

K#5719

## **AGREEMENT**

**Between**

**VERIZON SOUTHWEST INCORPORATED  
– LIVESOURCE**



**And**

**COMMUNICATIONS WORKERS OF  
AMERICA**



**Effective Date: March 6, 2005  
Expiration Date: February 27, 2010**

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## **ARTICLE 1** **RECOGNITION**

- 1.1 This Agreement is made and entered into by and between Verizon Southwest Incorporated, hereinafter referred to as the "Company," and the Communications Workers of America, hereinafter referred to as the "Union." The parties enter into this Collective Bargaining Agreement in good faith.
- 1.2 This Agreement shall become effective as of March 6, 2005, and shall remain in effect until midnight, February 27, 2010, and shall continue in effect thereafter until terminated by sixty (60) days written notice given by either party to the other expressly stating its intention to terminate the Agreement.
- 1.3 Either party may notify the other of its desire to negotiate amendments or modifications (if not terminated by the other party) by serving written notice sixty (60) days immediately prior to February 27, 2010, or at any date thereafter with sixty (60) days written notice.
- 1.4 In the event that any provision of this Agreement shall at any time be made invalid by applicable legislation or be declared invalid by any court of competent jurisdiction, such action shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not made invalid shall remain in full force and effect.
- 1.5 This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Such amendment shall be reduced in writing, state the effective date of the amendment, and be executed by said parties.
- 1.6 Verizon (the Company) recognizes Communications Workers of America (the Union) as the exclusive representative of the employees for the purpose of collective bargaining with respect to rates of pay, hours, and conditions of employment.

## **ARTICLE 2** **JURISDICTION OF WORK**

- 2.1 The Company agrees that it will not work supervisory employees who are excluded from the bargaining unit on work normally performed by bargaining unit employees. Supervisors may perform work only when it is necessary during the process of actually training an employee or during periods of emergencies. The parties, however, recognize that there are proper exceptions to this general practice made in the

interest of training, service, and, in such cases, nothing herein is intended to prohibit the Company from working such supervisory employees on such non-supervisory work for short periods of time.

### **ARTICLE 3** **DEDUCTION OF UNION DUES**

#### **3.1 Company to Deduct Dues and Initiation Fee**

- 3.1.1** The Company agrees to make deductions of an initial initiation fee and of monthly Union membership dues from the pay of any eligible employee upon receipt from the Union of written authorization properly executed by the employee.
- 3.1.2** The only recognized form will be that entitled "Payroll Allotment Authorization for Union Dues or Amount Equivalent to Union Dues" as mutually agreed upon.
- 3.1.3** The Company will forward amounts so deducted to the Secretary-Treasurer of the Union or, upon direction, to the duly designated representative.

#### **3.2 Cancellation of Union Dues**

- 3.2.1** It is understood that any authorization of dues deductions shall be irrevocable for the period of one (1) year from the date of the authorization or until the expiration of this Agreement, whichever first occurs. This also applies to any dues increase in such period.
- 3.2.2** After the period of one (1) year, and prior to the expiration of the Agreement, employees may cancel and revoke their dues authorizations by giving written notice to the Company with a copy to the Union not more than forty (40) days nor less than ten (10) days prior to the anniversary date of this Agreement.

#### **3.3 Suspension of Dues Deductions**

- 3.3.1** Dues deductions shall be suspended during payroll periods in which sufficient earnings and benefits payments are not available, and such dues deductions shall be automatically resumed when there are sufficient earnings and/or benefits in the payroll period in which dues are deducted.

**3.4 Company to Furnish List**

Each month the Company shall furnish the Union by computer tape:

- 3.4.1 The names of employees for whom initiation fees and dues deductions are made and the amount for each employee.
- 3.4.2 The names of employees who have dues deduction cards on file and for whom no deductions are made together with reasons therefore.

**3.5 The Company will provide a list of all employees on a monthly basis.**

**3.6 Company Liability**

- 3.6.1 The Union agrees that the Company assumes no responsibility in connection with deductions of dues except that of forwarding monies deducted as set forth in Section 3.1 of this Article. It is understood and agreed that neither Verizon Southwest Incorporated nor any of its Officers or Agents shall be held liable in any way by virtue of its honoring this assignment nor for any loss by action of the Union or its Officers.

**ARTICLE 4  
UNION BUSINESS & RESPONSIBILITIES**

- 4.1 Union notices of a non-controversial nature may be posted on the Company's bulletin boards in a space reserved for Union notices and will be maintained by a designated Union Representative. The Union will notify the appropriate manager as to the employee who has been given the responsibility for Union postings. The Union agrees to use the bulletin boards only for the posting of notices of social functions, meetings, elections, and Union appointments.
- 4.2 Employees are prohibited from using Company equipment in support of Union or personal business. Literature may not be distributed in work areas even though some employees may remain there to eat their lunch. Distribution of literature will be made during the non-work time of both employee Union Representatives making the distribution and employees receiving the literature. Furthermore, the Union will assure that all undistributed literature is removed and cleaned up from the distribution points at the end of each non-worked period.
- 4.3 Neither the Union nor its members shall conduct Union activities on Company time, nor shall such activities occur in work areas except for time spent attending a formal grievance meeting.

- 4.4 The Union will be allowed a fair amount of time during the new-hire orientation to present applicable Union issues.

## **ARTICLE 5 MANAGEMENT RIGHTS & RESPONSIBILITIES**

- 5.1 The Company has and will retain the exclusive right and power to manage its business and direct the working forces, including but not limited to the right to hire, classify, grade, monitor and record customer calls, suspend, reassign, layoff, discharge, promote, demote or transfer its employees, to assign or reassign work functions, to use new or improved methods, material or equipment, to prescribe reasonable work rules, to contract work out, to establish schedules of work, to develop and administer work standards and performance requirements, to decide the number of full-time, part-time, occasional and temporary employees needed at any particular time or place, to create new classifications or revise them, and to be the sole judge of the quality and acceptability of the service, except as such rights may be directly and specifically limited by this Agreement. Nothing in this Agreement is intended to or is to be construed in any way to interfere with the recognized prerogative of the Company to manage and control the business.

## **ARTICLE 6 RESPONSIBLE RELATIONSHIP**

- 6.1 The Company and the Union recognize that it is in the best interests of both parties, the employees, and the public that all dealings between them be characterized by mutual responsibility and respect. To ensure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this contract in accordance with the language contained therein and consistent with the Union's status as exclusive bargaining representative of all employees in the unit. The grievance and arbitration provision shall be the sole remedy for all grievances which are qualified subject matter for arbitration.
- 6.2 Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and of the measure they have agreed upon to ensure adherence to this purpose.

**ARTICLE 7**  
**NON-DISCRIMINATION**

- 7.1 The Company and the Union agree that they will not discriminate against any employee because of membership in the Union or because of any Union activity in which the employee properly engages. Both parties reaffirm their intention that the provisions of this Agreement will continue to be applied without discrimination because of race, color, creed, religion, national origin, sex, sexual orientation, age, handicap, or veteran's status of the employee.

**ARTICLE 8**  
**NO LOCKOUT/NO STRIKE**

- 8.1 The Union agrees that there will be no strike, walkout, sympathy strike, slowdown, stoppage, or other interference with production or work, for any reason whatsoever, during the term of this Agreement and any extension of this Agreement.
- 8.2 In the event any employee(s) engages in any activity specified in Section 8.1 of this Article, the Local Union Official shall promptly order the employee(s) involved to cease the violation and to return to work at once and take all available action to effect that result.
- 8.3 Engaging in any of the actions prohibited by Section 8.1 shall be just cause for immediate discharge or suspension from employment at the option of the Company.
- 8.4 Any dispute arising under Sections 8.1 or 8.2 of the Article shall be subject to expedited arbitration as follows. The Company and Union shall appoint for the term of this Agreement a Standing Arbitrator and an alternate who are members of the National Academy of Arbitrators and who agree in advance to hear cases alleging violation of Sections 8.1 or 8.2 within twenty-four (24) hours of notification. If at the time of a dispute neither of the Standing Arbitrators can hear the matter within twenty-four (24) hours of written notice, the Company has the option of accepting a delay or notifying the American Arbitration Association (AAA) to appoint an arbitrator who shall hear the dispute within twenty-four (24) hours of the appointment. If a dispute arises, the Company shall provide written notice to the Standing Arbitrator and the Local Union by facsimile. Immediately upon receipt of the notice, the arbitrator shall schedule a hearing within twenty-four (24) hours. The arbitrator shall notify the parties of the hearing by facsimile, telegram, or hand. The failure of either party to attend a hearing properly noticed by the arbitrator shall not delay the hearing or the issuance of an award.

8.5 The only issues in the expedited hearing shall be whether any violations of Sections 8.1 and/or 8.2 have occurred or are occurring; no argument or evidence attempting to justify, explain or mitigate the violation(s) will be considered. The hearing shall continue without adjournment until it is concluded. The arbitrator shall issue a written award within twelve (12) hours after the close of the hearing. If the arbitrator finds that a violation of Section 8.1 has occurred or is occurring, the arbitrator shall issue a cease and desist order and any other appropriate relief. If a violation of Section 8.2 is found, the arbitrator shall order compliance and any other appropriate relief. The arbitrator's award shall be immediately enforceable by a court of competent jurisdiction.

## ARTICLE 9 DEFINITIONS

- 9.1 **Employee** – As used in this Agreement refers to any employee covered by this Agreement. Employees will be designated as Regular Full-time, Regular Part-time, Temporary, or Occasional.
- 9.2 **Regular Employee** – An employee who has completed the six (6) month probationary period (1,040 straight time hours worked) and has been accepted by the Company for continued employment. Regular employees may be either on a full-time or part-time status.
- 9.3 **Probationary Period** – The first 1,040 straight time hours worked. During the probationary period the Company may, at its option, demote, transfer, or dismiss such employees. The probationary period may be extended by the mutual agreement between the Company and the appropriate Union Representative.
- 9.4 **Regular Full-time** – An employee classified as regular full-time may reasonably expect to work forty (40) hours per week. However, the Company is not obligated to maintain 40-hour workweeks. Full-time employees may be reclassified to part-time status if the employee has been scheduled part-time hours in the previous forty-five (45) days.
- 9.5 **Regular Part-time** – An employee classified as regular part-time is normally scheduled to work fewer hours than regular full-time employees (see Article 26).
- 9.6 **Part-time Equivalent Workweek** – The tool to manage part-time entitlements.
- 9.7 **Temporary** – An employee classified as temporary is hired to work for a period of up to six (6) months to fill a specific requirement.

Extension of the time frames described herein must be requested in writing and mutually agreed to between the Company and Union. During the temporary employment period the Company may, at its option, dismiss such employee.

- 9.7.1 Seniority and all other rights, including the probationary period, become effective when and if a temporary employee becomes regular without a break in service.
- 9.8 **Occasional** – A person who has no normal weekly assignment of work but works on a voluntary basis as required by the Company to meet unusual service demands, to replace absentees, and for such other purposes as may arise. An occasional employee is an employee of the Company only on the day that the employee works. Seniority and all other rights, including the probationary period, become effective when and if an occasional employee becomes regular without a break in service. An occasional employee will be limited to 850 hours per calendar year.
- 9.9 **Calendar Week** – A consecutive period of seven (7) days, the first day of which is Sunday.
- 9.10 **Workgroup** – Employees who perform the same or similar work and who are grouped for the purpose of selecting tours and vacation. The Company has the right to create or eliminate and/or add or reduce the number of employees in workgroups based on the needs of the business. When the Company creates a new workgroup, qualified employees may volunteer for this workgroup in seniority order or the Company will assign employees to the workgroup in inverse order of seniority.
- 9.11 **Tour or Shift** – The scheduled work hours in any one (1) day. Each shift or tour will be considered to have been worked in the calendar day on which it started.
- 9.12 **Session** – Either portion of a shift or tour that is not interrupted by a break for lunch or termination of a workday.

## **ARTICLE 10 EMPLOYEE RESPONSIBILITY**

- 10.1 Employees covered by this Agreement shall not be suspended or discharged except for just cause, except as outlined in Section 9.3. Any employee convicted of a sex crime victimizing children shall be terminated, and such conviction shall constitute just cause. Conviction for other serious felonies may also constitute just cause for termination depending on the circumstances of the case.

- 10.2 Employees must agree to accept the Company's established performance criteria and shall be expected to meet or exceed such criteria. Failure to meet such performance standards may lead to disciplinary action up to and including termination of employment. The Company has the exclusive right to amend the performance standards as business needs change to meet customer expectations in a competitive environment.
- 10.3 Any suspension or discharge requires written notification of such act be given to the employee. A copy of the written notification shall be forwarded to Labor Relations and to the Local Union President. Failure of the supervisor to provide written notification shall not invalidate a suspension or discharge if such written notification is made promptly upon request by the employee or Union.
- 10.4 After one (1) year has passed without any further written disciplinary action being taken, the employee may request, in writing, to have any disciplinary letters or memoranda, provided they are not written notifications of a sustained suspension or discharge, to be removed from all the employee's local and personnel files and placed in a confidential holding file maintained in Labor Relations. The confidential holding file is still a part of the employee's record.

## **ARTICLE 11** **GRIEVANCE PROCEDURE**

### **Section 1. Definitions**

- 11.1.1 A grievance is a complaint by the Union:
- a) Alleging violation of the provisions, or application of the provisions, of this Agreement.
  - b) Alleging that an employee, or group of employees, has been subjected to discrimination by the Company.
  - c) Alleging that an employee has been discharged, suspended, demoted or otherwise disciplined without sufficiency of cause.
  - d) Alleging that an employee has suffered improper loss, or reduction of, any established benefits arising out of the job or of employment with the Company.
  - e) Alleging that an employee, or group of employees, is subjected unduly to hazardous or unsafe working conditions

beyond the normal exposures inherent to the job assignment.

- f) Alleging violation of public laws governing wages, hours, and the conditions of employment.

11.1.2 "Working Days" as used in this Article shall not include Saturdays, Sundays or holidays.

### **Section 2. Intent of Grievance Procedure**

11.2 It is the intent of both parties that grievances filed shall be processed with sincerity and dispatch.

### **Section 3. Reporting of Grievances**

11.3.1 In presenting grievances, the statement of grievance shall describe in substance the specific matters complained of, briefly, but in sufficient detail that dates, time if pertinent, occurrences, and the nature of the circumstances causing the grievance can be identified readily. The names and locations of employees concerned shall also be given where the grievance relates to specific employees as opposed to a general complaint.

- a) There shall be a statement as to the specific section, or sections, of this Agreement believed to have been violated or misinterpreted. If the grievance is not based on the foregoing, then the statement shall include information as to the foundation for the complaint.
- b) Grievances to be presented to Step Two of the grievance procedure, and thereafter, shall be in writing and contain the above required information.

11.3.2 Grievances (except involving discipline, discharge, suspension or disciplinary demotions) shall be presented to the Company within thirty (30) days of the action complained of or within thirty (30) days from the time when the employee first learns of the grievance, whichever is later. If the grievance is not presented within these time limits, it shall not be considered a grievance under the terms of this Agreement except by mutual consent.

11.3.3 Grievances arising as a result of a discharge, suspension, disciplinary demotion or discipline shall be presented within ten (10) days.

11.3.4 Requests for meetings shall include notice of time, place, purpose and names of those expected to attend on behalf of the Union. The place and time shall be mutually agreed upon with each party giving due consideration to the convenience of the other.

