Agreement’s Memorandum of Agreement Success Sharing Plan between AT&T Midwest and the Communications Workers of America, AFL-CIO (“Union”) (collectively “Parties”) identified therein and which are signatories hereto subject to the following terms:

1. Ratification of a Successor CBA: This 2012 SSP Amendment is contingent on the necessary ratification of the 2012 Collective Bargaining Agreement no later than 11:59 PM CST August 17, 2012.
2. Accelerated Payment: Eligible Employees in the 2009 Collective Bargaining Agreement as of the ratification date (August 17, 2012) shall receive an Accelerated Payment of One Thousand Three Hundred and Twenty-Three Dollars (\$1,323.00) issued in the form of contributions into a Health Reimbursement Account (“HRA”) established under an employee benefit plan sponsored by the Company pursuant to the Internal Revenue Code and applicable regulations representing the Stock Appreciation Value and the Dividend Rate Value as those terms are used and defined in the 2009 Midwest Collective Bargaining Agreement’s Memorandum of Agreement Success Sharing Plan, measured by the difference between the June 29, 2012 closing AT&T stock price and the October 3, 2011 closing AT&T stock price, plus the Dividend Rate Value for December 2011, March 2012, and June 2012 (Accelerated Payment).

The stock price used in establishing the award value was the closing AT&T stock price on the New York Stock Exchange.

- a. Reasonable Time to Issue Payment: Payment of the Accelerated Payment will be made as soon as practicable after the ratification of the 2012 Collective Bargaining Agreement.
- b. Eligibility: Employees eligible for payments as described above (“Eligible Employees”) are those regular, temporary and term employees who were on the payroll October 3, 2011 and on August 17, 2012 and who work for a minimum of three (3) months within the award year in a position covered by the 2009 Collective Bargaining Agreement. Eligible Employees who are on approved leaves of absence, short-term disability absence or partial disability absence and meet the other eligibility requirements on the ratification date shall receive a payment, provided they return to active duty on or before August 31, 2012. Those employees not returning by this date shall receive the ordinary distribution under the terms of the 2009 Collective Bargaining Agreement’s Memorandum of Agreement Success Sharing Plan if they satisfy the eligibility conditions.

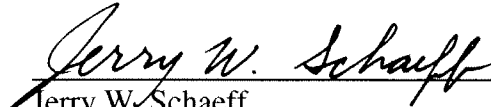
- i. Part-time Employees: Eligible Employees who are otherwise eligible under the terms of the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan who work regular part-time assignments will receive prorated payments based on their part-time classification (or "part-time equivalent work week") on the ratification date.
 - ii. An Eligible Employee who transfers between AT&T Companies participating in the SSP will be eligible to receive a payout under the terms of the 2012 SSP Amendment applicable to the employee's current bargaining unit at the time of payment, so long as the combined service in both AT&T Companies satisfies the eligibility provisions of the applicable Success Sharing Plan.
3. Remaining SSP Payment: This 2012 SSP Amendment does not amend or modify the terms provided by the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan for the payment terms (HRA Funding) provided for the period October 3, 2011 through September 28, 2012 (2012 Award Year), provided, however, that the dividend rate value for the 2012 Award Year payout (i.e., HRA Funding) shall only include the value of the September dividend, if any, that was not already paid, and the portion of the 2012 Award Year payout attributable to the Stock Appreciation Value shall be reduced by the value of the Accelerated Payment attributable to the Stock Appreciation Value on June 29, 2012.
4. No Other Modifications: Except as expressly provided herein, all other terms of the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan shall remain in effect as provided therein.

This Memorandum of Agreement will remain in effect through December 31, 2012.

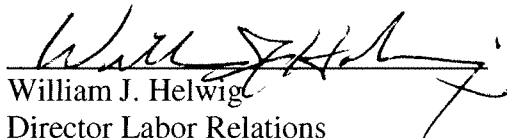
AGREED:

FOR THE UNION:

FOR THE COMPANY:



 Jerry W. Schaeff
 CWA Assistant to the Vice-President



 William J. Helwig
 Director Labor Relations

April 8, 2012
 Date

April 8, 2012
 Date

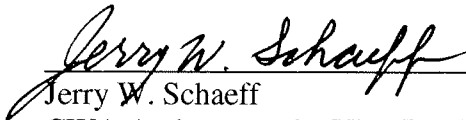
MEMORANDUM OF AGREEMENT

CARRY OVER VACATION

The Company and the Union agree to eliminate the “matching” requirement for Carry Over Vacation, Article 23.12, Paragraphs (C) and (D), with respect to the first week of vacation that is carried over from one vacation year to the next. This Memorandum of Agreement will expire on December 30, 2014.

AGREED:


FOR THE UNION:



Jerry W. Schaeff
CWA Assistant to the Vice-President

April 8, 2012
Date

FOR THE COMPANY:



William J. Helwig
Director Labor Relations

April 8, 2012
Date



April 8, 2012

William J. Helwig
Director
Labor Relations - Midwest

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Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road, Room 700
Cleveland, OH 44116

RE: Common Attendance Guidelines

Dear Mr. Schaeff:

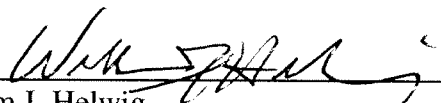
This Letter confirms the understandings reached between the Company and the Union during the course of 2012 collective bargaining discussions concerning common attendance guidelines for all employees covered by the 2012 Collective Bargaining Agreement between the Parties ("CBA").

The Parties agree that effective January 1, 2013 and for the term of the CBA, and with the exception of the caveats enumerated below, the provisions on attendance contained in the November 2006 Midwest Network Services Managers Guide to Corrective Action ("MGCA") will apply to all employees covered by the CBA. A copy of the MGCA with the attendance section highlighted is attached. Following are exceptions to this agreement:

1. The first sentence of the section "Overview" on page 1 of the MGCA will not apply to Market Business Units ("MBU's") other than those in the Network Services organization;
2. References to "Network Services" the "Network Organization" or other references to Network MBU's will be ignored and it is understood that the substance of these guidelines will apply to the various MBU's;
3. References to "Webadd" are to a Network-specific system and may be disregarded by MBU's that do not use this system;
4. MBUs are not restricted by this Letter in their handling of dependability issues; and
5. The Parties agree that the phrase "in no less than fifteen minute increments" will be deleted when the Company moves to payment by the minute.

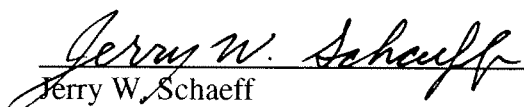
This Letter of Understanding will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President

MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION



OVERVIEW

The enclosed corrective action guidelines supersede and replace all current corrective action guidelines for nonmanagement employees in the AT&T Midwest Network Services Organization. It is intended that the guidelines be used by management as a tool to ensure consistent treatment of employees who exhibit behaviors considered unacceptable. Management should apply these guidelines fairly and evenly, taking into account surrounding circumstances. Evaluation of trends, past history and mitigating circumstances should serve to guide management in making "firm but fair" decisions. When management believes that, based on the severity of circumstances, an escalation of corrective action is required, they should consult with Human Resources before proceeding with such corrective action.

Unless an employee's behavior is so severe that it warrants immediate corrective action, it is the responsibility of management to coach each employee on his or her behavior before it reaches an unacceptable level and prior to implementing corrective action. If corrective action is required, the goal of such action should be positive intervention to correct the behavior. The goal of corrective action taken in relation to the discipline guidelines should be to help employees improve their service to customers, take responsibility for their actions and enable them to make informed decisions about their employment with AT&T Midwest.

*The manager should always use good judgment and **document all action taken**. It also is strongly recommended that the manager partner with their Employee Relations Manager (ERM) when taking any action to correct employee behaviors, even as early as the first occurrence.*

Partnership and cooperation with local CWA/IBEW representatives is critical to fostering a good relationship in Network Services. Mutual responsibility and respect in all interactions and communications with the Union is required. Managers are expected to hold discussions with the Union early and often throughout the corrective action process.

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**MIDWEST NETWORK SERVICES
MANAGER'S GUIDE TO CORRECTIVE ACTION**

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

DOCUMENTATION AND COVERAGE

Below are procedures that managers should review during each step of corrective action, as appropriate per the guidelines stated in this document. Each manager should hold their working or managerial file at their desk, in a secure location accessible to manager only. All documentation regarding the dates and discussions they have had with their employees should be kept in their working files. Formal documentation (corrective action letter) is to be placed in the employee's formal AT&T Midwest personnel file.

Sample corrective action letters are available for use. Please contact your ERM to determine which sample letter is appropriate for your employee's circumstances.