- a) At any meeting held under this Article for the adjustment of a grievance, any person present shall be afforded full opportunity to present any facts and arguments pertaining to the matter under consideration.
- b) The Union and/or the Company may take minutes or notes during the meeting for its own purpose by stenographic or other similar means. Either party alternately may secure the services of a professional stenographer or court reporter, in which case the other party, at request, shall be provided a copy at its own cost for reproduction.

#### **Section 4. Grievance Steps and Disposition**

- 11.4.1 Generally, grievances shall be presented by the Union representatives and processed through the following procedure:

Prior to the first step meeting, an informal resolution meeting between the supervisor and employee should take place. The employee may request to have a local Union steward present for this discussion. If the issue is not resolved at this meeting and the Union desires to move forward with the grievance process, a joint investigation may be appropriate. Such investigation should be performed by the first level supervisor and the local Union steward prior to the first step meeting.

Step 1 - The Company will be represented by second and third level management or their designated representatives. The Union will provide a committee of local Union representatives, including the grievant. Pay shall be allowed for not more than three (3) employees including the grievant.

Step 2 - The Company will be represented by a Labor Relations Manager or a representative with authority to settle the grievance. The Union will be represented by a Staff Representative and a local Union representative(s). The grievant may only be present for grievances involving suspension or termination, unless otherwise agreed to between the parties. Pay shall be allowed for up to two (2) employees.

- 11.4.2 Circumstances permitting, the Company agrees to meet with the Union representative within ten (10) working days after a request for grievance meeting is received. If the Company fails to meet within ten (10) working days and if no mutual agreement exists for a later date, the Company shall be considered in default and the Union may immediately request a meeting at the next higher step.

- 11.4.3 If the grievance is not settled at the initial step and the Union elects to

present the grievance to the second step, it must do so within fifteen (15) working days following receipt of the Company's decision.

- a) The Union will explain the appeal to the second step so as to present its position in each such appeal.

11.4.4 When the Union has presented a grievance in writing, the decision of the Company shall be in writing and shall be submitted to the Union within ten (10) working days after the final conclusion of any negotiations at first step and within fifteen (15) working days of second step. Failure of the Company to submit its decision within the time limits specified shall be considered a default unless the parties agree to a later date, and the Union may immediately request a meeting at the next higher step.

- a) Failure of the Company to meet at Step 2 within the time limit specified, or to submit its decision at Step 2 within the time limits specified, shall be considered completion of the grievance procedure.
- b) Time limits shall be measured from the postmarked date of the written instrument, when properly addressed, from verified date of hand-delivery or from verified date of electronic delivery.

11.4.5 If the grievance is not submitted to the next applicable level as outlined in this Article within the time limits specified, it shall be considered settled and shall not be eligible for further appeal except by mutual agreement between the Company and the Union.

11.4.6 By mutual agreement between representatives of the Company and the Union, time limits as outlined in this Article may be modified.

11.4.7 Once a grievance has been presented by the Union to the Company, representatives of the Company will not settle nor attempt to settle such grievance with an employee or employees unless a Union representative has been given an opportunity to be present.

11.4.8 Nothing in this Article shall be construed to deprive any employee or group of employees from presenting individually to the Company any complaint, and to have such complaints adjusted without the intervention of the Union, as long as the adjustment is not inconsistent with the terms of this Agreement, and provided further that a Union representative has been given opportunity to be present at such adjustment.

## **Section 5. Grievance Meetings During Working Hours**

- 11.5.1 When representatives of the Union attend grievance conferences with representatives of the Company, they shall suffer no loss of basic pay at straight time rate plus any applicable differential and/or premium payments for time spent in actual meeting and such necessary travel time as may be mutually agreed to, subject to the following provisions:
- a) Pay shall be allowed only if such meetings are held during such employee's scheduled working hours and only if such employee would have worked had they not attended such meetings.
- 11.5.2 Such time paid for in accordance with this Section shall be considered as time worked.

## **Section 6. Investigation of Grievances**

- 11.6 The Company agrees to cooperate with the Union in investigation of any grievance, provided prior notice has been given and approval obtained at the proper level of the organization.

## **Section 7. Other Methods of Settling Grievances**

- 11.7 Nothing in the foregoing procedure shall be interpreted to prevent either the Company or the Union from, by mutual choice in unusual cases, dealing directly with one another or on other basis than herein set out, by mutual agreement between them.

## **Section 8. Discussion of Other Matters**

- 11.8 Union representatives may meet with the Company at any reasonable time for the purpose of discussing informal complaints concerning working conditions or problems not specifically covered by the provisions of this Agreement. The parties will strive toward solution of any such problems presented, but failure to reach agreement shall not, of itself, qualify the subject matter as a grievance.

## **ARTICLE 12 ARBITRATION PROCEDURE**

- 12.1 A grievance which has not been satisfactorily settled after it has been presented in writing and processed completely through the grievance procedure contained in this Article may be submitted to arbitration by the Union notifying the Company in writing within sixty (60) days and the American Arbitration Association within ninety (90) days from the

date of the Company answer at the third step (or the date of the default by the Company) provided the grievance concerns:

- a) The interpretation, application or alleged violation of the terms of this Agreement;
  - b) The discharge, suspension, demotion or materially disciplining of any employee having more than one (1) year of net credited service with the Company.
- 12.2 In the event that either party to this Agreement elects to submit an arbitrable grievance to arbitration, the parties agree that the matter shall be so submitted and agree that such submission shall be to a single arbitrator.
- 12.3 The arbitrator shall be designated by the American Arbitration Association in accordance with the then existing rules and procedures of the Association.
- a) The arbitration shall be conducted under the then existing rules of the Association.
- 12.4 The arbitrator shall be confined to the subjects submitted for decision and may in no event as a part of any such decision impose upon either party any obligation to arbitrate any subjects which have not been agreed upon as subjects for arbitration, nor may the arbitrator as a part of any such decision effect reformation of this Agreement or otherwise alter any of its provisions.
- a) In rendering the decision, the arbitrator shall be confined to the specific issue and to the matters set forth in 12.1a and 12.1b of this Article as may be appropriate.
  - b) The arbitrator shall not possess authority to assess damage or punitive payments against either party to the other.
  - c) The arbitrator shall have authority to include in the order an award for money restitution to any employee, or employees, when improper payment, or failure to make proper payment, is a point at issue in the specific complaint. In making any such award for restitution, however, the arbitrator will follow the "make whole" concept and no more.
- 12.5 The decision of the arbitrator shall be rendered without delay and shall be final and binding on all parties and shall be enforceable in a court of law.
- 12.6 Each party shall bear the expense of presenting their own case and

shall share equally the expenses of the arbitrator and the general expense of the arbitration.

- 12.7 The grievance procedure and arbitration provided herein shall constitute the sole and exclusive method of determining adjustments for settlement between the parties of any and all grievances as herein defined, and the grievance procedure and arbitration provided herein shall constitute the sole and exclusive remedy to be utilized by the parties hereto for such determination, decision, adjustment, or settlement of any and all grievances as herein defined.
- a) Nothing in this Section is intended to impair the right of either the Company or the Union to apply to the National Labor Relations Board for relief from unfair labor practices as defined in the National Labor Relations Act.

## **ARTICLE 13** **JOB BIDDING**

- 13.1 When a regular vacancy occurs, notice of such vacancy will be posted on the Verizon Intranet site.
- 13.2 Vacancies shall be posted for not less than six (6) nor more than thirty (30) calendar days. During the posting period employees may make application for the vacancy by forwarding a "Job Vacancy Application" to the designated staffing representative on the Vacancy Notice.
- 13.3 Job briefs will be posted on the Verizon Intranet site. The posted job briefs provide only a general outline of the work functions assigned to a classification. The specific job duties and qualification requirements for a particular job vacancy may vary within the same classification.
- 13.4 A qualified employee may be awarded a transfer if the employee has not had a job change within eighteen (18) months. This time limit may be waived at management's discretion.
- 13.5 It is understood and agreed that in all cases consideration shall be given to knowledge, training, ability, skill, performance, adaptability, safety, and attendance record. When qualifications are relatively equal, seniority shall govern. If there are no qualified bidders within the bargaining unit, management may fill the vacancy at its discretion.

**ARTICLE 14**  
**BOARD & LODGING, PER DIEM,**  
**& TRANSPORTATION ALLOWANCE**

- 14.1 Any Company-authorized travel will follow Company policy for pay and reimbursement and the provisions of the primary Texas Collective Bargaining Agreement as it would apply .

**ARTICLE 15**  
**SAFETY PRACTICES**

- 15.1 The Company shall at all times make reasonable provisions for the safety, security, and health of its employees during the hours of their employment, and the employees and the Union shall support and comply with such rules.

**ARTICLE 16**  
**FORCE ADJUSTMENT**

- 16.1 A reduction in force is defined as a reduction in the number of employees in a classification and status (full-time and/or part-time).
- 16.2 The Company will endeavor to notify the Union four (4) calendar weeks, but under no circumstance less than two (2) calendar weeks, prior to the reduction in force. The Company shall notify the employees to be laid off no less than fourteen (14) calendar days prior to the layoff date.
- 16.3 An employee(s) in the classification and status affected having the least seniority shall normally be reduced first.
- 16.4 Regular employees laid off will be paid for unused vacation.
- 16.5 Regular employees who are at the final step of discipline, at the Company's discretion, may not be eligible for recall. All other employees who are laid off will have recall rights for one (1) year from the date of separation if they complete the Company-provided recall form and return it by the last day worked. Failure of an employee to complete and return the recall form will terminate recall rights.
- 16.6 While on recall, the Company must be kept informed of the current mailing address at which the laid off employee can be reached. Re-employment shall be offered in person or by certified mail addressed to the latest address provided to the Company. When an offer of re-employment has been made, the Company shall be advised of

acceptance or refusal within five (5) calendar days of the date of delivery of the offer of re-employment. If accepted, the former employee shall report for duty at the designated work location as soon as mutually agreed but in no case later than seven (7) calendar days (fifteen [15] calendar days if currently employed) from the receipt of notification of the offer. If these time frames are not met, all rights under this Article shall be forfeited and the Company shall rescind the offer of re-employment unless the specified time frames were changed in advance by mutual agreement.

- 16.7 A regular employee laid off and recalled to a temporary or occasional position shall retain his/her regular employee status on the recall list but shall be considered as temporary for all other purposes.
- 16.8 None of the provisions in this Article shall apply to new employees in the probationary period, occasional, or to temporary employees.

## **ARTICLE 17** **ACCREDITED SERVICE & SENIORITY**

- 17.1 Accredited service means the aggregate of the years and months of active employment in the service of the Company, its predecessors, and its associated Companies affiliated with Verizon that is recognized for service purposes. Accredited service shall include all active employment for which a wage or salary was paid and any additional excused absence time or leave of absence time that has been or will be specifically approved for service credit purposes in accordance with the policy, procedures or published statements established by the Company.
- 17.2 Regular employees accrue accredited service under this Agreement governed by the most recent date of employment unless adjusted as a result of a break in service. Temporary employees do not accrue accredited service; however, if a temporary employee becomes a regular employee, the employee's accredited service reflects the total accumulated straight time hours from the date of hire.
- 17.3 Accredited service will continue to accrue during an extended military leave or FMLA leave from which the employee returns to active employment status immediately following the leave, unless specifically stated otherwise in this Agreement.
- 17.4 Accredited service entitles an employee to a specific amount of vacation, service awards, short-term disability benefits, and retirement benefits.

- 17.5 Accredited service established at the time of layoff due to a reduction in force is reinstated if the employee is rehired directly from the recall list.
- 17.5.1 Upon an employee's notification to the Verizon Service Bridging Center or to the Union, who will notify the Center, accredited service will be bridged for a previous employee who is rehired. Such bridging will take place after the rehired employee obtains one thousand (1,000) straight time hours of continuous service from the employee's date of rehire, provided the prior service equaled or exceeded one thousand (1,000) hours in a calendar year.
- 17.6 Seniority under this Agreement is the length of continuous service as an employee covered by the bargaining unit except as modified by the Service and Seniority Memorandum of Agreement.
- 17.7 Regular employees accrue seniority rights under this Agreement governed by the most recent date of hire. Temporary employees do not accrue seniority rights; however, if a temporary employee becomes a regular employee, the employee's seniority reflects the total accumulated straight time hours paid from the most recent date of hire as stated in Section 9.7.1
- 17.8 The Company agrees to furnish the Union with a list showing seniority dates and accredited service dates for all employees covered hereunder.
- 17.9 Where two (2) or more employees have the same seniority date, the employee with the earlier birth date will be considered the most senior.

## **ARTICLE 18 AUTHORIZED ABSENCES**

- 18.1 With management approval, an employee may be granted an unpaid leave of absence for up to six (6) months, service requirements permitting, for valid and reasonable purposes in accordance with the Verizon Leave of Absence policy.
- 18.1.1 **Departmental Leave.** A departmental leave is an unpaid excused leave of absence, service requirements permitting and for valid and reasonable purposes, of at least ten (10) days but less than thirty (30) days. A departmental leave does not require the completion of a Leave of Absence form. During the departmental leave, the employee's position will be held open and the employee will continue to

receive current benefit elections (medical, dental, and basic life). Employees are expected to have used all vacation before being granted a departmental leave.

- 18.2     **Union Business Leave.** During initial staffing of this Center, the Company will allow a maximum of three (3) employees five hundred twenty (520) hours per year when the business of the Local requires unpaid time off for Local officers and/or designated Union representatives. Once the Center is fully staffed (two hundred fifty [250]+ employees), the maximum number of employees will change to six (6). When such absences are less than thirty (30) days, no leave of absence shall be required. Schedules will be submitted to the Company for approval. With adequate notice given, such request shall be granted provided such time off will not impair the orderly scheduling of work or the operation of the Company. Employees granted unpaid time off for Union activities shall be treated as any other employee when overtime is required.
- 18.2.1    Should either the Company or the Union encounter unforeseen circumstances that create a need to modify a pre-planned unpaid absence, a timely discussion shall be initiated to cooperatively attempt to address both parties' scheduling needs.
- 18.3     Except under unusual circumstances, no employee will be granted more than one (1) leave of absence in any calendar year.
- 18.4     No leave of absence, other than military, will ordinarily be granted to an employee with less than twelve (12) months of continuous employment.
- 18.5     No absence shall be authorized for the purpose of pursuing another vocation or accepting gainful employment while on a leave of absence, with the exception of approved military leave. Any employee who violates this provision automatically terminates his/her employment. No leave may be granted without assurance from the employee that he or she definitely intends to return.
- 18.6     **Military Leave.** Military leaves of absence will be granted to regular employees of the Company entering military services of the United States under any law which is now in effect or may in the future be enacted by the United States in accordance with Company policy.
- 18.7     **Military Reserve Training.** If a regular employee is a member of the National Guard, Air National Guard, or a reserve component and is subject to annual training duty, the employee will be paid as follows:
- a)     Employees who receive military pay will be paid

- the difference between the employee's total military pay and the Company base pay. In no event shall said pay cover any more than two (2) weeks in a given calendar year in which the employee performs such training duty.
- b) Employees who do not receive military pay will be paid a maximum of two (2) weeks pay by the Company in any one (1) calendar year.
- 18.7.1 Employees should request training leave well in advance to avoid work schedule conflicts. An employee, to be eligible for payment as provided above, shall in writing request time off for annual training duty and, at the conclusion thereof, furnish the Company written evidence of the amount of military pay received.
- 18.8 **Bereavement.** A regular employee shall be paid at the basic hourly rate for a period not to exceed three (3) scheduled working days due to a death in his/her immediate family.
- 18.8.1 A regular employee may request up to three (3) additional days off without pay or use his/her earned and unused personal holidays or vacation for such time. Management will make reasonable effort to accommodate such request. The three (3) days off without pay will not count against the employee's attendance or occurrence rates.
- 18.8.2 An employee with less than six (6) months of service will be excused for up to three (3) days without pay, and such time will not count against his/her attendance or occurrence rates. Such employee may use unused personal holidays if available.
- 18.8.3 "Immediate family" shall be understood to mean spouse, children, step-children, parents, spouse's parents, step-parents, brothers and sisters (including half), grandparents, great-grandparents, spouse's grandparents, grandchildren, son-in-law, daughter-in-law, nieces and nephews, foster children and wards of the court, or anyone who lives in the immediate household as a member of the family.
- 18.9 **Jury and Witness Duty.** A regular employee who is called and serves on a jury or is subpoenaed as a witness in a County, State, or Federal Court will be paid at the employee's basic rate for the time lost from work except if the employee is a defendant, plaintiff, or other party to the proceedings.