Verbal Warning

- Offer union representation to employee.
- Review previous counseling with employee, including each incident and date it occurred.
- Review each incident with employee and the date it occurred.
- Offer the Employee Assistance Program (800-554-6701).
- Express confidence in the employee's ability to improve their behavior. Also explain, if improvement does not occur, further corrective action could be imposed.
- Get commitment from the employee to improve.
- Provide the employee a copy of the formal warning (if s/he refuses to sign, document employee covered/refused to sign, and place in personnel file).
- Document date and discussion and place in managerial file and Webadd.

First Written Warning or Second Written Warning - Suspension

- Review situation with Area Manager and ERM.
- Offer union representation to employee.
- Review previous counseling with employee, including each incident and date it occurred.
- Offer the Employee Assistance Program (800-554-6701).
- Express confidence in the employee's ability to improve their behavior, but that if improvement does not occur, corrective action could be taken.
- Get commitment from the employee to improve.
- Advise the employee that they are suspended without pay and that they must leave the premises for the appropriate number of days determined.
- Provide the employee a copy of the formal warning (if s/he refuse to sign, document employee covered/refused to sign, and place in personnel file).
- Document date and discussion and place in managerial file and Webadd.

Final Written Warning - Suspension

- Review situation with Area Manager and ERM.
- Offer union representation to employee.
- Review previous counseling with employee, including each incident and date it occurred.
- Offer the Employee Assistance Program (800-554-6701).
- Explain to the employee behavior is unacceptable.
- Advise the employee they are to leave the premises on unpaid suspension for the appropriate number of days determined.
- Provide the employee a copy of the formal warning (if s/he refuse to sign, document employee covered/refused to sign, and place in personnel file).
- Upon the employee's return to work, review the seriousness of the corrective action step, re-clarify expectations and get feedback and commitment from the employee to improve.
- Take thorough notes at both the suspension and the re-entry meeting.
- Document date and discussion and place in managerial file and Webadd.

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

DOCUMENTATION and COVERAGE - Continued

Suspension Pending Investigation should be used rarely. See Criteria on Page 20 for more information.

Suspension (Pending Investigation or Dismissal - if service greater than six months)

- Prior to the suspension pending investigation or dismissal, contact the appropriate ERM for a review of the employee's history.
- Notify the Union President or a designee and review the facts prior to the actual suspension pending dismissal.
- Offer union representation.
- Review previous counseling with employee, including each incident and date it occurred.
- Explain behavior is unacceptable.
- Advise the employee they are suspended pending investigation or dismissal and that their manager will contact them to confirm their employment status.
- Provide the employee a copy of the formal warning (if s/he refuse to sign, document employee covered/refused to sign, and place in personnel file).
- Collect all AT&T Midwest property (id badge, keys, etc...) and escort the employee from the building.
- Document date and discussion and place in managerial file and Webadd.

ATTENDANCE

Providing leading edge telecommunications services is based upon the ability to meet our customer needs. High quality, dependable employees are the key to providing superior customer service. We recognize the value and importance of each individual employee. When anyone is absent, regardless of the cause, it weakens our competitive ability to serve. The desired behavior is to be on the job, on time, each day the employee is scheduled to work.

The definitions below apply to all regularly scheduled days. Employees will not be allowed to substitute vacation and excused workdays to avoid corrective action. Employees scheduled for a sixth tour will not be considered under the attendance guidelines. Concerns with sixth tours should be addressed using the dependability guidelines found later in this document.

In implementing these guidelines on a daily basis, local management must not lose sight of these critical principles:

- 1. The minimum expectation is that our employees be at work on time every day as scheduled. This expectation must be continuously communicated to the employees.*
- 2. In order for any attendance guideline to add value, it must be used with diligence and good judgment by local management.*
- 3. These guidelines do not apply to any absences that are FMLA approved. Absences that are FMLA approved should not be counted as occurrences for purposes of these guidelines, and should not be considered for corrective action or appraisal purposes.*

Management should continuously recognize employees who have demonstrated a commitment to excellent attendance. This recognition may be through many forms, including recognition at group meetings, senior management acknowledgment and local programs designed to recognize individual and/or group local attendance.

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

ATTENDANCE - Continued

It is critical that management impress upon the employee the importance of good attendance early in his/her employment life cycle. Management's philosophy is that an employee will be given an appropriate opportunity to improve before applying corrective action. However, once an employee has been given an opportunity to improve and does not take advantage of that opportunity, the employee will be placed on corrective action and will progress through the process at a rate dictated by the employee's behavior in accordance with the attendance philosophy.

At this and every step of the process, management will attempt to partner with the local union leadership in an effort to encourage the employee to adhere to the attendance philosophy. The manager will use his/her discretion to determine if the employee's attendance is unsatisfactory. The manager will consider the employee's overall absence history, including such factors as absence reasons, frequency, duration, and patterns in conjunction with the employee's length of service.

Once the employee's attendance becomes unsatisfactory, corrective action will occur. The manager will document discussions at each occurrence of corrective action.

DEFINITIONS

Below are definitions of various circumstances that constitute absenteeism.

Tardy

Employees are expected to be at work, ready to work, during all scheduled working hours. They are expected to begin their tour at their scheduled start time, and end their tour at their scheduled end time. A tardy will be incurred when an employee is between five minutes and two hours late at the beginning of their tour. However, should an employee establish a pattern of tardiness of less than five minutes, action may be warranted. If an employee is tardy, the manager should document the timesheet appropriately and wages may be withheld in no less than fifteen minute increments. Note: When an employee takes too much time at breaks or meals corrective action under Dependability/Time Management (Table 5) should be reviewed.

Incidental Absence

Employees are expected to be at work during the entire day that they are scheduled to work. Incidental absence includes any absence over two hours in length and will be tracked by the number of hours and minutes that an employee is not at work. If an employee begins their tour late or leaves work prior to the end of their scheduled tour, it will be considered an incidental absence. When an employee does not report to work on a scheduled workday, it is considered an incidental absence. Incidental absence does not include absences due to approved FMLA, disability covered under FMLA or excused time off. Any questions related to pay treatment should be directed to your ERM.

Disability

Inability to work due to sickness or off-the-job injury over seven calendar days that is approved by AT&T Integrated Disability Service Center (d.b.a. AT&T IDSC) is considered a disability case. Disabilities also include approved on-the-job injuries starting at the first day of absence. Approval/denial of disability cases is the responsibility of the AT&T IDSC Team. Chargeable disabilities include approved disabilities through the AT&T IDSC Team that exceed available FMLA time.

For more information please review the Disability web page found at:

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

http://intranet.sbc.com/benefits/pparse.cgi?src=doc_area.phtml&substat=ASI-AIT-AN&bs1=HEALTH&bs2=disability

AT&T IDSC Contact Number: 1-866-276-2278

ATTENDANCE - Continued

No Call/No Show

Defined as a failure to report to work and failure to report the absence to the appropriate supervisor. This type of absence can be considered job abandonment and disciplinary action may be taken up to and including dismissal if or when the employee returns to work. If the employee does not return to work it will be considered his/her voluntary resignation from the company. Please work with your ERM on the first day of an employee's failure to call/report to work. Your ERM will assist you in reviewing the necessary action to be taken.

Evaluation Period

The evaluation period for Attendance will be determined by current corrective action step status, specifically,

**If an employee is currently on a First Written Warning or lesser step of corrective action (including coaching/counseling);
then, the evaluation period for corrective action is the consecutive 12 month period prior to the most recent incident.**

Example: An employee incurs a chargeable absence on May 15, 2005 and is not on a corrective action step, the evaluation period to determine whether corrective action is warranted is May 15, 2004 through May 15, 2005.

Example: An employee incurs a chargeable absence on January 15, 2005 and is on a first written warning, the evaluation period to determine the next step of corrective action is January 15, 2004 through January 15, 2005.

**If an employee is currently on a Second Written Warning/1-Day Suspension or greater step of corrective action;
then, the employee must maintain an acceptable attendance record (no chargeable absence) for 12 consecutive months from the last occurrence which triggered this step of corrective action.**

Example: If an employee receives a Second Written Warning/1-Day Suspension on October 17, 2005 for an occurrence on October 1, 2005, s/he must not have another chargeable occurrence until at least October 1, 2006, or corrective action may be escalated.

CURRENT CORRECTIVE ACTION STEP	EVALUATION PERIOD
Verbal Warning	12 month period <u>prior</u> to latest occurrence
First Written Warning	12 month period <u>prior</u> to latest occurrence
Second Written Warning/1-Day Suspension	12 consecutive month period from date of occurrence that triggered 1-Day Suspension

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**MIDWEST NETWORK SERVICES
MANAGER'S GUIDE TO CORRECTIVE ACTION**

<i>Final Written Warning/3-Day Suspension</i>	<i>12 consecutive month period from date of occurrence that triggered 3-Day Suspension</i>
<i>Suspension Pending Dismissal</i>	-

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

ATTENDANCE - Continued

If an employee successfully maintains an acceptable attendance record for the appropriate evaluation period (as noted in previous table), and then continues to incur chargeable attendance occurrences, corrective action may be escalated. Call your ERM if you believe escalation of corrective action is warranted.