- 18.9.1 The employee must notify the immediate supervisor as soon as he/she has been notified of jury or witness duty in order for the Company to make necessary arrangements to meet the needs of service.
- 18.9.2 If the employee is temporarily excused from court attendance, the employee must return to work during his/her regularly scheduled hours.
- 18.9.3 An employee working a night shift who is required to report who does not have a break of at least eight (8) hours between the beginning and/or end of jury duty will have his/her shift modified.

## **ARTICLE 19** **HOLIDAYS**

- 19.1 **Designated Holidays.** The National MOA between Verizon and CWA listing fixed and floating holidays does not apply to this bargaining unit.

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

- 19.1.1 Employees shall be entitled to designated holidays after completion of thirty (30) days of employment.
- 19.1.2 Insofar as service requirements permit, holiday assignments shall be rotated among the employees within a workgroup.
- 19.1.3 When a designated holiday falls on an employee's scheduled day off or vacation period, he/she shall be granted another day.
- 19.1.4 In the event that a recognized holiday falls on a Saturday or a Sunday, the Company may determine, at its discretion, to observe the holiday on another day or to allow employees to take an alternate day in lieu of the holiday. Such alternate day(s) shall be scheduled subject to the needs of the business and with the concurrence of the employees' supervisors. The Company shall advise the affected workgroup(s) of any alternate holiday

observances no later than October 31 of the preceding year.

- 19.2     **Personal Holidays.** The National MOA between Verizon and CWA listing fixed and floating holidays does not apply to this bargaining unit.
- 19.2.1    Seven (7) personal holidays shall be observed. Employees are eligible for personal holidays after completion of ninety (90) days of employment.
- 19.2.2    Employees who are eligible for personal holidays in the first quarter of the year shall receive seven (7) personal holidays in the year; if eligible in the second quarter, shall receive four (4) personal holidays; if eligible in the third quarter, shall receive two (2) personal holidays; and no personal holidays for the fourth quarter.
- 19.2.3    Personal holidays may be taken in increments of two (2) hours when approved by appropriate management.
- 19.2.4    Personal holidays may be taken on any day of the year, with supervisory approval, provided the employee gives his/her supervisor at least ten (10) working days notice prior to the date the employee elects. The ten (10) day notice period may be waived at supervisory discretion. Preferences in the selection of personal holidays shall be on the basis of seniority, service requirements permitting.
- 19.3     An employee who is absent (i.e., fails to report for scheduled tour) on the holiday or on either of the scheduled days which immediately precede or follow the holiday shall receive no pay for the holiday unless such absences are excused as indicated below.
- 19.3.1    Excused absences are jury duty and bereavement.
- 19.3.2    If the last scheduled workday preceding a holiday and the first scheduled workday following a holiday are taken as absent sick, the holiday will also be considered an absent sick day. Compensation, if any, shall be as determined in Article 21, Short-term Disability Benefits.
- 19.4     Each eligible regular employee not scheduled to work on a holiday will receive pay for eight (8) hours at the base rate for each of the above holidays, regardless of whether or not such holiday falls within the employee's normal scheduled workweek. When such holiday falls on an employee's day off, such time off shall normally precede or follow the holiday.

- 19.5 Eligible employees who work on designated holidays will receive time and one-half at the basic rate for hours worked plus eight (8) hours holiday pay. Any employee who works a holiday and receives time-and-one-half pay will not receive another day off or, with management approval, the employee may be paid regular pay and take an alternate day off.
- 19.6 If the employee has not selected a personal holiday by October 1, the supervisor will designate the day(s)/hour(s) of remaining increment(s) to be taken.
- 19.7 Employees who are separated from the Company for any reason will forfeit all unused personal holidays.

## **ARTICLE 20 VACATIONS**

- 20.1 Regular employees covered by this Agreement shall be entitled to vacation credit at the base rate for the hours shown as hereinafter provided.
- 20.2 For vacation purposes only, all employees will have a vacation eligibility date of January 1 of their accredited service year. Newly hired/rehired employees shall be eligible for vacation per Sections 20.3 and 20.4.
- 20.3 A regular employee newly hired/rehired at any time during the year will be eligible for ten (10) normal workdays of vacation after January 1 following his/her date of employment and after completion of his/her probationary period.
- 20.4 A regular employee will be entitled to vacation as follows:

<u>Accredited Service Year</u>	<u>Vacation Allowance</u>
2 <sup>nd</sup> year through 7 <sup>th</sup> year	2 weeks (80 hours)
8 <sup>th</sup> year through 14 <sup>th</sup> year	3 weeks (120 hours)
15 <sup>th</sup> year through 24 <sup>th</sup> year	4 weeks (160 hours)
25 <sup>th</sup> year and each year thereafter	5 weeks (200 hours)

- 20.4.1 Vacation schedules will be available for employees' selection in a timeframe to allow all employees to complete selection by December 15 of the preceding year.
- 20.4.2 Employees shall be given an equal amount of time to choose their vacation based on seniority. Employees who choose not to select vacation during their allotted time shall

- waive their initial selection rights for the unscheduled vacation time and shall choose such time subject to the prior selection by other employees. No employee shall be required to carry over vacation time to the succeeding year.
- 20.4.3 An employee scheduled for a full vacation week shall be allowed to request the Saturday immediately preceding and Sunday immediately following the scheduled vacation week as days off, provided such requests are presented to the Company no later than 8:00 a.m. on the Monday of the week in which the schedule is run. Such requests will be granted insofar as service requirements permit. If such a request is granted, the employee may be removed from the normal rotation to accommodate the request.
- 20.5 Vacations must be taken within the calendar year in which the employee has become entitled, except as provided in Section 20.13. Employees will be permitted to select the vacation period at any time during the calendar year, service requirements permitting, on the basis of seniority, except as identified in Section 20.10.
- 20.6 An employee will be permitted to split vacation into units of weeks.
- 20.7 Employees may, with prior approval of their supervisor, take one (1) week of vacation in increments of one (1) or more full days at a time.
- 20.8 In the selection of vacations, full-week vacations shall have preference and be selected before day-at-a-time vacation and personal holidays.
- 20.9 If an employee does not choose vacation days/weeks to be taken when the employee initially chooses vacation days/weeks, approval for subsequent requests shall be subject to prior selection by other employees and supervisory approval. The employee will give at least ten (10) working days notice to the supervisor for the day or days he/she desires to take as vacation days. Such time limit may be waived by supervisory approval.
- 20.10 If the employee has not selected vacation day(s) by September 1 of each calendar year, the supervisor will designate the day or days to be taken.
- 20.11 If an employee has chosen a vacation day(s) and later decides to cancel, the employee must notify the supervisor ten (10) working days prior to that day. If the minimum notification is not met, the employee may be required to take the day(s) selected, at the option of the supervisor. When service requirements dictate, the Company may ask the employee to reschedule vacation.

- 20.12 Employees who are eligible for vacation shall take at least two (2) weeks of the current year of vacation.
- 20.13 **Vacation Cash Out.** Employees with more than two (2) weeks of vacation may receive straight-time basic pay excluding differentials in lieu of taking up to two (2) weeks of the current year's vacation. Cash out vacation can only be used if approved by management.
- 20.14 All employees leaving the employment of the Company, or being laid off, shall be paid for all entitled vacation not taken which includes any unused carry forward (banked). Employees electing to retire may choose to take unused vacation prior to retirement.
- 20.14.1 Employees who resign without giving at least two (2) weeks prior notice of the resignation day shall not be paid for unused vacation.
- 20.14.2 Employees discharged for just cause will be considered to have forfeited all rights and claims to vacation pay consideration.

## **ARTICLE 21** **SHORT-TERM DISABILITY BENEFITS**

- 21.1 Employees who apply for short-term disability pay and whose applications are approved by the Company will be paid for workdays absent based on the provisions of Section 21.2 and subject to restrictions and requirements provided in this Article. Employees will not be eligible for short-term disability pay under the following circumstances:
- 1) Injury/Illness when covered by Workers' Compensation or other laws.
  - 2) Elective surgery deemed not to be medically necessary.
- 21.1.1 **Notification.** An employee who is unable to work as a result of personal illness or accident not covered by Workers' Compensation must notify his/her supervisor or designee prior to, or at the start of, the shift on each day of absence unless other arrangements have been approved. An employee who fails to notify his/her supervisor or designee may be considered to be unexcused and subject to disciplinary action and shall forfeit short-term disability benefits in increments of one (1) hour (any portion of an hour constitutes a full hour) prior to the time of notification. However, the supervisor or designee may waive the

notification requirement when it is determined that circumstances were such that notification was not practical.

- 21.2 Short-term disability payments and waiting days for regular employees shall be based on their accredited service date according to the following schedule:

	<b>Full Pay</b>	<b>Half Pay</b>
	<b>Days</b>	<b>Days</b>
Less than 1 year	0	0
1 year but less than 5	20	65
5 years or more	65	65

- 21.2.1 **Waiting Days Waived.** Waiting days will be waived if the employee is hospitalized or has outpatient surgery performed at a surgical clinic during the waiting period.

21.2.1.1	<b>Waiting Days Per Absence</b>
1 year but less than 5	3
5 years or more	2

- 21.2.1.2 An employee may use the cash out vacation option for the purpose of regaining the monetary value that was lost caused by unpaid waiting days. If an employee breaks up a week of vacation, management may require the remaining days to be scheduled as consecutive days.

- 21.3 Yearly eligibility for short-term disability commences and ends on the employee's anniversary date.

- 21.4 **Short-term Disability Benefits Restoral.** An employee's short-term disability benefits will be restored when he/she has been continuously engaged in the performance of duty for three (3) months (90 days) with no absences due to illness, including FML. An employee who has exhausted short-term disability benefits and who has passed an anniversary milestone and works one (1) day will receive the difference in short-term disability benefits between the old band and the new band. However, full restoral of short-term disability benefits will be granted only if the employee has been continuously engaged in the performance of duty for six (6) months (180 days) with no absences due to illness, including FML.

- 21.5 If an employee returns to work after a period of illness and the employee relapses with the same illness and is required to leave work again within a period of not more than ten (10) consecutive days, the

two (2) periods of absence shall be considered as constituting one (1) illness and a second waiting period is waived. Only two (2) periods can be combined. The ten (10) consecutive day period will be extended if the employee is required in writing by the employee's physician to return for specific life sustaining follow-up treatment such as chemotherapy, dialysis, blood transfusions.

- 21.6 Upon termination of employment, no payment shall be made for unused short-term disability leave.
- 21.7 The Company may require illness or accident to be verified by a competent physician to assist the Company in determining the length of time for which benefits will be paid. A second opinion may be required at supervisory discretion and Company expense. Payment of short-term disability benefits will be governed by such second opinion.
- 21.8 The Company retains the right to have an employee examined by a doctor selected by the Company at the Company's expense if there is a reasonable basis to believe that the employee is sick or the employee's physical or mental condition is such that the employee may cause personal harm or endanger other employees. Any examination request made to an employee must be coordinated with the Human Resources Department.
- 21.9 **Third-Party Compensation.** If a regular employee receives compensation from a third party or government agency for lost work time for which the employee has been compensated under this Article, the employee shall reimburse the Company for all sums paid by the Company for the lost work time for which such third party or government agency has paid, up to the amount received from said third party or government agency. A regular employee who is eligible for such compensation agrees to exercise reasonable efforts to collect from such third party or government agency.

## ARTICLE 22 WORKERS' COMPENSATION

- 22.1 **On-the-Job Injury.** Absence from work because of injuries sustained in the discharge of a regular employee's duty shall be paid from the first day without any waiting period at ninety percent (90%) of the employee's basic wage for a period not in excess of six (6) months. Said period is to commence when the claim for Workers' Compensation is filed. Short-term disability benefits will not be paid in cases of illness or accident covered by Workers' Compensation, and the employee shall return to the Company any amounts received from Workers' Compensation.

- 22.2 Employees who are disabled by reason of injuries received while engaged in employment other than with Verizon will not be eligible for benefits under this or the Short-term Disability Article.

## **ARTICLE 23** **GROUP INSURANCE BENEFITS**

- 23.1 The Company will provide payroll deductions for any Group Insurance Plan now or subsequently in effect for the Company's employees, which has been mutually agreed to between the Company and the Union.

- 23.2 The selection of the insurance carrier, and the establishment of all terms and conditions relating thereto, shall be matters resting solely within the discretion of the Company. Likewise, methods of payment, accounting procedures, and administrative execution of the Plan should be matters solely within the discretion of the Company.

- 23.3 **Group Medical Insurance.** The Company provides comprehensive medical insurance with coverage available for employees ninety (90) days from date of hire. The Company contributions for the total comprehensive medical insurance premium, as now or subsequently determined by the Company, shall amount to one hundred percent (100%) of the medical insurance premium rate for regular full-time employees, including family. The Company contributions for the total comprehensive medical insurance premium, as now or subsequently determined by the Company, for regular part-time employees will be made according to the table below:

<b>Hours Scheduled Per Week</b>	<b>Percent of Premium</b>
Less than 17 hours	0%
17 - 24 hours	50%
25+ hours	100%

- 23.4 **Group Dental Insurance.** The Company provides dental benefits with coverage available for regular employees ninety (90) days from date of hire. The Company contributions for the total dental insurance premium rates, as now or subsequently determined by the Company, will be made according to the tables below:

<b>Regular Full-time Employee</b>	<b>Percent of Premium</b>
Employee	100%
Employee + 1	80%
Family	80%

<b>Regular Part-time Employee Hours Scheduled Per Week</b>	<b>Percent of Premium</b>
Less than 17 hours	0%
17 - 24 hours	50%
25+ hours	80%

- 23.5      The Comprehensive Medical Plan will be as outlined in "Your Medical Benefits" Summary Plan Description booklet. The dental plan will be as outlined in "Your Dental Benefits" Summary Plan Description booklet.
- 23.6      An eligible surviving spouse, dependant(s), and/or Registered Domestic Partner (RDP) of an active employee who participates in the Comprehensive Medical Plan shall be provided medical coverage at no charge for twenty-four (24) months following the death of the employee.
- 23.7      **Basic Life Insurance.** The Company agrees to provide life insurance for regular employees ninety (90) days from date of hire equal to the employee's base annual wages rounded to the next higher one thousand dollars (\$1,000.00) if not already a multiple of one thousand dollars (\$1,000.00).
- 23.7.1    The Company agrees to provide employees who retire with a service or disability pension under the GTE Southwest Incorporated Plan for Hourly-paid Employees' Pensions a ten thousand dollar (\$10,000) retiree life insurance benefit.