Once you have determined the total number of chargeable occurrences using the applicable evaluation period, the tables below are to assist in defining the level of corrective action associated with each type of attendance violation for employees with less than six months of service. Each additional or combination of attendance violations (tardy, incidental absence, disability and no call/no show) will result in the progression of the corrective action process.

TABLE 1A - Less than Six Months of Service – Tardy and Incidental Absence

Tardy	Incidental Absence (Not FMLA Qualified)	CORRECTIVE ACTION
1 st Occurrence	-	Verbal Warning
2 nd Occurrence	1 st Occurrence*	Written Warning
3 rd Occurrence	2 nd Occurrence*	Final Written Warning/3-Day Suspension
4 th Occurrence	3 rd Occurrence*	Dismissal - No Review Board Necessary

* Note: An incidental absence occurrence begins the first day of absence and includes any consecutive days that follow. Any incidental absence occurrence of more than one day may result in the escalation of the corrective action process. Each incident should be reviewed on a case by case basis. Call your ERM if you believe escalation of corrective action is warranted.

When appropriate, the following attendance categories may also be included when determining corrective action.

TABLE 1B - Less than Six Months of Service – Disability and No Call/No Show

Disability** (Not FMLA Qualified)	No Call/No Show	CORRECTIVE ACTION
-	-	Verbal Warning
1 st Occurrence	-	Written Warning
2 nd Occurrence	-	Final Written Warning/ 3-Day Suspension
3 rd Occurrence	1 st Occurrence	Dismissal - No Review Board Necessary

** Note: Disability relapses may be treated as separate occurrences. Contact your ERM for advice and counsel.

Disability related absences may also be covered under the Americans with Disability Act (ADA). When managers are addressing these issues with their employees, they should be sure to advise their employees that if an employee believes they need a reasonable accommodation, they should contact the AT&T Integrated Disability Service Center (d.b.a. AT&T IDSC) at 1-866-276-2278. Manager should work with AT&T IDSC directly on these cases.

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ATTENDANCE - Continued

Once you have determined the total number of chargeable occurrences using the applicable evaluation period, the tables below are to assist in defining the level of corrective action associated with each type of attendance violation for employees with greater than six months of service. Each additional or combination of attendance violations (tardy, incidental absence, disability, and no call/no show) will result in the progression of the corrective action process.

TABLE 2A - Greater than Six Months of Service - Tardy and Incidental Absence

Tardy	Incidental Absence (Excludes FMLA)	CORRECTIVE ACTION
3 rd Occurrence	2 nd Occurrence*	Verbal Warning
4 th Occurrence	3 rd Occurrence*	First Written Warning
5 th Occurrence	4 th Occurrence*	Second Written Warning/1-Day Suspension
6 th Occurrence	5 th Occurrence*	Final Written Warning/3-Day Suspension
7 th Occurrence	6 th Occurrence	Suspension Pending Dismissal

* Note: An incidental absence occurrence begins the first day of absence and includes any consecutive days that follow. Any incidental absence occurrence of more than one day may result in the escalation of the corrective action process. Each incident should be reviewed on a case by case basis. Call your ERM if you believe escalation of corrective action is warranted.

When appropriate, the following attendance categories may also be included when determining corrective action.

TABLE 2B - Greater than Six Months of Service - Disability and No Call/No Show

Disability** (Excludes FMLA)	No Call/No Show	CORRECTIVE ACTION
1 st Occurrence	-	Verbal Warning
2 Occurrences in 2 years, 3 Occurrences in 5 years or 10% of scheduled days in 5 years (130 days)	1 st Occurrence	First Written Warning
Next Occurrence	-	Second Written Warning/1-Day Suspension
Next Occurrence	2 nd Occurrence	Final Written Warning/3-Day Suspension
Next Occurrence	3 rd Occurrence	Suspension Pending Dismissal

** Note: Disability relapses may be treated as separate occurrences. Contact your ERM for advice and counsel.

Disability related absences may also be covered under the Americans with Disability Act (ADA). When managers are addressing these issues with their employees, they should be sure to advise their employees that if an employee believes they need a reasonable accommodation, they should contact the AT&T Integrated Disability Service Center (d.b.a. AT&T IDSC) at 1-866-276-2278. Manager should work with AT&T IDSC directly on these cases.

The following are examples of situations to serve as a guide when using the Tables 1A, 1B, 2A, and 2B. The manager will consider the employee's overall absence history, including such factors as absence reasons, frequency, duration, mitigating circumstances and patterns in

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MANAGER'S GUIDE TO CORRECTIVE ACTION**

conjunction with the employee's length of service. It is strongly advised that the manager contacts the appropriate ERM prior to implementing any corrective action.

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ATTENDANCE - Continued

Less than Six Months:

Incidental absences will be evaluated based on the number of occurrences and the number of days associated with each occurrence. If the occurrence lasts longer than one day we begin to take into consideration the number of days that are associated with the occurrence. Call your ERM if you believe escalation of corrective action is warranted.

Example: (less than six months of service employee-see Table 1A) An employee who has less than six months of service is tardy on Monday and Tuesday. Monday, the employee would be issued a verbal warning. Tuesday, the employee would be issued a written warning. On Friday, the same employee is absent. Since the employee had already been given two previous corrective action steps for two previous tardy violations (verbal and written) they would progress to the next level of corrective action which is Final Written Warning/3-Day Suspension.

Greater than Six Months:

Incidental absences will be evaluated based on the number of occurrences and the number of days associated with each occurrence. If the occurrence lasts longer than one day, we begin to take into consideration the number of days that are associated with the occurrence. Call your ERM if you believe escalation of corrective action is warranted.

Example: (greater than six months of service employee-see Table 2A) An employee with five years of service and no prior attendance violations is absent for two consecutive days, the employee would be coached on the importance of being at work as scheduled. The same employee is then absent for one day, the employee could be issued a verbal warning. Within the twelve-month period the employee is again absent, this time for four consecutive days which are not FMLA approved. Due to the number of days the employee would progress to First Written Warning/1-day suspension. Within the twelve-month period, the employee is tardy by 10 minutes. Due to the employee's history, he/she would progress to Final Written Warning/3-day Suspension.

NONMANAGEMENT EXPECTATIONS

<http://midwest.sbc.com/expectations/index.cfm>

Expectations are established to clarify the expectations of nonmanagement employees in each department. These guidelines will be uniformly and fairly applied, taking into account mitigating circumstances. When there is a possible violation of the Nonmanagement Expectations, the appropriate ERM and Area Manager should be notified to review the violation and the corrective action. Violation(s) of Nonmanagement Expectations may result in corrective action up to and including dismissal.

Below are some examples of corrective actions within Network:

TABLE 3

Type	Examples	Corrective Action Taken
Nonmanagement Expectations	<ul style="list-style-type: none"> ▪ Ganging up (more than 2 company vehicles present at one location) during breaks or meals ▪ Out of route 	<p>1st Occurrence: 1- to 3-Day Suspension dependent on severity and employee history.</p> <p>2nd Occurrence: Suspension Pending Dismissal.</p>

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

CODE OF BUSINESS CONDUCT

<http://intranet.sbc.com/SBCWIN/policies/code/Code.html>

Each employee is expected to abide by the standards embodied in the AT&T Code of Business Conduct. When there is an incident regarding a possible violation of the Code of Business Conduct, the appropriate ERM and Area Manager should be notified to review the situation and to apply corrective action. Each incident will be reviewed on a case by case basis. Managers should review the Seven Tests for Determining "JUST CAUSE" found on Page 19. Disciplinary action may be taken up to and including dismissal dependent upon severity, employee history and mitigating circumstances.

Below are two examples of corrective actions within Network:

TABLE 4

Type	Examples	Corrective Action Taken
Code of Conduct	<ul style="list-style-type: none">▪ Theft of Company property or time▪ Violence in the workplace	1st Occurrence: Suspension Pending Dismissal or Investigation, if appropriate, dependent on severity and employee history

DEPENDABILITY

These guidelines should be used by management as a tool to ensure consistent treatment of employees who exhibit behaviors considered unacceptable. Management should apply these guidelines fairly and evenly, taking into account mitigating circumstances.

Employees are expected to be where they are supposed to be, doing what they are supposed to be doing. Each and every employee has a responsibility to use company time and resources in a manner that brings value to the company and its shareholders. It is the manager's responsibility to ensure the employee understands dependability expectations.

Resources Management:

Company property is to be used for company business only. Each employee is personally responsible for the care, protection, tracking, maintenance, and proper storage of company issued property, such as tools, test sets, laptops, cameras, etc. Failure to do so may result in corrective action, up to and including dismissal.

Time Management:

- Personal business will not be conducted during the employee's working time or in a work area. Personal business is defined as performing functions not related to Company business during company time.
- In cases of emergency or when requesting unscheduled time off, the employee's immediate manager, or designee, must be contacted prior to the start of the work tour.
- Lunch and break periods will not exceed the established time.