## **ARTICLE 24 CONCESSION SERVICE**

- 24.1      Telephone service concession will be provided to employees who live in the Verizon serving area and have published telephone numbers. The concession rate will be fifty percent (50%) and will apply in accordance to Company policy.
- 24.2      Employees who live out-of-franchise or who relocate to a location which is in non-Verizon territory shall not be entitled to telephone concession.
- 24.3      Employees who retire shall continue to receive telephone concession consistent with Company policy and this Article.

## ARTICLE 25 PENSION PLAN

- 25.1 **Pension Plan.** The Company agrees to provide a Pension Plan with provisions for normal (including lump sum), early, and disability retirement in addition to Deferred Vested Pension Plan.
- 25.1.1 Employees who have thirty (30) years or more of accredited service may elect to take a service pension that is unreduced for early retirement.
- 25.1.2 The Company will not make any changes which would diminish the level of benefits provided under the Group Insurance or Pension Plans without the approval of the Union during the term of this Agreement.

## ARTICLE 26 PART-TIME EMPLOYEES

- 26.1 **Part-time.** An employee classified as regular part-time is normally scheduled to work fewer hours than regular full-time employees. Regular part-time employees must choose from part-time tour schedules.
- 26.1.1 Part-time employees shall be assigned to schedules prepared by their supervisor. Part-time employees may be assigned full-time hours for periods of time based on service requirements. Part-time employees may be reclassified to full-time status with employee concurrence when the need exists for continuous regular full-time work as determined by ongoing service requirements.
- 26.1.2 Part-time employees may be hired to work dedicated tours in order to accommodate school schedules.
- 26.2 **Union Dues.** Part-time employees' dues or service fees shall be prorated in accordance with Union policy.
- 26.3 **Wage Progression.** Credit for wage progression will be awarded upon completion of one thousand forty (1,040) hours in accordance with the wage schedules.
- 26.4 **Designated Holiday.** Part-time employees will be eligible for prorated holiday pay after completion of ninety (90) days of service regardless of whether or not such holiday falls within the employee's normal scheduled workweek.

- 26.5      **Personal Holidays.** Part-time employees will be eligible for prorated personal holidays after completion of ninety (90) days of service. Holiday pay shall not exceed eight (8) hours. (See Section 19.2.2.)
- 26.6      **Long-Term Disability (LTD).** Part-time employees are ineligible for LTD.
- 26.7      **Benefit Prorate.** Part-time Equivalent Workweek (PTEW) will be the tool to manage part-time entitlements. New hires or transferees will be assigned a PTEW based on the hours an employee is expected to work. PTEW will be recalculated annually, no later than January 1 each year, based on the hours worked. PTEW will be used to determine prorated pay for vacation, short-term disability benefits, holiday pay, bereavement leave, employee benefits contribution, etc.

26.7.1      Part-time Equivalent Workweek is calculated as follows:

1.      Determine the employee's actual average number of straight time hours worked per month during the preceding three-(3) month period (or for new hires, the estimated scheduled hours per month for the initial three (3) months of employment) and divide by 3; then
2.      Divide by 4.33 (average weeks in a month), and round the result to the next higher whole number; then
3.      Divide by 5 (the number of days in a week); the result
4.      Equals the hours a part-time employee is to be paid per day for each holiday, vacation, or sick day for a three-(3) month period.

Example: Average of 68 hours per month divided by 4.33 equals 15.7; rounded to a "part-time equivalent workweek" prorate of 16 hours divided by 5 days equals 3.2 hours. This employee would be paid 3.2 hours per holiday, vacation, or short-term disability day.

## ARTICLE 27 OVERTIME

- 27.1      Overtime hours will be computed to the nearest quarter hour.
- 27.2      Time and one-half (1½) the straight time rate will be paid for all time worked over forty (40) hours in a calendar week or ten (10) hours in a day.

- 27.3 There shall be no pyramiding or duplication of overtime or premium pay. Time paid but not worked for vacation, holiday, jury duty, bereavement, and short-term disability will not be included in the calculation of forty (40) hours for overtime purposes.
- 27.4 The assignment of connecting hours (to the start or end of a tour) will be offered in seniority order to the employee(s) who are working the appropriate tours. Additional tours/hours will be offered in rotation to the degree practical. Any error in the rotation will be corrected at the next opportunity. The establishment of the rotation list will begin with the most senior employee.
- 27.5 The Company may assign overtime or extension of tours, both scheduled and non-scheduled. All employees are expected to perform overtime extension work upon request from the Company. Under extenuating circumstances, the overtime requirement may be waived at supervisory discretion.

## **ARTICLE 28** **WORK SCHEDULES & TOURS**

- 28.1 The Company will schedule employees to specific hours and days of work based on the needs of the business. Scheduling of tours will occur by seniority among qualified employees as defined by the Company. If the demands of the business necessitate a reduction of hours, the Company may assign such reduced hours or place employees on a leave status following discussion with the Union.
- 28.2 **Tour Schedules.** The following procedures will be followed in the selection of tours.
- 28.2.1 The weekly assignments for the calendar week shall be posted in a manner determined by management to show each regular employee the scheduled days he/she is to work the following week beginning Sunday. This schedule shall be posted not later than 5:00 p.m. on Thursday, ten (10) days preceding the period covered by the posted schedule.
- 28.2.2 Employees shall communicate tour preferences on a tour preference card or any method identified by management. Employees may change tour preferences any time they wish provided a card listing the new preferences is filed no later than 9:00 a.m. Monday preceding the Thursday of the schedule in which the change is to be effective.
- 28.2.3 A list of employees who may be required to work on a

- holiday and the planned tours will be posted no later than two (2) weeks before the Thursday posting of the affected schedule.
- 28.2.3.1 All employees must have a card listing preference of the holiday tours on file no later than Friday 12:00 p.m. of the week preceding the processing of the holiday schedule.
- 28.2.4 A LiveSource employee recalled from force adjustment, returning from leave of absence, or transferring from another location or any job may be assigned for two (2) weeks, the last tour after all others have been assigned. The employee will file preference cards no later than 9:00 a.m. Thursday on the first week, and assignments for the third week will be made in accordance with the employee's preference and seniority date.
- 28.2.4.1 Employees may, at their own option, file a preference card prior to reporting to work. Depending on the date the preference card is filed, an assignment will be made in accordance with the employee's preference and seniority date.
- 28.2.5 Saturdays, Sundays, and holidays shall be rotated among employees in such a manner as to provide approximately equal opportunity of securing Saturdays and Sundays and/or holidays as scheduled days off, insofar as service requirements permit.
- 28.2.6 **Tour/Shift Change.** The Company will endeavor to give twenty-four (24) hours notice before changes in tours. If less than twenty-four (24) hours notice of a Company-initiated schedule change is given, the employee shall receive fifty cents (\$.50) an hour for the portion of the tour that is different than the original scheduled tour. Extension of existing tours (beginning and/or end) is not considered a tour change. Tour change differential does not apply to an extension of a new tour.
- 28.2.7 Split tours shall be limited to a period of time not to exceed twelve (12) hours in length. Employees who work split tours will be paid a split tour premium of two dollars (\$2.00).
- 28.2.8 There will be a minimum time interval for employees of six (6) hours between the scheduled ending time of one tour

- and the scheduled starting time of the next tour, except for the Saturday schedule, unless waived at the request of the employee. This provision may be waived only at the request of the employee and by approval of management.
- 28.2.9 If requirements for night tours cannot be filled on a voluntary basis, such assignments shall be among those employees who are qualified for night work in inverse order of seniority.
- 28.3 Visually impaired employees or employees requiring special equipment for other purposes will be in a separate workgroup for tour selection purposes in order to maximize the use of the equipment.
- 28.4 **Rest Period/Breaks.** One fifteen (15) minute rest period shall be allowed in each four (4) hour session of duty. All fifteen (15) minute rest periods shall be considered and paid for as time worked.

## **ARTICLE 29** **PREMIUM & DIFFERENTIAL PAY**

- 29.1 **In-Charge.** The Company may specifically appoint an employee as "in charge." Such employee will replace salaried employees' work functions. An employee so appointed has the additional responsibility of assigning and supervising the work of the employee(s). Duties shall not include administering discipline or employee appraisals. An Operator directed to assist in the formal training of another employee is also eligible for in-charge differential. An employee appointed in-charge shall receive one dollar (\$1.00) for each hour so appointed.
- 29.2 **Higher Classification.** An employee required to perform work in a higher classification for one (1) full hour or more shall be paid a differential of fifty cents (\$.50) per hour for the period of time working in such capacity.
- 29.3 **Split Tour Premium.** Employees who work split tours will be paid a split tour premium of two dollars (\$2.00).
- 29.4 **Tour/Shift Changes.** If less than twenty-four (24) hours notice of a Company-initiated schedule change is given, the employee shall receive fifty cents (\$.50) an hour for the portion of the tour that is different than the original scheduled tour.
- 29.5 Premium payments are payments in excess of the base rate of pay. In all references in this Agreement, it is agreed that not more than one (1) payment shall be paid for the same hours worked unless a clause in this Agreement specifically states that more than one (1) premium

should be added to the base rate for a particular hour worked.

## **ARTICLE 30** **WAGE ADMINISTRATION**

- 30.1 Under normal circumstances an employee's initial wage rate at the time of employment will be the start rate for the classification. The Company retains the right to give wage credit as deemed appropriate.
  - 30.1.1 The Company may, at its discretion, make additional adjustments within the first six (6) months of employment. The Union will be sent notification of such adjustments.
- 30.2 No premium payments or differentials shall be added to the base rate unless a clause in this Agreement specifically states that the premium or differential shall be paid.
- 30.3 Job briefs and the duties of any job classification may be revised or new job classifications established by the Company. New and substantially revised job briefs or the job duties performed by an individual employee will be evaluated and properly classified. Such evaluation will be utilized to determine the proper placement of new or substantially revised job briefs or job duties in the wage schedule and employees may be re-classified to new classifications and/or wage groups as a result of the evaluation.
- 30.4 The following are the job classifications and wage groups for all employees covered by this Agreement:

## **WAGE SCHEDULES**

### **ADMINISTRATIVE CLERK, OPERATOR II**

Start	\$8.25
6 months	\$8.58
12 months	\$8.92
18 months	\$9.27
24 months	\$9.63
30 months	\$10.01
36 months	\$10.40
42 months	\$10.80
48 months	\$11.23
54 months	\$11.66
60 months	\$12.11
66 months	\$12.60
Top	\$13.10

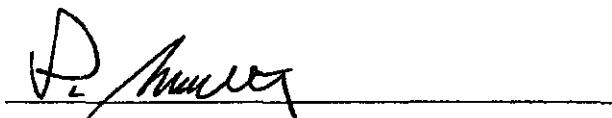
### **SERVICE ASSISTANT**

Start	\$8.80
6 months	\$9.13
12 months	\$9.47
18 months	\$9.82
24 months	\$10.18
30 months	\$10.56
36 months	\$10.95
42 months	\$11.35
48 months	\$11.78
54 months	\$12.21
60 months	\$12.66
66 months	\$13.15
Top	\$13.65

EXECUTED this 6<sup>th</sup> day of March 2005 Irving, Texas

**VERIZON SOUTHWEST INCORPORATED**

APPROVE:



Paul Gwaltney  
Sr. Staff Consultant – Labor Relations

**COMMUNICATIONS WORKERS OF AMERICA**

APPROVE:



Donna Bentley  
CWA Staff Representative

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**ADOPTION ASSISTANCE**

1. Verizon agrees to make available the opportunity for regular full or part time employees of the Company who are covered by the Collective Bargaining Agreement to participate in the Adoption Assistance Plan which allows employees to claim reimbursement of expenses up to \$10,000 per adopted child in accordance with existing Plan provisions.
2. The selection of the administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company. No matter concerning the Adoption Assistance Plan or any difference thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.
3. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

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Donna Bentley  
CWA Staff Representative  
Date:

## **ADOPTION ASSISTANCE PLAN**

- Regular active status full and part-time employees are eligible for this benefit
  - Available from the first day of active employment
  - Adopted child must be:
    - Under 18 years of age
    - Over 18 years of age and physically or mentally incapable of caring for him/herself
  - Includes adoption of a step child
  - Reimbursement must be submitted within 90 days of adoption finalization
  - Only expenses incurred during active service are eligible for reimbursement
- Covered expenses:**
- Legal fees and court costs
  - Temporary childcare expenses prior to placement
  - Necessary medical expenses for child being adopted
  - Private or public adoption agency fees
  - Medical expenses for biological mother
  - Adoption-related transportation/travel expenses
- Expenses not covered:
    - Expenses for the biological parents other than medical expenses related to the birth of child
    - Voluntary donations/contributions to the agency
    - Guardianship or custody expenses unrelated to adoption
  - Maximum Expenses
    - \$10,000 for each eligible employee (no duplicate of expenses for employees who are both employed by Verizon)

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**COMPREHENSIVE MEDICAL PLAN**

1. Verizon Southwest Incorporated and Communications Workers of America agree to implement the provisions of the Comprehensive Medical Plan set forth in this Memorandum of Agreement.
2. For a summary of details refer to the attachment entitled Comprehensive Medical Plan Highlights.
3. Some of the major provisions include:
  - A. For all regular full-time and part-time employees, coverage under the Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later.
  - B. Maintenance of Benefits permitted to the level of benefits provided in the Medical Plan.
  - C. The following options are available to employees and their eligible dependents pertaining to enrollment in a Company-sponsored medical plan or HMO:
    1. In situations where employees elect to cover their spouse where the spouse is eligible for medical coverage from another employer, the spouse's medical plan is considered primary and the employee's plan is considered secondary. In this situation no additional employee contribution is applicable.
    2. In situations where employees elect not to enroll themselves and their eligible dependents in a Verizon Company-sponsored medical plan or HMO, the employee is eligible for an annual "opt out" credit of seven hundred dollars (\$700).
    3. In situations where employees elect not to enroll their spouse in a Verizon Company-sponsored medical plan or HMO, the employee is eligible for an annual opt out credit of three hundred fifty dollars (\$350). Other eligible dependents may continue to be enrolled in the plan. There is no additional opt out credit if other eligible dependents are not enrolled.

Note: The credits described in paragraphs 2 and 3 may be prorated and will be given to the employee over twelve (12) months on his/her bi-weekly paycheck. In order to be eligible for this credit, the employee may be required to provide satisfactory evidence of medical coverage upon request.