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

DEPENDABILITY - Continued

Sixth Tour and Voluntary Overtime (All of Midwest):

Managers should inform their employees that when they volunteer to work overtime and the overtime has been approved, they have an obligation to work the approved overtime. Failure to report for such work, arriving late for work, or leaving early should be treated as demonstrating a lack of dependability. Depending on unique limited circumstances, failure to work the approved overtime may also be considered as insubordination. Employees may be disciplined up to and including dismissal for lack of dependability and/or insubordination based on the specific situation. The corrective action will be independent of other disciplinary action and will be administered on a case-by-case basis, even on the first offense.

Mandatory Overtime (Excluding Ohio):

Managers should inform their employees that when they are required to work mandatory overtime they are expected to be on the job. Employees who fail to report for work, arrive later or leave early under a mandatory overtime situation will be considered as insubordinate and may be subject to discipline up to and including dismissal, even for the first offense.

Insubordination is the refusal to carry out any business-related directive of any manager. Examples of business-related directives include working mandatory overtime and performance of a specific task or assignment.

The manager must clearly communicate in cases of insubordination. In all cases, managers are expected to follow these required steps if an employee refuses a manager's business-related directive:

1. Provide specific instruction and timeframe for task assignment or work time required.
2. Advise the employee that s/he is considered as being insubordinate if refusing a business-related directive (assuming it is not a safety or legal issue).
3. Repeat directive, give employee another opportunity to follow the directive after offering a clear warning of the consequences of refusal (possible corrective action). Manager may want to involve the nearest available Union representative in an attempt to have the employee follow the directive.
4. Ask if employee understands the consequence of his/her refusal, and inform employee that s/he is being insubordinate and will be disciplined.

All employees are expected to adhere to all dependability expectations. When there is a possible violation of these expectations, the appropriate ERM should be notified to review the violation and the manager should take the following recommended corrective action, as appropriate.

TABLE 5 – Greater than Six Months of Service

The table below is to assist in defining the level of corrective action associated with each type of violation for dependability. Each additional or combination of violations (resources management, time management, sixth tour and overtime) may result in the progression of the corrective action process.

Resources Management (Tools, etc.)	Time Management	Sixth Tour & Voluntary Overtime	Mandatory Overtime (Insubordination)	CORRECTIVE ACTION
1 st Occurrence		2 nd Occurrence		Verbal Warning
2 nd Occurrence	1 st Occurrence	3 rd Occurrence		First Written Warning
3 rd Occurrence		4 th Occurrence	1 st Occurrence *	Second Written Warning/ 1-Day Suspension
4 th Occurrence		5 th Occurrence	2 nd Occurrence	Final Written Warning/ 3-Day Suspension
5 th Occurrence	2 nd Occurrence	6 th Occurrence	3 rd Occurrence	Suspension Pending Dismissal

* For Mandatory Overtime on the 1st Occurrence, Corrective Action should be referred to as a First Written Warning/1-Day Suspension.

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LOW PERFORMERS

It is the manager's responsibility to ensure the employee understands his/her performance objectives and how they will be measured. If an employee's performance measures are in the low performance range of his/her organization's guidelines (i.e. GJ18=I&R, OHP=E&C), corrective action may be taken by his/her supervisor. As a manager, you should "inspect what you expect."

Documented coaching must be done prior to the commencement of the corrective action process. Effectively communicating with the employee as to why they are being placed on a Performance Improvement Plan (PIP) is essential. The primary goal of a PIP is to improve an employee's performance through training and coaching. As always, all discussions, warnings, and other steps of corrective action must be documented. Contact your ERM prior to progressing into corrective action steps. ERMs will ensure that Labor and Legal are consulted when there are mitigating circumstances.

If an employee is unable to sustain acceptable performance once PIP has been completed, before taking any action, the manager should contact their ERM for advice and counsel on the appropriate corrective action.

TABLE 6 - Greater than Six Months of Service

CORRECTIVE ACTION	TIMELINE
Placed on Performance Improvement Plan	Recommended duration is 90 days, with regularly scheduled feedback meetings twice a month*
If the employee is not meeting the PIP expectations at the feedback meetings, manager may utilize the following progressive corrective action:	
Verbal Warning	Next Evaluation Period
First Written Warning	Next Evaluation Period
Final Written Warning/3-Day Suspension	Next Evaluation Period
Suspension Pending Dismissal	Next Evaluation Period

* Timeframe may be extended as appropriate, consult your ERM on these cases.

Employees with less than six months of service will be reviewed on a case by case basis. Based on the severity of the situation, it may be determined to escalate corrective action with the counsel of your ERM.

WORK PRACTICE VIOLATION AND WORK ERROR

It is the manager's responsibility to ensure the employee knows and understands the work practices, procedures and processes that pertain to his or her job. Compliance to work practices is the basis for reliable customer service and cost effective operations. Job requirements such as documenting information, communicating status of work, use of automation (IFD, GCAS, COMET, COCART, etc), and submitting CRAS data are considered work practices. Non-compliance with job requirements is a work practice violation and is addressed by these guidelines.

Employees must adhere to established company practices and procedures to ensure that work activities do not cause service disruptions for our customers. If an employee does not understand or know a Company practice they must notify their supervisor. Employees will not be allowed to justify a work error by claiming ignorance, confusion, or a lack of understanding.

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

WORK PRACTICE VIOLATION and WORK ERROR - Continued

When a work practice violation or work error occurs, management should inform the employee that they have failed to follow an established work practice or have committed a work error. Management will document the infraction committed by the employee and will place the employee on the appropriate corrective action step, if warranted. In certain situations, coaching could be utilized before placing an employee on the corrective action steps.

Level of Leadership Awareness

Managers should keep their leadership informed of work error incidents that create a service disruption or incur a monetary expense to AT&T. Managers should use the chart below to determine what level of leadership within their organization that should be made aware of the situation. Certain situations or incidents involving certain customers could require managers to escalate the level of awareness.

Incident	Level of Leadership Awareness
Service disruption involving a DS1	MU, MT
Service disruption involving a DS3	MU, MT, GM or Director
Service disruption involving an OC3 or above	MU, MT, GM or Director, Vice-President
Service disruption involving a copper cable below 300 pair	MU, MT
Service disruption involving a 300 - 599 pair copper cable	MU, MT, GM or Director
Service disruption involving a 600 pair copper cable or larger	MU, MT, GM or Director, Vice-President
Service disruption involving a fiber cable	MU, MT, GM or Director, Vice-President
Damage of \$9,999.99 or less	MU, MT, GM or Director
Damage of \$10,000.00 or more	MU, MT, GM or Director, Vice-President

Attempts by employees to cover-up the infraction or hinder an investigation will be considered a violation of the AT&T Code of Business Conduct (COBC) and will be addressed accordingly.

When investigating an outage or service impairing incident the manager should look to see if the employee followed the basic concepts of the "Before Starting Any Work, Ask Yourself These Questions" found in the Service Quality Expectations section of the AT&T Midwest Network Services Employee Expectations Binder:

1. Do I understand why this work is being done?
2. Do I have the skills or training to do this work?
3. Do I have the proper test equipment and tools to perform this work?
4. Is this the right time to do this work and are all the necessary people aware that I am about to do this work?
5. Have I reviewed the work orders for any errors, misunderstandings, or related orders?
6. Do I know how to quickly restore service if something goes wrong and who to call for help?
7. When completed, have I checked to verify that I have done all the required work error-free and updated the necessary records or systems to the customer's satisfaction?
8. If this work can be done better, have I told the right person(s) about my ideas?

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WORK PRACTICE VIOLATION and WORK ERROR - Continued

Managers should review each situation and look for any opportunities to prevent further outages or service impairment situations. Calling a "stop the shop" meeting to discuss the incident with their teams could help to prevent further incidents. The incident steps and missteps should be the focus of the discussion; details such as the name of the employee responsible as well as the corrective action administered should not be shared. Managers, as well as employees, should use these incidents to look for any process improvements or training needs within their organization. Employees should be encouraged to find and report ways to prevent service disruptions. At the same time, managers should be responsive and relay these concerns to the proper individuals or groups.

Definitions

Work Instruction

Clear method and/or procedure that is expected to be followed which is not documented, not in published format, or is a verbal instruction.

Work Practice

A work practice is a customary way of operation or behavior that is documented or in published format.

Work Error

A work error is a poor execution of work practice. Performance of work that was an act of disregard to completeness, neatness, and accuracy.

Work Practice Violation

A Work Practice Violation is committed when an employee fails to know or fails to follow a work practice.

Non-Service Impairment Violation

A work practice violation that does not impair the customer's service.