4. In situations where employees elect to cover their spouse where the spouse is also eligible for medical coverage from his/her employer and does not enroll in that medical plan, a "spousal surcharge" shall apply.
  - a. The spousal surcharge shall apply to all medical plan options.
  - b. The spousal surcharge of \$40 per month will be deducted from the employee's bi-weekly paycheck.
  - c. The spousal surcharge shall not apply:
    - In a plan year in which the spouse's gross base wage rate on an annualized basis as of the previous July 1 from his/her employer who provides such medical coverage is \$25,000 or less, or
    - If the spouse's annual individual premium contributions would be \$900 or more under his/her employer's plan.
  - d. In situations where both the employee and the spouse are eligible for enrollment in a Verizon medical plan based upon their employment status:
    - The spousal surcharge shall not apply if both spouses are Verizon associates.
    - The spousal surcharge shall apply if one spouse is an associate and one spouse is eligible for Verizon management medical options and coverage under the associate medical option is elected for the spouse who is eligible for Verizon management medical options.
4. The Comprehensive Medical Plan will be administered solely in accordance with its provisions, and no matter concerning the Comprehensive Medical Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.
5. The selection of the Health Care Plan Administrator, the administration of the Comprehensive Medical Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

6. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Comprehensive Medical Plan, shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

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Donna Bentley  
CWA Staff Representative  
Date:

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used		
<b><u>General</u></b>				
Lifetime Maximum (No Automatic Restoration)	\$2,000,000	\$2,000,000		
Calendar Year Deductible (No carry over)	Employee Only Employee + 1 Employee + 2 or more	\$150 \$300 \$450	Employee Only Employee + 1 Employee + 2 or more	\$150 \$300 \$450
Out of Pocket Maximums	Employee Only Employee + 1 Employee + 2 or more	\$1,500 \$3,000 \$4,500	Employee Only Employee + 1 Employee + 2 or more	\$1,500 \$3,000 \$4,500
Coordination of Benefits	Non-duplication of benefits. Cross coordination applies. Birthday rule applies.	Non-duplication of benefits. Cross coordination applies. Birthday rule applies.		
Pre-existing Conditions	None	None		
<b><u>Hospital Services</u></b>				
Room and Board (Subject to Care Coordination)	80% of negotiated rate after deductible satisfied. <ul style="list-style-type: none"><li>• Semi Private Room</li><li>• Intensive &amp; Cardiac Care Units</li></ul>	70% of R&C after deductible satisfied. <ul style="list-style-type: none"><li>• Semi Private Room</li><li>• Intensive &amp; Cardiac Care Units</li></ul>		
Emergency Outpatient for Accidents	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.		
Preadmission Tests	80% after deductible satisfied.	70% after deductible satisfied.		
	100% of negotiated rate after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)	100% of R&C after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)		
Inpatient Services and Supplies	80% of negotiated rate after deductible satisfied.	70% of R&C after deductible satisfied.  80% of R&C after deductible satisfied.		

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
<b><u>Professional Services</u></b>		
Doctor's Surgical Charges	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Outpatient Surgery	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Doctor's Office Visits	\$15 per office visit	80% of R&C after deductible satisfied.
Diagnostic Lab and X-ray in Doctor's Office	\$15 per office visit	80% of R&C after deductible satisfied.
Doctor's Home Visits	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Allergy Shots	\$5 copay for injection only if not billed for any other office visit services	80% of R&C after deductible satisfied.
Maternity	\$15 office visit copay, first visit only. Covered the same as any other illness or injury.	80% of R&C after deductible satisfied.
High Risk Maternity (If Care Coordination recommends special care because pregnancy is considered high risk)	100% outpatient, no deductible.  Physician and hospital charges are paid at 100% of negotiated rate, no deductible.	80% of R&C for physicians, 70% of R&C for hospital charges after deductible satisfied.
Nurse/Midwife	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Birthing Center	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Artificial Insemination & In Vitro Fertilization (Subject to Care Coordination)	Limited to 50% of negotiated rate to a maximum of \$15,000 per lifetime. (\$15,000 applies to overall lifetime maximum.)	Limited to 50% of R&C to a maximum of \$15,000 per lifetime. (\$15,000 applies to overall lifetime maximum.)
<b><u>Other Services</u></b>		
Acupuncture	80% of negotiated rate after deductible satisfied.  (Limited to 20 visits per year. Additional services are covered if	80% of R&C after deductible satisfied.  (Limited to 20 visits per year. Additional services are covered if

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
	approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.	approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.
Chiropractor Services	\$15 office visit copay  (12 visits per year threshold. Additional services may be covered if approved by Care Coordination.)	80% of R&C after deductible satisfied.  (12 visits per year threshold. Additional services may be covered if approved by Care Coordination.)
Diagnostic X-ray & Lab Tests	80% of negotiated rate after deductible satisfied.	70% of R&C after deductible satisfied.  80% of R&C rate after deductible satisfied.
Physical & Occupational Therapy	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Radiation Therapy	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Speech Therapy	80% of negotiated rate after deductible satisfied. Expanded speech therapy benefit for children under age 3. (20 visit limit per calendar year.)	80% of R&C after deductible satisfied. Expanded speech therapy benefit for children under age 3 (20 visit limit per calendar year.)
Transplants (Subject to Care Coordination)	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay.  When a designated facility is not used, benefits are payable the same as any other illness. <ul style="list-style-type: none"> <li>• Travel &amp; Lodging lifetime maximum of \$10,000.</li> <li>• Lodging &amp; Meal Allowance of \$50 individual / \$100 family per day.</li> </ul> Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to \$25,000.	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay.  When a designated facility is not used, benefits are payable the same as any other illness. <ul style="list-style-type: none"> <li>• Travel &amp; Lodging lifetime maximum of \$10,000.</li> <li>• Lodging &amp; Meal Allowance of \$50 individual / \$100 family per day.</li> </ul> Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to \$25,000.

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Corrective Appliances & Artificial Limbs	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Home Rental of Durable Medical Equipment  (Subject to Care Coordination if amounts exceeds \$1,000)	80% of negotiated rate after deductible satisfied.	80% of R&C after deductible satisfied.
Oral Surgeries	80% of negotiated rate after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)	70% of R&C after deductible satisfied.  80% of R&C after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)
Voluntary Sterilization	80% of negotiated rate after deductible satisfied.	70% of R&C after deductible satisfied.  80% of R&C after deductible satisfied.
Home Health Care  (Subject to Care Coordination)	80% of negotiated rate after deductible satisfied. No limitations on number of visits.  100% of negotiated rate not subject to deductible. (No deductible required up to 52 HHC visits in a calendar year.)	80% of negotiated rate after deductible satisfied. No limitations on number of visits.  100% of negotiated rate not subject to deductible. (No deductible required up to 52 HHC visits in a calendar year.)
Skilled Nursing Facility  (Subject to Care Coordination, in lieu of hospitalization)	80% of negotiated rate after deductible satisfied. (Semi-private rate - 120 days per calendar year. )	80% of R&C after deductible satisfied.  (up to 120 days per calendar year)
Hospice Care  (Subject to Care Coordination)	80% of negotiated rate after deductible satisfied.  Hospice Facility - 100% of negotiated rate, no deductible;  At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C;	80% of R&C after deductible satisfied.  Hospice Facility - 100% of R&C, no deductible;  At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C;

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
	Bereavement Counseling - 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses for an unlimited number of counseling services for the patient and covered family members.)	Bereavement Counseling - 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses for an unlimited number of counseling services for the patient and covered family members.)
Second Surgical Opinion	100% of negotiated rate, no deductible, voluntary.	80% of R&C, no deductible, voluntary.
<b><u>Preventive Care</u></b>	In-network - 100% (Not subject to copay or deductible)	Out-of-network - 100% of R&C, no deductible.
Well Woman Exam	One annual Well Woman Examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)	One annual Well Woman Examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)
Mammograms	100% every two years for women over age 40.  One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional mammograms covered at 80% of reasonable charges if medically necessary.)	100% every two years for women over age 40.  One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional mammograms covered at 80% of reasonable charges if medically necessary.)
Immunizations	One complete regimen of immunizations per lifetime for children and adults covered at 100%, not subject to deductible.	One complete regimen of immunizations per lifetime for children and adults covered at 100%, not subject to deductible.
Influenza Immunizations	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)
Prostate Specific Antigen	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Sigmoidoscopy	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with sigmoidoscopy is a covered expense.)	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with sigmoidoscopy is a covered expense.)
Fecal Occult Blood Test	One annual Fecal Occult Blood Test for men and women age 40 and over.	One annual Fecal Occult Blood Test for men and women age 40 and over.
<b>Care Coordination</b> <b>(Pre-notification Required)</b>	<ul style="list-style-type: none"> <li>• Hospitalization</li> <li>• Admission to hospital through ER</li> <li>• In-patient services</li> <li>• Skilled Nursing Facility</li> <li>• Home Health Care</li> <li>• Hospice</li> <li>• Chiropractic services beyond 12<sup>th</sup> visit</li> <li>• Artificial Insemination</li> <li>• In-Vitro Fertilization</li> <li>• Durable Medical Equipment exceeding \$1000</li> <li>• Continued stay for Maternity</li> <li>• Private Duty Nursing</li> <li>• Organ Transplant</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitalization</li> <li>• Admission to hospital through ER</li> <li>• In-patient services</li> <li>• Skilled Nursing Facility</li> <li>• Home Health Care</li> <li>• Hospice</li> <li>• Chiropractic services beyond 12<sup>th</sup> visit</li> <li>• Artificial Insemination</li> <li>• In-Vitro Fertilization</li> <li>• Durable Medical Equipment exceeding \$1000</li> <li>• Continued stay for Maternity</li> <li>• Private Duty Nursing</li> <li>• Organ Transplant</li> </ul>
	Non-notification penalty: Lessor of actual charge or \$200	Non-notification penalty: Lessor of actual charge or \$200

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

**COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS**  
**In Area and Out of Area Plans**

**MENTAL HEALTH/SUBSTANCE ABUSE CARE**

BENEFITS	IN VERIZON STANDARD MH/SA NETWORK	OUTSIDE VERIZON STANDARD MH/SA NETWORK
In-patient hospital 45 days per calendar year	100%	\$0
Partial hospitalization Up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)	100%	\$0
Out-patient Up to 50 visits per calendar year	100% after \$15 co-payment per visit.	\$0
Supplemental Benefit  Annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of \$2,000,000 (combined with the medical plan)	\$0

Note: Employees must call Managed Health Network (MHN) at 1-800-777-7991 prior to routine care and within 48 hours of emergency care.

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**COPE PAYROLL DEDUCTION**

Verizon Southwest Incorporated and Communications Workers of America agree to implement the following provisions for the payroll deduction of COPE (Committee on Political Education). This MOA will be effective as soon as administratively feasible after the CBA is signed.

1. The Company will make collection of COPE funds once each month through payroll deduction from employee's pay upon receipt of a written authorization form signed by the individual employee and delivered by the Union to the Company.
2. The Company also agrees to remit the amounts so deducted to the designated representative of the Union and to furnish the Union one (1) copy of the list of employees for whom such deductions have been made and the amount of each deduction. The Company also agrees to furnish the Union one (1) copy of a list of employees for whom no deductions have been made.
3. The Company shall bear the full cost of the undertaking set forth herein except that the Union agrees to furnish the COPE deduction authorization forms.
4. The Union agrees to hold harmless and indemnify the Company against liabilities resulting from the process of COPE collection from the employees and subsequent transfer to the Union.
5. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**DENTAL PLAN**

1. Verizon Southwest Incorporated and Communications Workers of America agree to the provisions of the Dental Plan set forth in this Memorandum of Agreement.
2. For a summary of details refer to the appropriate Dental Benefits Summary Plan Description (SPD). The annual deductible will be \$25.00 per individual for all regular full-time and part-time employees. The annual \$25.00 per individual deductible will be waived when an employee and/or his/her enrolled dependents use a Preferred Dental Provider (PDP).
3. For all regular full-time and part-time employees, coverage under the Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later.
4. Maintenance of Benefits (MOB) permitted to the level of benefits provided in the Dental Plan.
5. The monthly employee contribution shall be in accordance with Article 23 of the Collective Bargaining Agreement.
6. The Plan will be administered solely in accordance with its provisions and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Plan Administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

7. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Dental Plan, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

## VERIZON DENTAL PLAN HIGHLIGHTS

<b>Benefit</b>	<b>Coverage Level</b>
Deductible	\$25 Deductible waived if Preferred Dental Provider (PDP) used
Preventive and Diagnostic Services	100% of usual and customary charges (or 100% of negotiated fees if in-network)
Basic Services	80% of usual and customary charges after deductible satisfied (or 80% of negotiated fees if in-network)
Dental Sealants	80% of usual and customary charges after deductible satisfied (or 80% of negotiated fees if in-network)
Major Services	50% of usual and customary charges after deductible satisfied (or 50% of negotiated fees if in-network)
Orthodontic care/TMJ disorder treatment	50% of usual and customary charges after deductible satisfied (or 50% of negotiated fees if in-network)
Lifetime maximum benefit for TMJ disorder treatment	\$500
Lifetime maximum benefit for Orthodontic care	\$1,500
Annual individual maximum benefit	\$1,500

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**FAMILY HEALTH SYSTEM (FHS)**

In a continuing effort to help contain the rising cost of medical care and improve the quality of health care for employees and their dependents, Verizon Southwest Incorporated and Communications Workers of America agree to implement the Family Health System (FHS) as set forth in this Memorandum of Agreement.

1. For a summary of details, refer to the attachment entitled Family Health System.
2. Some of the major provisions include:

- A. Voluntary participation by all employees and their eligible dependents covered by the Comprehensive Medical Plan whose principal residence is within San Angelo and within the following counties:

Tom Green	Mason	Kimble
Sutton	Howard	Callahan
Runnels	Mitchell	Glasscock
Coleman	Nolan	Sterling
Reagan	Taylor	Coke
Irion	Menard	Concho
Schleicher	McCullough	Crockett
Brown		

- B. For employees and their eligible dependents who elect not to participate in the FHS, the provisions of the Comprehensive Medical Plan shall apply.

- C. Employees and their eligible dependents who elect to participate in the FHS are responsible for:

1. A \$15 co-payment, or a \$5 co-payment for children under age 13, per FHS physician visit per day, regardless of the length of the visit or the number of visits on a given day. Outpatient diagnostic, therapeutic, and surgery services and supplies provided by Shannon Hospital are fully covered.
2. A \$15 co-payment per FHS physician visit for the first visit only for maternity as explained in Item E below.
3. A \$25 co-payment for FHS Urgent Care Center use. Should

outpatient services be required and provided by Shannon Hospital, those benefits would be fully covered.

4. A \$50 co-payment for FHS Emergency Care Center use (waived if admitted to Shannon Hospital). Should outpatient services be required and provided by Shannon Hospital, those benefits would be fully covered. Employees and their eligible dependents who are referred to Shannon Emergency Care Centers from Shamrock Urgent Care Centers on the same day will have their twenty-five dollar (\$25) urgent care co-payment waived.
- D. Employees and their eligible dependents who elect to participate in the FHS will have 100% coverage for extended consultation with the FHS physician, lab work, or a referral to a FHS specialty physician on the same day of the initial \$15 co-payment visit (with the exception of maternity and other services listed on the attachment).
- E. Eligible participants will be offered a Free Babies Program which includes delivery services at no additional cost by FHS physicians for inpatient services, outpatient services, physician services and routine diagnostic testing (sonograms included, amniocentesis excluded). A fifteen dollar (\$15) co-payment first physician office visit will still be required. High risk pregnancies will be fully covered. Post delivery intensive care requirements will be fully covered at FHS facilities or by the Comprehensive Medical Plan.
- F. Employees and their eligible dependents may participate in a Primary Care Physician Introduction Visit once every two (2) years at no cost to the Participant. During these visits, the primary care physician will generally take the patient history, perform a basic physical and establish a physician/patient relationship.
- G. Some services not covered by FHS include, but are not limited to:
  1. Services that are not medically necessary.
  2. Cosmetic procedures, except for certain congenital deformities in children or injury related deformities, as covered by the Comprehensive Medical Plan.
  3. Well care, except annual well-woman exams and childhood inoculations.
  4. Surgery for eye refraction and any related expenses.
  5. Hearing aids, eye glasses, and eye exams, except injury related.
  6. Dental services, except oral surgery for traumatic injury, impacted teeth and gum or mouth disease.
  7. Custodial care.
  8. Care covered by Workers Compensation or Medicare.

9. Care provided free, and for which the employee is not legally required to pay.
- H. The Family Health Service will be administered solely in accordance with its provisions, and no matter concerning the Family Health Service or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Health Care Plan Administrator, the administration of the Family Health Service and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation administration, or benefits payable shall be determined by and at the sole discretion of the Company.  
  
If administratively and economically feasible, the Company, at its sole discretion, may choose at a later date to terminate the Family Health System. If the Company terminates FHS, the Company will implement a voluntary enrollment PPO Plan in Brownwood and San Angelo and a voluntary enrollment HMO or HMO-like Plan with benefits similar to or better than FHS in San Angelo. Upon termination of FHS the sole Verizon Company-sponsored plan will be the Comprehensive Medical Plan.
- I. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Family Health Service, shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

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Donna Bentley  
CWA Staff Representative  
Date:

**FAMILY HEALTH SYSTEM (FHS)**

<b><u>Benefits</u></b>	<b><u>Out-of-Network Benefits</u></b>	<b><u>FHS Network Benefits</u></b>
<b>General</b>		
Individual annual deductible	\$150	\$0
Two person annual deductible	\$300	\$0
Three (+) person deductible	\$450	\$0
Individual maximum out-of-pocket	\$1,500	\$1,500
Two person maximum out-of-pocket	\$3,000	\$3,000
Three (+) person maximum out-of-pocket	\$4,500	\$4,500
Maximum Lifetime Benefit	\$2,000,000	\$2,000,000
<b>Patient Advocate - Penalty of \$200 for failure to call 800/334-4515</b>		
<b>Inpatient Hospital</b>		
Hospital Days (semi-private room) (FAC)	80/20 Plan	100%
Diagnostic Lab Test, X-ray, etc. (FAC)	80/20 Plan	100%
Intensive and Coronary Care Units (FAC)	80/20 Plan	100%
Medical Services and Supplies (FAC)	80/20 Plan	100%
Operating and Recovery Rooms (FAC)	80/20 Plan	100%
Special Duty Nursing as Preauthorized (FAC)	80/20 Plan	100%
Anesthesia (FAC)	80/20 Plan	100%
Physicians and Medical Consultants (PROF)	80/20 Plan	100%
Surgical Charges (PROF)	80/20 Plan	100%
Preadmission Tests (PROF)	100% of R&C	100%
<b>Surgery (Medically Necessary Procedures)</b>		
<b>Physicians Surgical Charges (PROF)</b>		
Physician's Office or Outpatient Ambulatory Center	80/20 Plan	\$15 co-pay
Inpatient Hospital or Outpatient	80/20 Plan	100%
<b>Facility Charges (FAC)</b>		
Inpatient Hospital or Outpatient Hospital or Outpatient Ambulatory Center	80/20 Plan	100%
<b>Physician's Office</b>		
<b>Doctor's Visit - Covered charges (PROF)</b>		
Children under age 13	80/20 Plan	\$5 co-pay
Children over age 13 and Adults	80/20 Plan	\$15 co-pay
Introductory PCP visit once every 2 yrs.	80/20 Plan	No Charge
Consultation and Treatment by a Specialist Physician (PROF)	80/20 Plan	\$15 co-pay
Lab, X-ray, and other Diagnostic Procedures (PROF) (Lab work done in the Dr.'s office included in \$15 co- pay)	80/20 Plan	\$15 co-pay
Lab, X-ray, and other Diagnostic Procedures (FAC)	80/20 Plan	100%

**FAMILY HEALTH SYSTEM (FHS)**

<u>Benefits</u>	<u>Out-of-Network Benefits</u>	<u>FHS Network Benefits</u>
Allergy Testing Visit (PROF) Children under age 13 Children over age 13 and adults	80/20 Plan 80/20 Plan	\$5 co-pay \$15 co-pay
Allergy Injections and Serum (PROF)	80/20 Plan	\$5 co-pay
<b>Emergency and Urgent Care</b>		
Ambulance Service (AMB)	80/20 Plan	*80/20 plan
Hospital Emergency Room Services (PROF & FAC)	\$50 co-pay	80/20 Plan (waived if admitted)
Urgent Care Center (PROF & FAC) (1)(Shamrock Urgent Care Center Co-pay waived if patient is referred to Shannon ER on same day)	80/20 Plan	\$25 co-pay (1)
<b>Preventive Care Service</b>		
Childhood Immunizations, e.g. DPT, Measles, Polio (PROF)	100% R&C	100%
Office visit, if included with childhood immunizations (PROF)	Not covered	\$5 co-pay
Annual Well-Woman Examination (PROF):		
Office visit	Not covered	100%
Pap Smear	100% R & C	100%
Mammograms (one every 2 yrs. through age 49; once a year thereafter) (PROF)	100% R & C	100%
Routine Physical Exams (includes well-child visit) (PROF) (2) A "PCP introductory Visit" benefit exists for FHS	Not covered	Not covered (2)
Home Health Care (PROF)	80/20 Plan max. 52 visits/yr.	*80/20 Plan
Skilled Nursing Care Facility (FAC)	80/20 Plan 120 days/yr.	*80/20 Plan
Hospice (FAC)	80/20 Plan	*80/20 Plan
<b>Mental Health and Substance Abuse</b>		
Inpatient (PROF & FAC)	See Verizon standard MH/SA benefit	*See Verizon standard MH/SA benefit

**FAMILY HEALTH SYSTEM (FHS)**

<b><u>Benefits</u></b>	<b><u>Out-of-Network Benefits</u></b>	<b><u>FHS Network Benefits</u></b>
Outpatient (PROF & FAC)	See Verizon standard MH/SA benefit	*See Verizon standard MH/SA benefit
(Administered by Managed Health Network 1-800-777-7991)		
Maternity Care		
Office Visit to confirm pregnancy	80/20 Plan	\$15 co-pay
Subsequent Office Visits	80/20 Plan	100%
Inpatient Hospital Delivery (PROF)	80/20 Plan	100%
Inpatient Hospital Delivery (FAC)	80/20 Plan	100%
Newborn Exam (PROF)	80/20 Plan	100%
<b>Voluntary Sterilization (Reversal not covered) (PROF)</b>		
Outpatient	80/20 Plan	\$15 co-pay
Inpatient	80/20 Plan	100%
In-Vitro Fertilization		
Physicians Charges (PROF)	80/20 Plan	*80/20 Plan
Facility Charges (FAC)	80/20 Plan	*80/20 Plan
<b>Artificial Insemination (See benefit description for exclusions)</b>	80/20 Plan	*80/20 Plan
Physical Therapy	80/20 Plan	*80/20 Plan
<b>Durable Medical Equipment (Determined to be medically necessary)</b>	80/20 Plan	*80/20 Plan
Chiropractic Services	80/20 Plan	*80/20 Plan
Prescription Drugs		
Pharmacy	See Prescription Identification Card (PIC)	*See Prescription Identification Card (PIC)
Mail Order	See Mail Order Prescription Plan (MOPP)	* See Mail Order Prescription Plan (MOPP)

(Administered by MEDCO 1-800-GTE-RX95)

\* Not an FHS service, but is provided under the regular 80/20 plan.

**FAC = Facility Services**

**PROF = Professional Services**

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**FLEXIBLE REIMBURSEMENT PLAN (FRP)**

1. Verizon Southwest Incorporated agrees to make available and to implement the Flexible Reimbursement Plan (FRP).
2. For all regular full-time and regular part-time employees, coverage under the Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later.
3. For a summary of details refer to the Flexible Reimbursement Plan Summary Plan Description (SPD).
4. The FRP will be administered solely in accordance with its provisions, and no matter concerning the FRP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the FRP Administrator, the administration of the FRP and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or reimbursements shall be determined by and at the sole discretion of the Company.
5. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Flexible Reimbursement Plan, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

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Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**HEARING AID BENEFIT**

1. Verizon Southwest Incorporated and Communications Workers of America agree to implement the Hearing Aid Benefit set forth in this Memorandum of Agreement to employees who are enrolled in the sponsored Medical Plan.
2. The hearing aid benefit will provide coverage for expenses for a hearing examination by a licensed audiologist or physician, the hearing aid device, molds, repairs, hearing aid check and batteries. The maximum reimbursement under this benefit is \$1,000 per covered individual every twenty-four (24) months. The benefit is not subject to deductible, co-pays or R&C and there are no separate maximums for any in or out of network expenses. Hearing aids are covered for all hearing impairments that are a result of birth defect, illness, accident and/or injury and progressive loss of hearing. Replacement and repair of hearing aids are covered unless due to misuse or loss.
3. The selection of the administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company. No matter concerning the Hearing Aid Benefit or any difference thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.
4. The Plan will be administered solely in accordance with its provisions and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Plan Administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

5. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Hearing Aid Benefit, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Donna Bentley  
CWA Staff Representative  
Date:

## **MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

### **HOURLY EMPLOYEES' PENSIONS**

1. Verizon Southwest Incorporated and Communications Workers of America agree to the provisions of the Plan for Hourly Employees' Pensions.
2. The Plan for Hourly Employees' Pensions will have the following provision:

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>
40 or more years	\$12,900
35 but less than 40 years	\$11,300
30 but less than 35 years	\$ 9,800
25 but less than 30 years	\$ 8,200
20 but less than 25 years	\$ 6,600
15 but less than 20 years	\$ 5,200

3. This Agreement shall become effective as of March 6, 2005, and shall remain in effect until midnight, February 27, 2010, and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with the following procedure:

If this Agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

4. This Agreement may be amended or modified by either party giving written notice to the other of such desire to so amend or modify at least sixty (60) days and not more than ninety (90) days prior to the termination date set forth above. The written notice shall contain a full statement as to the amendments or modifications desired.

Verizon Southwest Incorporated

Communications Workers of America

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**LIVESOURCE INCENTIVE COMPENSATION PLAN**

1. Verizon Southwest Incorporated and Communications Workers of America agree to implement the LiveSource Incentive Compensation Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled, "LiveSource Incentive Compensation Plan."
3. The LiveSource Incentive Compensation Plan will become effective March 6, 2005.
4. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**LIVESOURCE  
INCENTIVE COMPENSATION PLAN**

**1. OVERVIEW**

The LiveSource Incentive Compensation Plan (hereinafter referred as to The Plan) described below has been developed to provide participating employees the opportunity to earn additional compensation based upon achieving Individual and /or Team performance results.

**2. PLAN OBJECTIVES**

Plan objectives and standards will be developed and administered solely by the Company. The development, design, duration, size, location and frequency and/or administration of such LiveSource Incentive Plan are wholly within the discretion of the Company and are not subject to the grievance/arbitration provisions of the Collective Bargaining Agreement.

The following Guidelines shall apply for the application of the Plan:

- a. All full-time, part-time and temporary employees will be eligible (Operator II, Service Assistant and Administrative Clerk.)
- b. The incentive compensation payout will be based on the following performance areas:
  - 1) Quality of Work
  - 2) Compliance to Schedule
  - 3) Quantity of Work
- c. Incentive compensation will be paid on a quarterly basis, the second month following the end of each calendar quarter.
- d. The Company reserves the right to revise the performance measures as it deems appropriate. Any adjustment of measures will be communicated to the Union and the participating employees within a minimum of thirty (30) days advance notice.
- e. It is understood by both parties that there is no guarantee of incentive earnings under the Plan.

**3. INCENTIVE COMPENSATION STRUCTURE**

Incentive compensation is based on individual/team actual performance results. Separate objectives are established for each of the performance areas as outlined in Appendix A.

**4. ADMINISTRATIVE PROVISIONS**

The Company will have the sole and exclusive responsibility of establishing and administering the Plan through the implementation of objectives associated with each of the performance measure areas.

The Company reserves the exclusive right to adjust the objectives as required to ensure equitable treatment of all parties.

The Plan will be administered by LiveSource.

a. ELIGIBILITY

In the event that an individual becomes a participant in the Plan during a quarter, eligibility for incentive compensation will begin on the first day of the following month. Payouts will be pro-rated based on the number of full months that the employee was on the Plan.

Regular full-time employees must work a minimum of six weeks or 240 hours in a quarter to be eligible for an incentive award.

Part-time and temporary employees must work a minimum of 240 hours in a quarter to be eligible for an incentive award which will be pro-rated to the actual number of hours worked (not to exceed 520) in the Plan quarter.

b. MODIFICATIONS OR SUSPENSIONS

The provisions of the Plan may be modified or suspended, in whole or in part, at any time. If suspended, any or all of the provisions may be reinstated. Any modifications or suspensions shall not affect a pro-rata incentive earned during a particular quarter up to the date immediately preceding the modification or suspension.

c. RESIGNATION, LAYOFF, TERMINATIONS, RETIREMENT, DISABILITY OR DEATH

In the event that a participant resigns, is laid off, terminates, retires, becomes disabled or dies during the Plan quarter, he/she or the designated beneficiary(ies) will be eligible to receive an award based on performance up to the effective date of resignation, layoff, retirement, disability or death, provided that a minimum of six weeks or 240 hours was worked during the quarter and all other eligibility requirements have been met. The amount of the award will be computed by the Company and payment made when awards are paid to other plan participants.

d. OFF-LINE TIME

To calculate schedule time for compliance to schedule, the Company will use total "working" time, as defined by the scheduling tool. Scheduled lunch and break are not included in "working" time. All exception off-line time defined as "working" time is included in scheduled time. This off-line time includes (but is not limited to):

- Feedback sessions/coaching
- Training
- Union business-paid/working code
- Clerical duties
- Company meetings

All exception time defined as "non-working" time is NOT included in schedule time. This time includes (but is not limited to):

- Surplus
- Vacation
- Union business-unpaid/non-working code
- Holiday
- Jury Duty
- Absence, FML
- Absence, Sick (paid or unpaid)

e. **PROMOTION. RECLASSIFICATION**

In the event that a plan participant is promoted or reclassified to another occupational title during the Plan quarter, he/she will be eligible to receive an incentive compensation payment based upon performance up to the report date of the promotion or reclassification, but not for performance after the report date of such promotion or reclassification. The participant must have worked a minimum of six weeks or 240 hours during the quarter in LiveSource to be eligible for the pro-rata payment.

f. **REIMBURSEMENT**

In the event that an employee receives payment for an incentive that was not earned, the indebtedness will be recovered in full by the Company.

g. **BENEFITS TREATMENT**

LiveSource Incentive Compensation Plan payments are recognized in the calculation of certain Company benefits as listed in Appendix B. Such payments will be applicable in the year payment is received. This is in accordance with Verizon Benefit Plan definitions.

h. **TAX LIABILITIES**

Deductions for federal, state and local tax liabilities will be calculated and withheld as appropriate from all awards.

i. **GRIEVANCE/ARBITRATION**

The Incentive Compensation Plan shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.

j. OVERTIME PAYMENT DETERMINATION

Incentive dollars are payments for hours worked and must be included in the regular rate for overtime payment purposes.

An employee's wage incentive award for overtime payments will be calculated as follows:

Incentive dollars paid divided by total hours worked  $\times .5 \times$  number of overtime hours in the same period of time for which the incentive dollars were paid.

This calculation should be done when incentive dollars are paid and overtime hours are worked. The hours worked and overtime hours used in the calculation should represent the same period of time for which the incentive payment is being made. As an example, if the incentive payment is quarterly, the total hours worked and the total number of overtime hours worked for that same quarter would be used in the calculation.

Example Calculation:

Quarterly Incentive Award	\$55.00	:
Total Hours Worked	470	=
Incentive Hourly Rate	\$0.1170	x
$\frac{1}{2}$ Overtime Rate	0.5	=
Hourly Overtime Rate of Pay	\$0.0585	x
Total Overtime Hours	24	=
Overtime Payment	\$1.40	

The overtime-incentive payment is not included in benefit plan calculations.