Service Impairment Violation

A work practice violation that results in an outage or impairment that causes a negative impact to an internal or external customer. Using history, mitigating circumstances, work practice and work quality rules, manager will determine whether incident is a major or minor impairment. Below are some examples:

Major Impairment

All FCC Reportable events
Any outage involving:
DS3
Copper cable at or over 300 pair
Fiber cable
Equal to or more than 5 DS1's

Minor Impairment

Any outage involving:
DSO
Less than 5 DS1's
Less than a 300 pair cable

Managers should always consult their ERM prior to taking disciplinary action. The corrective action plan should be followed with the purpose of encouraging an employee to improve their performance. In order to create consistency, the following guidelines have been developed.

In situations dealing with employees with less than six months service, the manager should contact their ERM.

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WORK PRACTICE VIOLATION and WORK ERROR - Continued

Work Practice Violation

Corrective action concerning work practice violations, when an employee fails to know or fails to follow a work practice, takes into account whether the mitigating circumstances include minor and major impairments.

TABLE 7 - Greater than Six Months Service - MINOR Service Impairment Work Practice Violation

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	Verbal Warning
2 nd Occurrence	Written Warning/1-Day Suspension
3 rd Occurrence	Final Written Warning/3-Day Suspension
4 th Occurrence	Suspension Pending Dismissal

TABLE 8 - Greater than Six Months Service - MAJOR Service Impairment Work Practice Violation

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	Final Written Warning/3-Day Suspension
2 nd Occurrence	Suspension Pending Dismissal

Work practice violations resulting in non-service impairment should be considered Work Errors and are addressed in the Work Error section.

Work Error

Corrective action concerning work errors or non-service impacting work practice violations may be handled differently. Generally, the first occurrence of these types of violations can be handled through counseling or a verbal warning. In appropriate circumstances as determined by the manager, particular steps may be skipped or repeated.

TABLE 9 - Greater than Six Months Service - Work Error

OCCURRENCE	CORRECTIVE ACTION
2 nd Occurrence	Verbal Warning
3 rd Occurrence	First Written Warning
4 th Occurrence	Second Written Warning/1-Day Suspension
5 th Occurrence	Final Written Warning/3-Day Suspension
6 th Occurrence	Suspension Pending Dismissal

When a situation is deemed to warrant an escalation of the corrective work action plan, management should consult with their ERM and their leadership to determine the degree of escalation. Certain situations may call for an escalation of the corrective steps. Some of the factors that should be considered when determining whether escalation is appropriate are:

1. Was there a major service interruption? What, if any, mitigating factors are attributable?
2. Did the incident incur over \$10,000.00 damage to the company?
3. Did the outage cause a negative impact to public safety?
4. Did the customer leave AT&T because of the incident?

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WORK PRACTICE VIOLATION and WORK ERROR - Continued

5. Did the outage create such a significant impact to the customer that they requested a review of the incident with a GM or Vice-President?
6. Is incident a repeated violation?

Below are examples to use as a guide when using Tables 7, 8, and 9. As noted in the Overview of this document, managers should take into account surrounding circumstances. Evaluation of trends, past history and mitigating circumstances should serve to guide managers in making "firm but fair" decisions. It is strongly advised that the manager contact their ERM prior to implementing any corrective action.

Example: An AT&T Midwest Network Services Technician was loaned to I&R to perform cable locates. The employee had a job that involved three cable locates. The employee located two of the three and admitted to the supervisor, after the fact, that she did not locate the third. She claimed she had a hard time reading the prints and received a weak signal when trying to locate the 900 pair cable. The employee was aware that the third cable was there but never located it. The cable was hit by a contractor and cut in half.

Since this is considered a Major Service Impairment Work Practice Violation, the supervisor should administer a Final Written Warning/3-Day Suspension.

Example: A Telecommunications Specialist (TCS) with four (4) years of service caused an outage with a translation error. The error was identified from a complaint originating from the Public Service Commission. This is the second time this error was made by the employee in the last two (2) weeks. On the first occasion, the error caused customer dialing problems and billing issues. As a result, the TCS was placed on a verbal warning because of the customer impact. This second incident again affected the same lines causing same customer dialing problems and billing issues.

As this is the second occurrence of a repeated work error, the manager may skip a corrective action step and administer a Written Warning/1-Day Suspension.

SAFETY

Refer to WORK-SAFE for complete detail on policies and practices

Knowledge of and adherence to AT&T Safety Standards and Policies is a principle condition of employment and expected to be followed on every job we perform. All employees are expected to report to work able to perform all of their assigned duties, both mentally and physically, without jeopardizing their own safety, that of other employees, or the public.

Accordingly, of paramount importance is the protection of our employees and the public through the prevention of occupational injuries, illnesses, motor vehicle, and other incidents. Protection can be accomplished by ensuring that employees are provided:

- A safe work environment
- Quality materials and tools,
- Safe work methods and procedures, and
- Safety training

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SAFETY - Continued

AT&T Safety Standards and Policies are covered by the WORK-SAFE Process, which ensures compliance with applicable Federal, State and Local Safety & Health Regulations. Personal involvement and steadfast commitment to AT&T Safety Standards and Policies are primary responsibilities for each employee, both individually and as part of a team, at all levels of the Company.

“NO JOB IS SO IMPORTANT AND NO SERVICE IS SO URGENT - THAT WE CANNOT TAKE TIME TO PERFORM OUR WORK SAFELY”

Enforcement of the safety program will include the use of appropriate corrective action depending upon the frequency and/or severity of violations. Employees who violate safe work practices, policies, procedures, etc. may be subject to disciplinary action up to and including dismissal.

Any employee who violates any safety guidelines, procedure, rule, or has a preventable incident may be subject to the following progressive corrective action:

Non-Life Saving Behavior

All employees are expected to adhere to all safety practices, work safely and use equipment properly to avoid injury to themselves or others.

Examples of Non-Life Saving Behavior:

- Insufficient work area protection
- Not wearing appropriate safety glasses when using hand tools
- Transporting propane gas when valve is not closed

TABLE 10 - Less than Six Months of Service

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	First Written Warning
2 nd Occurrence	Final Written Warning/3-Day Suspension
3 rd Occurrence	Dismissal - No Review Board Necessary

TABLE 11 - Greater than Six Months of Service

OCCURRENCE	CORRECTIVE ACTION
2 nd Occurrence	Verbal Warning
3 rd Occurrence	First Written Warning
4 th Occurrence	Second Written Warning/1-Day Suspension
5 th Occurrence	Final Written Warning/3-Day Suspension
6 th Occurrence	Suspension Pending Dismissal

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

SAFETY - Continued

Life Saving Behavior

AT&T Midwest values its employees and therefore provides quality equipment and safety practices to minimize any risk of incident.

Employees are expected to follow the six life-saving behaviors:

- Wear a hard hat when working aloft.
- Lash or secure ladders when working on a pole or aerial cable.
- Use a body belt or lanyard when working aloft.
- Properly test and ventilate utility holes.
- Wear seat belt when operating a motor vehicle.
- Properly shore or slope trenches.

TABLE 12 - Less than Six Months of Service

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	Written Warning/1-Day Suspension
2 nd Occurrence	Dismissal - No Review Board Necessary

TABLE 13 - Greater than Six Months of Service

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	First Written Warning/1-Day Suspension
2 nd Occurrence	Final Written Warning/5-Day Suspension
3 rd Occurrence	Suspension Pending Dismissal

Accidents (including Motor Vehicle)

When an employee has an accident or is involved in a motor vehicle accident in conjunction with company business, a thorough investigation of the incident must be completed. The investigation reviews the facts and includes determination of probable root cause, whether preventive measures could have been taken and what, if any safety violations occurred. Managers should review the Seven Tests for Determining "JUST CAUSE." All findings will be discussed with the local team in an effort to prevent similar types of injuries/accidents from recurring.

Accidents may be classified into two categories, defined as follows:

- **Non-preventable** – A non-preventable accident includes any accident that occurs even though proper adherence to company policy, practice and procedures, or the law in cases of motor vehicle accidents, were followed and the employee did everything reasonable to avoid to the accident.
- **Preventable** - The employee was not following a company policy, practice, or procedure and did not do everything reasonable to avoid the accident. In cases of motor vehicle accidents, the employee violated the law and was or could be (if occurring on private property) cited for the accident. The violation of policy and/or law is either willful disregard or a negligent act.

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MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

SAFETY - Continued

If the accident is determined to be **preventable** as a result of violations of safety guidelines or the result of a willful disregard or negligent act in violation of the guidelines, then the following corrective action table can be used as a guide:

TABLE 14 - Less than Six Months of Service

OCCURRENCE	CORRECTIVE ACTION
1 st Occurrence	Written Warning/3-Day Suspension
2 nd Occurrence	Dismissal – No Review Board Necessary

TABLE 15 - Greater than Six Months of Service

OCCURRENCE (Within 5-Year Period)	CORRECTIVE ACTION
1 st Occurrence	First Written Warning/1-Day Suspension
2 nd Occurrence	Final Written Warning/3-Day Suspension
3 rd Occurrence	Suspension Pending Dismissal

If it is determined that the accident was **non-preventable**, or a near miss with no violations of safety guidelines, then the employees need to be covered on the facts surrounding the accident/near miss as a learning tool and no other action may be necessary.

CRITERIA

The following criteria apply to all employees:

Evaluation Period

Generally, the evaluation period is the rolling 12 months prior to the date of the most recent incident unless otherwise noted, e.g., Attendance (Page 6) and Motor Vehicle Accidents (Table 15, Page 19). Once corrective action has been taken with the employee, the employee must maintain an acceptable record for a 12 month period.

Service

If an employee is placed on any corrective action plan and surpasses six months of service, they will be transitioned to the same level of corrective action on the "greater than six months of service" table. **Example:** An employee has been with the company for less than six months and has been given a Final Written Warning (Tables 1A and 1B). Once the employee surpasses the six month mark, he/she will remain on the same level of corrective action (final written warning) on the "greater than six months of service" Table 2A and 2B.

Movement

Nonmanagement staffing guidelines for attendance and performance will apply.

Seven Tests for Determining "JUST CAUSE"

1. Was the employee adequately warned of the consequences of his/her conduct?
2. Was the Company's rule or order reasonably related to efficient and safe operations?
3. Did management investigate before administering the discipline?
4. Was the investigation fair and objective?
5. Did the investigation produce substantial evidence or proof of guilt?
6. Were the rules, orders, and penalties applied evenhandedly and without discrimination?
7. Was the penalty reasonably related to the seriousness of the offense and the past record?

Confidential

Solely for use by management employees of AT&T companies who have a need to know.
Not to be used by or disclosed to any other person without prior written authorization.
AT&T reserves the right to terminate or amend any and all employee policies.
Participation is neither a contract nor a guarantee of future employment.

MIDWEST NETWORK SERVICES MANAGER'S GUIDE TO CORRECTIVE ACTION

CRITERIA - Continued

Suspension Pending Investigation

- Suspension Pending Investigation should be used rarely. Manager should use only if the employee would be considered a liability to the company or a possible threat to customers, other employees or company assets.
- Questions regarding the proper usage of suspension pending investigation should be directed to your ERM.

Confidential

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Not to be used by or disclosed to any other person without prior written authorization.
AT&T reserves the right to terminate or amend any and all employee policies.
Participation is neither a contract nor a guarantee of future employment.



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
Location 2H67
Hoffman Estates, IL 60192-5000

T: 847-248-6952
F: 847-248-8844

April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: CVS Retail Option

Dear Mr. Schaeff:

AT&T has arranged with CVS Caremark to designate all CVS pharmacies as a part of the Caremark mail order fulfillment process. Essentially, this will permit AT&T employees to pick up 90 day prescriptions for maintenance drugs at CVS retail pharmacies and receive the lower mail order rates. This applies even after the prescription has been filled the allowed number of times at a retail pharmacy.

This arrangement is available at CVS branded pharmacies only. It will not be available at other pharmacies in the Caremark network.

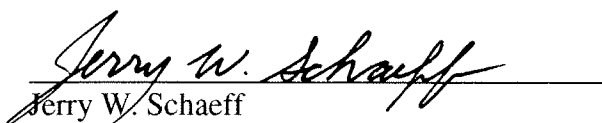
If the union does not object, AT&T will continue to have this arrangement available to bargained employees. This arrangement is solely at AT&T's discretion and can be terminated or modified at any point during the term of the contract.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
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Hoffman Estates, IL 60192-5000

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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, OH 44116

RE: Detailed Network Employees

Dear Mr. Schaeff:

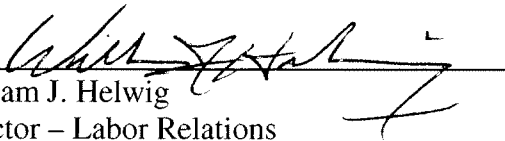
This letter confirms the understandings reached by the Company and the Union during the course of 2012 collective bargaining discussions concerning Network employees on detail assignments under Article 25 of the 2012 Collective Bargaining Agreement between the Parties ("CBA").

The Parties agree that when an employee is detailed to a job assignment for more than three weeks and elects to return home on their unscheduled weekend they may elect a four day schedule consisting of ten hours each day in order to have more time to travel home.

An employee wishing to elect such a tour must advise the supervising manager at the detail location of their election at least seven (7) days in advance of the first day of the tour. Administration of such four day schedules will be consistent with four day tours provided in the Memorandum of Agreement – Four Day Tour, Appendix A3 of the CBA.

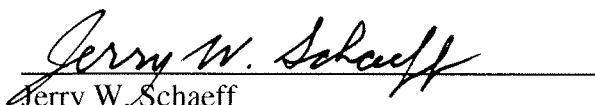
This Letter of Understanding will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President

MEMORANDUM OF AGREEMENT

INTRANET ACCESS

The AT&T Intranet system provides employees with access to information regarding Benefits, AT&T Corporate Policies, Employee Development, etc.

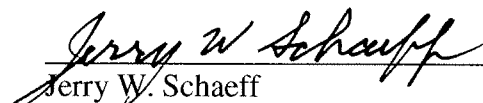
The Company agrees to allow the Union read-only access to the Company's Intranet system from non-Company, Union locations. All AT&T system security guidelines must be followed in order to protect AT&T's corporate information.

Specifically, the Company will provide each Union local with one (1) SecurID. All computer hardware, computer software and any other equipment necessary to enable the access will be at the Union's expense.

This Memorandum of Agreement will remain in effect through the terms of the 2012 Collective Bargaining Agreement between the parties.

AGREED:

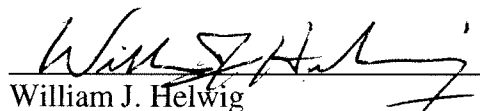
FOR THE UNION:



Jerry W. Schaeff
CWA Assistant to the Vice-President

April 8, 2012
Date

FOR THE COMPANY:



William J. Helwig
Director Labor Relations

April 8, 2012
Date



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
Location 2H67
Hoffman Estates, IL 60192-5000

T: 847-248-6952
F: 847-248-8844

April 8, 2012

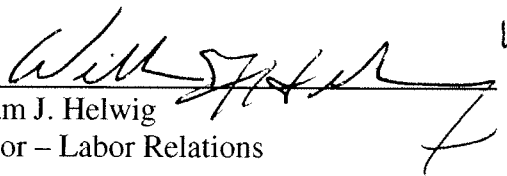
Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: Leveraged Title

Dear Mr. Schaeff:

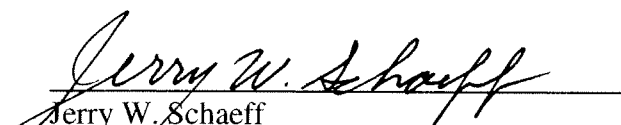
In response to discussions between the Company and the Union during 2012 collective bargaining negotiations relative to the Leveraged Title Memorandum of Agreement, the Company agrees to meet with the Union and bargain to agreement prior to establishing and implementing Leveraged Titles with the same or similar job duties as job titles other than Service Representative. As part of those negotiations, the Company will meet with a representative designated by CWA District 4 to review the target incentive compensation plan and review the appropriate wage schedule.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

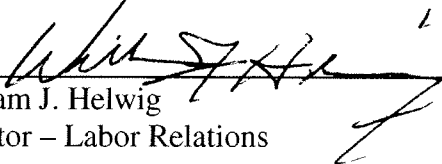
RE: Mobility Retail

Dear Mr. Schaeff:

The Company agrees that a job offer for a represented position within Mobility Retail Sales and Service will not be considered a valid job offer for the purposes of satisfying the guaranteed job offer requirement provided for under the terms of the Memorandum of Agreement ("MOA") A19 Employment Security Commitment, MOA A20 Extended Employment Opportunity Period or Appendix G MOA Job Offer Guarantee. However, an employee who accepts such a position will be removed from coverage under the applicable MOA referenced above.

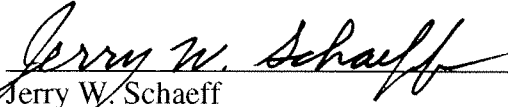
This letter will remain in effect through the term of the 2012 Collective Bargaining Agreement.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

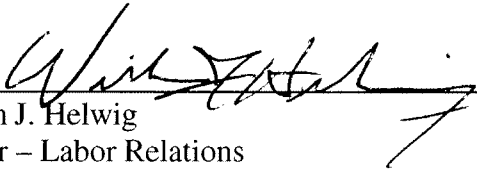
RE: O/S Technical Associate Hours

Dear Mr. Schaeff:

This letter is to confirm the Agreement reached on April 8, 2012 regarding those Operator Services' employees holding the job title of Technical Associate. Such employees shall work 37½ hours per week for the term of this Agreement.