The incentive award overtime payment will be included in the regular quarterly incentive award payout.

## APPENDIX A

### **PAYOUT OBJECTIVES – YEARS 2005 – 2010**

#### **Measurements/Weightings/Incentive Value/Payout Frequency**

**EXAMPLE:** Targeted Annual Incentive Payout at 100% = \$1,000.00

Measure	Annual Weighting	Annual Incentive Value	Maximum Award	Annual Plan Payout Frequency
1. Quality of Work	40%	\$ 400.00	\$ 500.00	Q
2. Compliance to Schedule	30%	\$ 300.00	\$ 375.00	Q
3. Quantity of Work	30%	\$ 300.00	\$ 375.00	Q
<b>Total</b>	<b>100%</b>	<b>\$1,000.00</b>	<b>\$1,250.00</b>	

Q = Quarterly

**NOTE: Compliance to Schedule and Quantity of Work will be measured at the individual level.**

**1. QUALITY OF WORK:**

(40% weighting, \$100.00 per quarter)

Will be measured by an objective third party or an internal measurement at the Company's discretion. Payout will be achieved by the entire office meeting or exceeding the established Center objective for this quarter.

**2. COMPLIANCE TO SCHEDULE:**

(30% weighting, \$75.00 per quarter)

Qualifier: Quarterly absenteeism of less than or equal to two percent (2%). Attendance rate will be computed in accordance with Company policy.

Percent compliance to scheduled working hours will be measured by an automated tracking system. Individual payout can be achieved by working scheduled board hours during the quarter within the following ranges:

	Quarterly Incentive Value	Quarterly Maximum Value
98.5 – 100.0% (maximum)		\$93.75
97.5 – 98.4% (target)	\$ 75.00	
96.5 – 97.4% (threshold)	\$ 56.25	
Under 96.5%	\$ 0.00	

**3. Quantity of Work:**

(30% weighting, \$75.00 per quarter)

Will be measured by the Average Work Time (AWT) for each operator. The operator meeting or exceeding the established AWT objective for the quarter, for their primary service, will achieve payout.

## **APPENDIX B**

<b><u>WAGE RELATED BENEFITS</u></b>	<b><u>YES or NO</u></b>
Vacations	No
Holidays	No
Short Term Disability	No
Pension Plan	Yes
Non-Contributory Life Insurance	Yes
Contributory Life Insurance	Yes
Separation Pay	No
Hourly Savings Plan	Yes

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**LONG TERM CARE PLAN**

1. Effective October 1, 2005, Verizon Southwest Incorporated agrees to make available, without endorsement, the opportunity for employees to enroll in the Long Term Care Plan.
2. For a summary of details refer to the Long Term Care Summary Plan Description (SPD).
3. The Long Term Care Plan will be administered solely in accordance with its provisions, and no matter concerning the Long Term Care Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of the Long Term Care Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.
4. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Long Term Care Insurance, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**LONG TERM DISABILITY (LTD)**

In recognition of the impact a prolonged disability can have on income security and as a valuable supplement to the short-term disability benefits currently provided by the Company, Verizon Southwest Incorporated and Communications Workers of America agree to establish a Long-Term Disability (hereinafter referred to as LTD) plan subject to the following provisions effective March 6, 2005:

1. Regular full-time employees are eligible to participate in the LTD plan, subject to the following requirements:
  - Coverage under the Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later
  - Enrollment during the first ninety (90) days of employment (new hires)
  - Enrollment during the initial Company-designated enrollment period (incumbents with ninety (90) days of continuous employment)
  - Enrollment during periods not mentioned and/or when opting up or increasing the LTD benefit level additionally require regular full-time employees to submit evidence of good health at their expense and approval by the Plan Administrator
  - The disability is not caused by participation in an assault, crime or illegal occupation, an intentionally self-inflicted injury, war or act of war
  - The disability does not result from Pre-existing Conditions that existed within ninety (90) days before the date LTD coverage began. Coverage for Pre-existing Conditions begins twelve (12) months after the coverage effective date.
  - The contributions are continuously paid following enrollment
2. The cost of the LTD plan coverage will be paid by the employee. Contributions for coverage may change from time to time. Should this occur, the Company agrees to notify the Union in writing, within fifteen (15) calendar days prior to the date of modification, specifying the cause for any change in the contribution rate.

3. The LTD plan shall pay monthly benefits as follows:
  - Up to 50% of the employee's basic monthly earnings, up to a maximum of \$3,000 per month, or
  - Up to 60% of the employee's basic monthly earnings, up to a maximum of \$5,000 per month
- Monthly benefits shall be coordinated and reduced by any amount received by Worker's Compensation (or its equivalent), primary and dependent disability or retirement benefits from Social Security, payments under any other State or Federal disability benefits law, GTE pension plan (if applicable), or any other plan which provides income benefits.
  - A. The employee must apply for primary and dependent (if applicable) Social Security disability benefits.
  - B. Plan benefits are not payable for any period of disability during which the employee refuses or fails to apply for Social Security disability benefits or to appeal any denied claim for Social Security benefits.
4. Benefits will be paid, provided the Plan is in force, if eligible employees have been continuously and totally disabled, under the care of a physician and absent from work for twenty-six (26) weeks or if the disability has resulted in twenty-six (26) weeks of absence during a period of fifty-two (52) consecutive weeks and the eligible employees have been under the care of a physician.
  - Monthly benefits will be paid for twelve (12) months, if the disability prevents eligible employees from performing their regular work or an alternative occupation with similar earning potential
  - Monthly benefits will be paid following this twelve (12) month period, if the disability prevents eligible employees from performing any work for which they are otherwise qualified to perform
  - If eligible employees become disabled prior to age sixty (60), benefits will be paid up to their 65th birthday
  - If eligible employees become disabled on or after age sixty (60), benefits will be paid according to the following schedule:

<u>Age of Disability</u>	<u>Benefits Paid to Age</u>
60	65
61	66
62	67
63	68
64	69
65	70
66	70
67	70
68	71
69	72
70	72
71	72.5
72	73.5
73	74.5
74	75.5
75+	For 1 year

- Disabilities as a result of a mental health disorder, alcoholism or drug addiction, will generally result in monthly LTD benefits for no longer than twelve (12) months.
5. During the period LTD benefits are paid, eligible employees will continue to receive life, medical and dental insurance coverage in accordance with the Collective Bargaining Agreement between Verizon Southwest Incorporated and Communications Workers of America . Accredited Service will be applied toward eligible employees' pension calculations until the disability benefits end or the eligible employee retires, quits or dies.
6. The amount and availability of benefits under the LTD Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the LTD Plan, selection of the insurance carrier, eligibility for the benefits, cost of coverage, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.
7. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Long-Term Disability Plan, shall terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**MAIL ORDER PRESCRIPTION PLAN (MOPP)**

1. Verizon Southwest Incorporated and Communications Workers of America agree to extend the provisions of the Mail Order Prescription Plan (MOPP) to employees and their eligible dependents enrolled in the sponsored Medical Plan.
2. Employees and dependents currently covered under the sponsored medical plan will be eligible to participate in the Mail Order Prescription Plan. Once employees (who are covered under the sponsored medical plan) retire, they and their eligible dependents may continue to participate in this Mail Order Prescription Plan on the same basis as active employees. MOPP is not available to participants in Health Maintenance Organizations (HMO's).
3. MOPP will be administered solely in accordance with its provisions, and no matter concerning MOPP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the MOPP Carrier, the administration of MOPP and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.
4. The Company shall have the right to amend MOPP in any way, including the selection of the MOPP Carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent will be limited to those changes applicable to salaried employees.
5. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Mail Order Prescription Plan, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**PENSION PLAN SURVIVOR BENEFITS**

1. Verizon Southwest Incorporated and Communications Workers of America agree to modify the Plan for Hourly Employees' Pensions. Such modifications will be effective March 6, 2005, and are subject to applicable law.
2. The existing pre-retirement survivor pension benefit provisions of the Pension Plan shall be amended to provide a pre-retirement survivor pension benefit for an employee who dies, either during active service or prior to commencing a pension benefit, at a time when he or she is unmarried and has accrued at least five years of vesting service.
3. An unmarried employee may, at any time prior to commencing a pension benefit or dying, designate any living person as the designated beneficiary for the pre-retirement survivor pension benefit. The employee may likewise revise the beneficiary designation at any one or more times prior to commencing a pension benefit or dying. A valid beneficiary designation must be on file for the pre-retirement survivor benefit to be paid.
4. For married employees, the spouse will automatically be considered the beneficiary. However, subject to the requirements regarding non-spouse beneficiaries and with spousal consent, a married employee may name a beneficiary other than the spouse. A single individual must be named as beneficiary; an estate or trust may not be named, nor may multiple individuals.
5. Subject to the provisions of the Plan regarding when the benefit is payable, the pre-retirement survivor pension may be distributed as a 65% survivor annuity, or the lump sum equivalent, based upon the beneficiary's election. However, if the beneficiary is not the participant's spouse and is more than 25 years younger than the participant, the survivor benefit will be the 50% survivor annuity or the lump sum equivalent.
6. If a vested employee terminates employment on or after the effective date, the named survivor will be eligible for the survivor pension payable on the date the employee would have reached the age 65. An actuarially reduced benefit may be payable before age 65 if the vested employee would have been eligible for an earlier commencement.

7. In addition, the Pension Plan shall be amended to allow an employee, at the time of commencing a pension benefit, to designate any living person as the beneficiary for any of the forms of joint and survivor annuity offered under the Pension Plan or any of the term-certain forms of benefit. In the case of an employee who is married at the time of commencing a pension, the employee may not designate any beneficiary other than the spouse without complying with the spousal consent rules of the Plan.
8. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**PERSONAL LINES OF INSURANCE**

1. Verizon Southwest Incorporated agrees to make available, without endorsement, the opportunity for regular full- or part-time hourly employees of the Company who are covered by the Collective Bargaining Agreement to purchase automobile, home and other personal property and casualty insurance through payroll deduction.
2. Personal Lines of Insurance will be administered solely in accordance with its provisions, and no matter concerning Personal Lines of Insurance or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of Personal Lines of Insurance and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.
3. The Company reserves the right at any time, and from time to time, to modify or amend in whole or part, any and all provisions of the agreement with the Insurance Carrier, to change Insurance Carriers, or to terminate the agreement with the Insurance Carrier.
4. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Personal Lines of Insurance, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**PRESCRIPTION IDENTIFICATION CARD (PIC)**

1. Verizon Southwest Incorporated and Communications Workers of America agree to offer the Prescription Identification Card for employees and their eligible dependents enrolled in the sponsored medical plan.
2. Once employees who are covered by the sponsored medical plan retire, they and their eligible dependents may continue to participate in this PIC plan on the same basis as active employees. PIC is not available to participants in Health Maintenance Organizations (HMO's).
3. PIC will be administered solely in accordance with its provisions and no matter concerning PIC or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the PIC carrier, the administration of PIC and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.
4. The Company shall have the right to amend PIC in any way, including the selection of the PIC carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent will be limited to those changes applicable to salaried employees.
5. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Prescription Identification Card, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**SUPPLEMENTAL TERM LIFE INSURANCE**

Effective July 1, 2005, Verizon Southwest Incorporated agrees to make available, without endorsement, the opportunity for employees to enroll in Supplemental Term Life Insurance.

For a summary of details refer to the Life Insurance Summary Plan Description (SPD).

Supplemental Term Life Insurance will be administered solely in accordance with its provisions, and no matter concerning Supplemental Term Life Insurance or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of Supplemental Term Life Insurance and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.

This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Supplemental Term Life Insurance, shall also terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

---

Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**TESTING**

Communications Workers of America acknowledges Verizon Southwest Incorporated may use standardized tests to establish employee qualifications for a job classification.

1. Validated tests for aptitude, knowledge or skills may be utilized when employees transfer or bid into a job classification. The Company may use such validated tests to determine qualifications for a job classification.
2. No bargaining unit employee will be required to take a test(s) to remain qualified for their current job unless a job classification is altered, merged or amended. It is not the Company's intent to test employees for the sole purpose of removing employees from their current job classification.
3. Any such test will be equally applied and administered to all employees covered by the Agreement between the Company and Union. The form, content, and administration of such tests, provided such tests are reasonably related to the essential functions of the particular job classification, shall be at the sole discretion of the Company and shall not be subject to the grievance or arbitration provisions of this Agreement.
4. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall not survive the expiration of the Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Southwest Incorporated

---

Paul Gwaltney  
Senior Staff Cslt - Labor Relations  
Date:

Communications Workers of America

---

Donna Bentley  
CWA Staff Representative  
Date:

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**VISION PLAN**

1. Verizon Southwest Incorporated and Communications Workers of America agree to implement the provisions of the Vision Plan set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Vision Plan Highlights.
3. Some of the major provisions include:
  - No annual deductible
  - Eye exam every twelve months
  - One pair of prescription eyeglasses or contact lenses every 24 months
4. Employees are automatically eligible for the Vision Plan after enrollment in any Verizon medical option. If the employee waives Verizon medical coverage, the employee will not be enrolled in the Vision Plan.
5. The cost of the Vision Plan coverage will be paid by the Company.
6. The amount and availability of benefits under the Vision Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the Vision Plan, selection of the insurance carrier, eligibility for the benefits, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving Vision Plan terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective on March 6, 2005, and shall expire on February 27, 2010. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

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Donna Bentley  
CWA Staff Representative  
Date:

## VISION PLAN HIGHLIGHTS

<b>Feature</b>	<b>Participating Provider</b>	<b>Non-participating Provider</b>
Annual Deductible	None	None
Eye Exam (Once every 12 months)	You pay the network provider a \$25 co-payment.  No claim filing is required.	You pay the expense in full and file a claim with Davis Vision.  The Plan reimburses you up to \$25.
Lenses and Frames (Once every 24 months)*	You pay the network provider a \$75 co-payment for lenses <b>and</b> frames or \$37.50 for just lenses <b>or</b> frames.	You pay the expense in full and file a claim with Davis Vision.  The Plan reimburses you up to \$25 for lenses <b>and</b> \$25 for frames for a maximum reimbursement of \$50.
Contact Lenses (Once every 24 months)*	You pay nothing for standard-wear, soft, daily-wear, or disposable contact lenses.  Discounts available for replacement lenses.	You pay the expense in full and file a claim with Davis Vision.  The Plan reimburses you up to \$50.
Laser Vision Correction	Discounts available.	No discounts available.

\* Limited to one pair of prescription eyeglasses or one pair of prescription contact lenses every 24 months.

### Additional Provisions

- Two or more opticians, optometrists, or ophthalmologists within 20 miles of the employee's home.
- Employees that have no provider within 20 miles can use the Out-of-Area Provision.

### Out-of-Area Provisions

#### Steps to find an Out-of-Area Provider:

1. Call Davis Vision when ready to schedule an appointment for services. The number for Davis Vision can be obtained from the Verizon Benefits Center.
2. Ask the Member Service Associate to locate a non-participating provider (NPP) or give them the name and address of a local provider.
3. Davis Vision will contact the provider to arrange in-network vision care services for you and will contact you with an authorization to receive your services.
4. Employee will receive the participating provider benefits.

### **Professional Provider Services**

Standards of care for eye examinations are entirely consistent with those established by State Departments of Health and include preventive eye care with glaucoma testing, refractive care and the prescribing of eyeglasses.