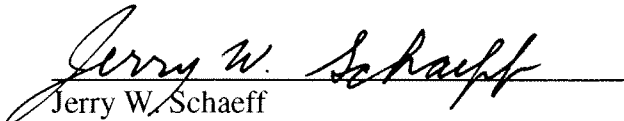
This Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: PPO Administrator

Dear Mr. Schaeff:

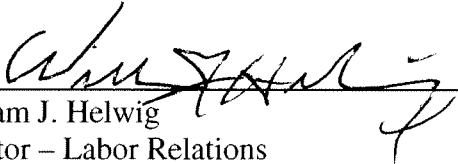
This letter confirms understandings reached by the Company and the Union during the course of 2012 Collective Bargaining discussions regarding the PPO network for the Ameritech Comprehensive Health Care Plan.

While AT&T will have the right to select the most appropriate claims administrator and associated provider network for the medical plan, the Company commits that if it should contemplate such a change for the Midwest Region, the following guidelines will be included and met prior to implementation of any new PPO network administrator.

Alternate provider networks will be evaluated relative to the incumbent network, and the criteria for an alternate provider network will include minimum provider panel overlap of 90% for primary care physicians (PCPs) and Specialists. Provider panel overlap is defined as the percentage of PCPs and Specialists in the incumbent provider network that are also in the alternate provider network. The network area for comparison is Illinois, Indiana, Wisconsin, Ohio and Michigan.

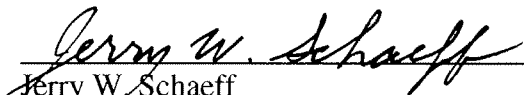
Please confirm your understanding of these discussions by signing and returning a copy of this letter to me.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: Recall Procedures

Dear Mr. Schaeff:

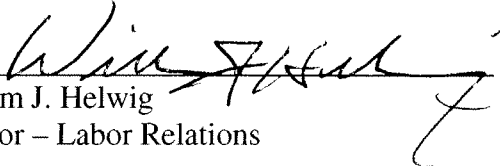
This letter outlines certain procedures to be used upon recall of former employees pursuant to Articles 26.46 through 26.52 of the 2012 Collective Bargaining Agreement (“CBA”) between the Union and AT&T Midwest.

Former employees being recalled under these Articles will be required to submit to all Staffing drug screenings applicable to employees seeking initial offers of employment. Former employees who fail to meet the drug screen standards expected of a new hire shall forfeit reemployment rights unless they were laid off less than six (6) months prior to the drug screen.

Former employees being recalled under these Articles to a position which requires a driver’s license must possess a valid driver’s license at the time of recall. Failure to meet this requirement will not result in the former employee being removed from the recall list, but will entitle the Company to consider the next appropriate candidate.

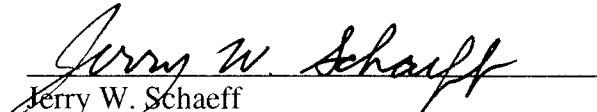
This Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: Single Bargaining Unit

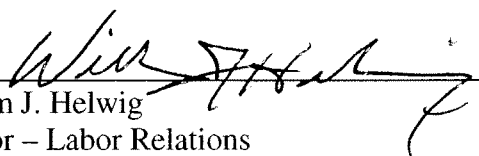
Dear Mr. Schaeff:

As we have discussed, this Letter of Agreement is in conjunction with the 2012 Core Collective Bargaining Agreement (the "Core Agreement") between AT&T Midwest ("Company") with District 4 of the Communications Workers of America ("Union") and the Memorandums of Agreement contained in Appendix F of the Core Agreement (hereafter "Appendix F") pertaining to employees in the Premises Technician, Dispatcher and TSR II job titles, and Appendix G SBC Global Services Inc. and its respective job titles. The Company and the Union agree that employees in job titles covered by the Core Agreement, Appendix F and Appendix G constitute a single unit for bargaining.

This Letter of Agreement shall be effective as of April 8, 2012, and shall continue for the duration of the Core Agreement.

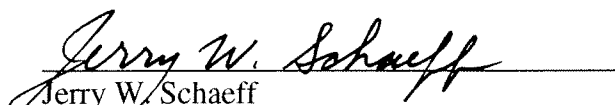
Please sign below to indicate your acceptance of these provisions

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President

MEMORANDUM OF AGREEMENT

VACATION AND HOLIDAY COMMITTEE

The Union has requested that the Company increase the number of employees granted vacations during the work week. It is the intent of both parties that employees' selections will be granted to the extent practicable consistent with force requirements and the needs of the business.

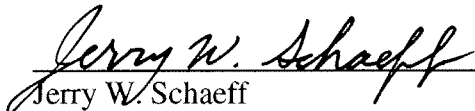
In addition, the Union has requested that the number of holiday shifts scheduled be kept to a minimum in meeting the needs of the business. The Company understands and appreciates the position that the Union has taken with regard to both of these issues.

The Company agrees to establish a joint committee composed of a Director Labor Relations or his/her designee, two (2) CWA International Representatives, two (2) CWA Local Presidents and appropriate Market Business Unit Representatives to address and discuss the Union's and Company's concerns regarding these issues.

This Memorandum of Agreement shall be in effect for the term of the 2012 Collective Bargaining Agreement.

AGREED:

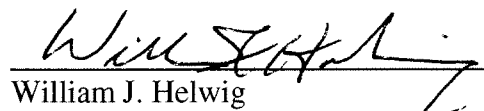
FOR THE UNION:



Jerry W. Schaeff
CWA Assistant to the Vice-President

April 8, 2012
Date

FOR THE COMPANY:



William J. Helwig
Director Labor Relations

April 8, 2012
Date

MEMORANDUM OF AGREEMENT

VIDEO SITE OPERATIONS MANAGERS

This Memorandum of Agreement (“Memorandum”) covers the agreement reached between AT&T Inc. (“Company”) and the Communications Workers of America, AFL-CIO (“Union”) concerning the Company’s recognition of the Union to represent the employees in the job title of Video Site Operations Manager (“VSOM”). The Company and the Union (collectively the “Parties”) hereby agree as follows:

- a. Subject to the provisions which follow, the Parties agree that the employees in the VSOM job title in a Video Hub Office will be hereafter included in the bargaining unit covered by the 2010 National Internet Contract between the Union and SBC Internet Services, Inc. (“NIC Agreement”). Except as provided in paragraph (b) herein, the VSOM’s shall be reclassified under the NIC Agreement as Video Site Operations Technicians (“VSOT”) and shall be paid in accordance with wage schedule 16 and receive the level of benefits applicable to Customer Assistants covered by the Memorandum of Agreement Tier 1 DSL Support – Customer Assistant, all contrary provisions of the NIC Agreement notwithstanding. VSOM’s reclassified as VSOT’s pursuant to this Memorandum will be placed on wage schedule 16 at the lowest step that does not result in a loss of pay, except that those who are paid in excess of the top pay of wage schedule 16 shall not suffer a loss of pay as a result of the reclassification, but will not be eligible for any wage increase until their compensation falls below the top pay of wage schedule 16.
- b. All employees in the VSOM job title as of the effective date of this Memorandum will remain classified as a VSOM and excluded from Union representation under the NIC Agreement, if they so desire, for as long as they continue to remain in the VSOM job title in their present work assignment (i.e., service area). Any subsequent employee initiated change of job to another job title within the bargaining unit covered by the NIC Agreement or employee initiated change of VSOM work assignment will terminate this exclusion for the employee involved, who will then become Union represented, be reclassified as a VSOT, and become subject to the terms of the NIC Agreement. If the Company determines there is a need to replace any VSOM employees so excluded, the replacement will be a VSOT employee, will be part of the bargaining unit covered by the NIC Agreement and will be subject to Union representation and to the terms and conditions of such Agreement. All VSOT employees, including new hires, will receive the wages and benefits provided for reclassified VSOM’s in paragraph (a) above.
- c. The Union promises and agrees that, in connection with any arbitration or legal or administrative suit, proceeding or charge arising subsequent to the effective date of this Agreement between the Union and the Company or any of its subsidiaries or affiliates, including but not limited to any proceeding before the National Labor Relations Board or its delegate, the Union hereby waives any claim, allegation or

argument, and agrees to refrain from presenting this Agreement as evidence in support of any claim, allegation or argument, that the company and/or any of its current or future subsidiaries, and/or their divisions, units, agents or affiliates, are or have been a single employer, joint employers, accretions or alter egos with respect to each or any of them, or that any bargaining unit(s) consisting of employees of any AT&T Company(s) 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, to the extent that any such claim, allegation or argument is based upon:

- (1) any change on or after the execution date of this Agreement, in the administration and/or control of labor relations by the company or any of its entities, companies, divisions, or subsidiaries; or
- (2) any change in the scope, availability to employees, or administration by management of any program or practice for the effectuation of employee-initiated transfers between or among different subsidiaries or bargaining units;

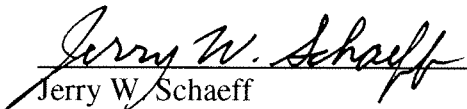
provided, however, that this paragraph shall not be construed as having any effect on the Union's right or the Company's obligation, to the extent the same may exist under applicable law and/or any preexisting collective bargaining agreement(s), to negotiate changes in the terms and conditions applicable to such transfers. The provisions of this paragraph shall survive the expiration of the remainder of this Agreement, and shall have full force and effect until specifically voided by mutual written agreement of the parties.

- d. Nothing in this Memorandum applies to VSOM employees located in the State of Connecticut.

This Memorandum of Agreement will remain in effect through April 11, 2015.

AGREED:

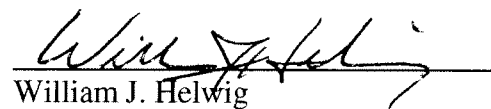
FOR THE UNION:



Jerry W. Schaeff
CWA Assistant to the Vice-President

April 8, 2012
Date

FOR THE COMPANY:



William J. Helwig
Director Labor Relations

April 8, 2012
Date



William J. Helwig
Director
Labor Relations - Midwest

AT&T Services, Inc.
2000 W. AT&T Center Drive
Location 2H67
Hoffman Estates, IL 60192-5000

T: 847-248-6952
F: 847-248-8844

April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: Voluntary Extended Absence Program

Dear: Mr. Schaeff:

This letter will confirm the agreement reached regarding a Voluntary Extended Absence Program. Any Market Business Unit may elect to implement the following procedures in the event the Company determines the necessity for adjusting forces on a temporary basis:

1. When the Company anticipates a temporary force surplus condition and plans to implement the provisions of this letter for specified job title(s) in specified work location(s), the Company will so notify the appropriate CWA International Representative and the local union president(s) involved not less than five (5) work days in advance of the Voluntary Extended Absence offer.
2. The Company shall determine the job title(s) and work location(s) in which a temporary force surplus exists, the number of employees in such title(s) and location(s) considered to be surplus, and the period during which the employees will remain on a Voluntary Extended Absence, subject to the provisions of Paragraph 6, below.
3. Beginning with the fifth work day after notice to the Union and continuing for three (3) work days, regular employees who are not already on a Voluntary Extended Absence on the specified job title(s) and in the specified work location(s) will have the opportunity to submit a written application to their supervisors requesting a Voluntary Extended Absence under the terms and conditions set forth below.
4. A copy of the application will be retained by the Supervisor, a copy given to the employee, and a copy sent to the appropriate Human Resources representative. To be valid, the application must be dated and signed by the employee and the immediate supervisor. The application shall be irrevocable after either the employee is notified of the Company's acceptance of their original application or the Company and employee agreed to modified Voluntary Extended Absence dates.
5. After the application period is over, the Company will select those employees in the specified work group(s) who submitted valid applications and grant a Voluntary Extended Absence in seniority order to the extent necessary to relieve the temporary force surplus. An employee shall not be on a Voluntary Extended Absence under this

procedure for more than one hundred and twenty (120) calendar days in a calendar year unless unusual conditions warrant, as determined by the Vice President of Labor Relations.


6. The Voluntary Extended Absence granted will be for duration of at least thirty (30) calendar days, and for up to a maximum of one hundred and twenty (120) calendar days. At anytime, employees on Voluntary Extended Absence may be asked to return to work by work location and Market Business Unit prior to their original return to work date for business reasons as determined by the Company, and any such requests shall be made in order of seniority. If practicable, employees will be given one (1) week's advance notice prior to being requested to return to work early. Employees requesting a Voluntary Extended Absence will be required to provide a "can be reached" number in addition to their current address on the application form. Employees must be able to be contacted and should be available to return to work at any time while on the Voluntary Extended Absence. If there are insufficient volunteers to return to work early, the Company may require employees on a Voluntary Extended Absence to return to work by inverse order of seniority within a work location and Market Business Unit.
7. Failure to return to work within five (5) scheduled work days after the original return to work date or the agreed upon early return to work date will constitute job abandonment, and the employee will be considered to have voluntarily terminated their employment with the Company as of their return to work date. Employees who are on a Voluntary Extended Absence will be returned to their former job title and work location. The Company may allow an employee on Voluntary Extended Absence to return to work early should a written request be made by the employee.
8. If there continues to be a temporary surplus condition in a job title and work location, the Company will again invoke the notice and application procedure outlined in Paragraphs 1, 3 and 4 prior to granting a Voluntary Extended Absence to employees in accordance with paragraph 5.
9. Employees on a Voluntary Extended Absence will continue to accrue seniority and continue to receive the same level of Company benefits being provided to Bargaining Unit employees with the exception of disability benefits during the period of their Voluntary Extended Absence. Employees who apply for and are accepted for a Voluntary Extended Absence will remain on the active payroll, but will be in a non-paid status. Employees who participate in this plan for more than 60 days that have benefit plans requiring contributions will receive coupons to pay their premiums. If the premiums are not paid, their coverage for that plan (for example Long Term Care) will be cancelled. They will be able to enroll prospectively upon their return to work. Employees who participate in this plan for less than 60 days, and who are currently enrolled in a benefit plan requiring premiums, will have those premiums deducted upon their return to work.
10. Employees on a Voluntary Extended Absence may elect to be paid for a portion of their unused vacation eligibility after returning to work. Vacation not scheduled maybe taken

based on the needs of the business or may be carried over to the following year in accordance with the provisions of Article 23.12 of the 2012 Collective Bargaining Agreement and the Memorandum of Agreement: Carry Over Vacation. The following schedule will apply for employees electing to be paid for unused vacation:

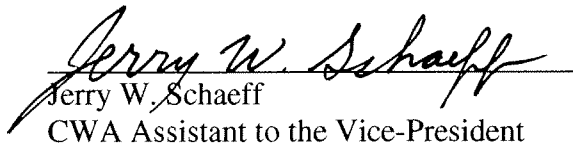
Duration of Voluntary Extended Absence	Pay available in Lieu of Vacation
30 Days	3 Days
31-60 Days	1 Week
61-90 Days	8 Days
91-120 Days	2 Weeks

11. The Voluntary Extended absence procedure is a means to relieve temporary force surplus conditions and is not intended to be a substitute for permanent force adjustments. This procedure does not limit in any way the Company's rights to adjust, transfer, or assign the work force, as the needs of the business require, nor does it affect the Union's legal right to engage in effects bargaining in circumstances where such rights arises.
12. Employees on a Voluntary Extended Absence are not eligible to apply for unemployment compensation under this voluntary leave program.

Sincerely,


William J. Helwig
Director – Labor Relations

Acknowledged:


Jerry W. Schaeff
CWA Assistant to the Vice-President



William J. Helwig
Director
Labor Relations - Midwest

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April 8, 2012

Mr. Jerry W. Schaeff
Assistant to the Vice-President
Communications Workers of America, AFL-CIO
20525 Center Ridge Road
Room 700
Cleveland, Ohio 44116

RE: VSIPP Opt Out

Dear: Mr. Schaeff:

This letter confirms the agreement reached regarding surplus employees' ability to be excluded/Opt out of "outside technical jobs." The Company and the Union agree to the following:

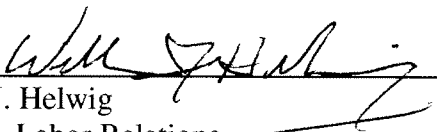
- Surplus Employees will have the option to be excluded from job offers for the following job titles ("Outside Technical Jobs"):

Customer Services Specialists
Service Technician
Construction Technician
Communications Technician
Pay Phone Services Associate
Outside Plant Technician

- Surplus Employees electing to opt out of Outside Technical Jobs must make the election at the time the Surplus Transfer Request form is submitted. Such elections must be in writing.
- When a Surplus Employee is matched to a VSIPP candidate job requiring pole training, he/she will be transferred to the appropriate Market Business Unit. The matched VSIPP candidate will remain in place until the Employee passes pole training.
- Surplus Employees who accept a job requiring pole climbing and fail to pass or complete training will be separated from the Company without Termination Payments or any other Article 26 consideration. VSIPP candidates who were matched to a Surplus Employee who subsequently fails pole training will have his/her acceptance to leave under the provisions of VSIPP cancelled.

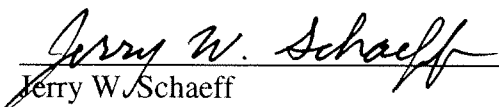
This letter will remain in effect through the expiration of the 2012 Collective Bargaining Agreement unless otherwise agreed by the Parties in writing.

Sincerely,



William J. Helwig
Director – Labor Relations

Acknowledged:



Jerry W. Schaeff
CWA Assistant to the Vice-President