Each patient receives a comprehensive eye examination with a preferred optometrist or ophthalmologist which includes the following components:

- Case History – chief complaint, eye and vision history, medical history
- Entrance distance acuities
- External ocular evaluation including slit lamp examination
- Internal ocular examination inclusive of dilated fundus evaluation
- Tonometry
- Distance refraction – objective and subjective
- Binocular coordination and ocular motility evaluation
- Evaluation of pupillary function
- Biomicroscopy
- Gross visual fields
- Assessment and plan
- Patient education
- Form completion – school, motor vehicle, etc.

All of these components are fully within the education, training and scope of licensure for both optometrists and ophthalmologists.

**MEMORANDUM OF AGREEMENT**

**between**

**VERIZON SOUTHWEST INCORPORATED**

**and**

**COMMUNICATIONS WORKERS OF AMERICA**

**VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)**

Verizon Southwest Incorporated (hereinafter referred to as the Company) and Communications Workers of America (hereinafter referred to as the Union) hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between January 1, 2009, and February 27, 2010, with a service or disability pension under the GTE Southwest Inc. Plan for Hourly-paid Employees' Pensions and their beneficiaries (hereinafter referred to as the Eligible Participants). This trust is being established to provide benefit security for the term of this Memorandum of Agreement.

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and where applicable, regulatory approval for recovery).
2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs described below or for any other purpose permitted by law.
3. Effective January 1, 2009, the level and type of Retiree Medical Benefits for the Eligible Participants shall be governed by the RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 8 below.
4. In order to receive Retiree Medical Benefits, the retiree must pay a percentage of the Retiree Medical premium ("Retiree Contribution Percentage"). Similarly, the Company will pay a percentage of the premium ("Company Contribution Percentage"), subject to Section 5 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentages will be based on the following contribution schedule:

<u>Years of Accredited Service at Retirement</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Less than 10	0	100
10 through 14	20	80
15 through 19	40	60
20 through 24	60	40
25 through 29	80	20
30 and over	90	10

5. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 2009.
- (b) When the Retiree Medical Benefits Premiums for the \$400 deductible coverage option under RETIREE OPTIONS reach the figures set forth in the chart below ("Capped Retiree Medical Benefits Premiums"), the Company Contribution Amount shall be capped and the Company shall make no additional contributions towards Retiree Medical Benefits Premiums.

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$11,500
Retiree plus one dependant coverage	\$23,000
Family coverage	\$26,000
Medicare covered Retiree (per eligible life)	\$ 4,900

- (c) The Maximum Company Contribution Amount applicable to each Coverage Category shall be determined by multiplying the applicable Company Contribution Percentage times the Capped Retiree Medical Benefits Premium as set forth above for that coverage. The applicable Maximum Company Contribution Amount shall not increase when the Retiree Medical Benefits Premium exceeds the amount set forth in the chart above.
6. In order to receive Retiree Medical Benefits, the retiree must pay the Company the amount the Retiree Medical Premium exceeds the Company Contribution Amount as described in paragraphs 4 and 5 above ("Retiree Contribution Amount"). When the Retiree Medical Benefits Premium reaches or exceeds the Capped Retiree Medical Benefit Premium, the retiree must pay the Company the amount the Retiree Medical Benefits Premium exceeds the Maximum Company Contribution Amount.
7. The Capped Retiree Medical Benefits Premium and the Maximum Company Contribution Amount set forth in paragraph 5 above is based upon the \$400 deductible coverage option. If the retiree elects the \$200 deductible coverage option, the Retiree Contribution Amount will increase by the amount the \$200 deductible coverage option exceeds the \$400 deductible coverage option. If the retiree elects the \$1000 deductible coverage option, the Retiree Contribution amount will decrease by the amount the \$1000 deductible coverage option is less than the \$400 deductible coverage option (not to exceed zero). When the Retiree Medical Benefit Premiums for the \$400 deductible coverage option reach the amounts set forth in the chart in paragraph 5, the Company Contribution Amount for all coverage options, including the \$200 and \$1000 deductible coverage options, shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.
8. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience

and those sections relating to the level and type of Retiree Medical Benefits, need to be modified or rescinded prior to the expiration of the Articles of Agreement. This notification will take place, in writing, within fifteen calendar days prior to the date of modification or rescission. This notification will specify the cause for and affect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

9. The funding and operation of the trust; the level and administration of the Retiree Medical Benefits; amount or cost of premiums; premium pricing mechanisms; the attainment of the Maximum Company Contribution Amount; the selection of the claims administrator, alternate health carrier or insurance carrier; eligibility for the benefits; all terms and conditions related hereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
10. This Memorandum of Agreement is effective on March 6, 2005, and shall be in effect for the duration of this Agreement. The parties specifically agree that this Memorandum of Agreement, the Retiree Medical Benefits described herein, and the terms and conditions set forth in this Memorandum of Agreement relating to Retiree Medical Benefits, including but not limited to the Maximum Company Contribution Amount and the level and type of Retiree Medical Benefits shall terminate on February 27, 2010, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Southwest Incorporated

Communications Workers of America

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Paul Gwaltney  
Senior Staff Cslt – Labor Relations  
Date:

Donna Bentley  
CWA Staff Representative  
Date:

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. Understandings set forth in Exhibits I through VIII as listed below become effective January 1, 2002 according to their terms. These agreements shall supersede or replace existing provisions and shall be deemed to be incorporated into the existing collective bargaining agreements between the Verizon/GTE Companies and their CWA bargaining units except where the included companies or bargaining units may be expressly limited by the Understandings.

Exhibits I through VIII are:

EXHIBIT I	DOMESTIC PARTNER BENEFITS
EXHIBIT II	EDUCATION AND LIFE-LONG LEARNING
EXHIBIT III	HOLIDAYS
EXHIBIT IV	HOURLY SAVINGS PLAN (HSP)
EXHIBIT V	HOURLY SAVINGS PLAN
EXHIBIT VI	NEUTRALITY AND CONSENT ELECTION
EXHIBIT VII	UNION LEAVE OF ABSENCE
EXHIBIT VIII	VACATION CARRY FORWARD (BANKING)

2. These provisions shall be effective on January 1, 2002, subject to ratification by the membership by a national "pooled" vote of all CWA's former GTE bargaining units by secret written ballot.
3. The parties specifically agree that the terms and conditions set forth in Exhibits I through VIII shall terminate on July 1, 2004, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors to Exhibits I through VIII, they shall renew for one year.

VERIZON/GTE COMPANIES

Ronald B. Johnson

Director-Labor Relations

Michael T. Metcalf

Vice President-Labor Relations

Date: 1/6/02

COMMUNICATIONS WORKERS OF  
AMERICA

T. O. Moses

Vice President-Telecommunications

Dina Beaumont

Executive Assistant to the President

Morton Bahr

President

Date: 1/6/02

MEMORANDUM OF AGREEMENT

EXHIBIT I

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**DOMESTIC PARTNER BENEFITS**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union agree to extend benefits, as set forth below, to employees' domestic partners and children of domestic partners.
2. Employees may elect health and welfare benefits coverage of domestic partners and children of domestic partners, as described below. Employees who have been (or will be) identified by the Company as employed as part of an operation that is to be divested as part of former GTE's Video Services/Media Ventures Repositioning program are excluded from this Memorandum of Agreement.
3. The Company and the Union agree that eligibility of a domestic partner for health and welfare benefits shall be based on the following conditions:
  - A. The employee and the domestic partner are same-sex, adult partners.
  - B. Neither the employee nor the domestic partner is married or a domestic partner of a third party.
  - C. Both the employee and the domestic partner are at least eighteen (18) years of age and are mentally competent to contract.
  - D. The employee and the domestic partner are not related by blood to a degree of closeness that would prohibit legal marriage in their state of residence.
  - E. The employee and the domestic partner live together at the same permanent residence.
  - F. The employee and the domestic partner are jointly responsible for each other's welfare and basic living expenses.
  - G. The domestic partner is the employee's sole domestic partner and intends to remain so indefinitely.
  - H. The employee and the domestic partner agree to notify the Company and any other appropriate party of any changes in the above conditions.

4. The Company and the Union agree that eligibility of children of domestic partners for health and welfare benefits shall be based on the following conditions:
  - A. An eligible domestic partner is the natural parent, adoptive parent or legal guardian of the child.
  - B. The child is unmarried and either under the age of nineteen (19), or under the age of twenty-five (25), attending an accredited secondary school, college, university or nursing school, and are dependent on the domestic partner for care and support.
5. An employee may elect coverage of a domestic partner and any children of a domestic partner for the following benefits. The amount and availability of benefits are governed by the provisions of the applicable plan and are subject to the Internal Revenue Code and related regulations.
  - A. Medical
  - B. Dental
  - C. Health care continuation coverage
  - D. Flexible Reimbursement Plan Healthcare Reimbursement Account (for IRS Tax Dependents)
  - E. Dependent Care Reimbursement Account (for IRS Tax Dependents)
  - F. Retiree Medical (limited to Domestic Partner and children of Domestic Partner who are covered by medical plan at time of employee's retirement)
  - G. Group Universal Life
6. Employees are entitled to Bereavement Leave in the event of the death of a domestic partner, children of the domestic partner and other domestic partner family members as specified in the relevant collective bargaining agreement.
7. Employees are entitled to Family and Medical Leave for the care of a seriously-ill domestic partner, or child of a domestic partner, subject to general eligibility requirements.
8. Other benefit programs are also available to domestic partners and/or their children, as applicable. Availability and amount of benefit is governed by the applicable plan or policy.
  - A. Event travel Expense (one guest accommodated)
  - B. Financial Counseling
  - C. Survivor Support
  - D. Dependent Scholarships (children of domestic partner only)
  - E. Adoption Assistance (employee must be adoptive parent)
  - F. Company Discounts (recipient is employee)
  - G. Childcare Discounts (recipient is employee)
  - H. Employee Assistance Program

9. In the event that any of the above Domestic Partner Benefits are found to be discriminatory against non-eligible, unmarried employees in any jurisdiction, then these Domestic Partner Benefits will not be available in that jurisdiction.
10. To the extent that the terms of any plan conflict with the provisions of this Memorandum of Agreement, the terms of such plan shall govern. Notwithstanding the foregoing, this Memorandum of Agreement shall constitute part of the plan to which it relates; provided, however, it may be elaborated upon in other plan materials, such as employee bulletins and enrollment materials, by the Company. To the extent that any provision of this Memorandum of Agreement conflicts with any state or local law, the parties agree to discuss the applicability of such state or local law.

MEMORANDUM OF AGREEMENT

EXHIBIT II

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**EDUCATION AND LIFE-LONG LEARNING**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

The Company and the Union agree to continue joint efforts (including the 100% tuition reimbursement and the 100% prepaid feature), which allow employees additional opportunities to learn and enhance their knowledge of the jobs being performed. On an "as needed" basis as determined jointly by the parties, a joint study team, consisting of management and union officials, will be created to explore opportunities for joint educational programs. Joint study teams will explore issues such as:

- The level of employee awareness of the Verizon Communications, Inc. tuition assistance program.
- The role of education assistance in the attraction and retention of bargaining unit employees.
- The design and coordination of communication vehicles, in conjunction with NACTEL, to encourage employee and prospective employee participation in the AAS degree in Telecommunications or other programs developed.
- The identification of certain non-degreed programs, which enhance or certify job knowledge.

Any joint study team formed by the parties will report its findings and make recommendations to the Joint Company/Union Steering Committee for review and final determination.

MEMORANDUM OF AGREEMENT

EXHIBIT IV

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**HOURLY SAVINGS PLAN (HSP)**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union will make the Hourly Savings Plan (HSP) available to regular full or part-time hourly employees of the Company who are covered by a Collective Bargaining Agreement.
2. The Company reserves the right at any time, and from time to time, by action of the Board of Directors, to modify or amend in whole or part, any or all of the provisions of the HSP, but no such amendment or modification shall have the effect of reducing the accrued benefits of members, retired members, former members or their beneficiaries or of diverting any part of the Trust Fund to any purpose other than for the exclusive benefit of members, former members, or their beneficiaries and the payment of reasonable HSP administration expenses.
3. The Company reserves the right, by action of the Board of Directors, to terminate or partially terminate the HSP at any time. Upon termination or partial termination of the HSP or upon the complete discontinuance of contributions under the HSP, the member accounts of the members affected by the termination, partial termination, or complete discontinuance of contributions as the case may be shall be nonforfeitable.
4. The HSP may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan; provided, however, that no such merger, consolidation, or transfer shall be consummated unless each member and beneficiary under the HSP would receive a benefit immediately after the merger, consolidation, or transfer, if the transferee plan then terminated, that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation or transfer, if the HSP had then terminated.
5. The Company and the Union agree that every provision heretofore contained in this Agreement is contingent upon the Company's receipt of a favorable determination that the HSP, as amended, continues to be qualified under Section 401 (a) et. seq., of the Internal Revenue Code. In the event any recession in the HSP is necessary to obtain or maintain a favorable determination from the Internal Revenue Service, the Company will make the revisions, adhering as closely as possible to the level of benefits contained in the HSP.
6. In the event any portion of this Agreement is determined by a court or government agency to be in violation of existing law or is voided by a change in existing laws, the Company retains the unilateral right to make whatever modifications it deems necessary and appropriate to comply with the law, including the right to rescind the Agreement, if it deems no such modification is

feasible. The Company shall have no obligation to bargain or negotiate with the Union in the event that this Agreement is modified or eliminated or in the event the Company does not implement any or all of the provisions of this Agreement because it does not receive Internal Revenue Service approval, any or all of these plans are deemed not qualified, or because of a change in existing laws.

7. The HSP will be administered solely in accordance with its provisions and no matter concerning the HSP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement but rather shall be governed by the terms and conditions of the HSP and the interpretation of the HSP Committee.

MEMORANDUM OF AGREEMENT

EXHIBIT V

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**HOURLY SAVINGS PLAN**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

The Company and the Union agree to increase the company matching contribution to the Hourly Savings Plan (HSP).

- Effective July 7, 2002, the company matching contribution will increase from 66 cents to 75 cents for every \$1 contributed by the employee, up to a maximum of six percent of pay.
- Effective July 6, 2003, the company matching contribution will increase from 75 cents to 82 cents for every \$1 contributed by the employee, up to a maximum of six percent of pay.

MEMORANDUM OF AGREEMENT

EXHIBIT VI

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**NEUTRALITY AND CONSENT ELECTION**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

This agreement between Company and the Union covers all understandings between the parties concerning union organizing; access to employees and code of conduct applicable to union organizing efforts.

The Union and the Company recognize that it is in their mutual interest to enhance the success and image of the Company, to acknowledge the Union as a valued partner, and to foster the pride and commitment of the employees. The parties also share the mutual goals of building a world class, high performance enterprise and addressing employment security through business success and employee development. As a means to enhance these goals, the parties will mutually support regulatory and legislative efforts, marketing/sales and service efforts and other business initiatives leading to employment security and Verizon's business success.

The parties also recognize that the Union's goal of growing membership is intrinsically linked to the successful growth of the business. In order to maintain this perspective and to avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and Consent election will be applicable to Verizon's former "GTE Network Services Companies" (Incumbent Local Exchange Carriers and Logistics). This shall be the exclusive means by which the Union, their locals, or individuals acting on their behalf, will conduct an effort to organize eligible employees in the covered Verizon's former "GTE Network Services Companies" (Incumbent Local Exchange Carriers and Logistics) as defined by the National Labor Relations Act.

1. Employee Choice

Both the Union and the Company support and agree with the principle that the decision as to whether or not to become represented by a union is one that does not belong to either the Union or to the Company. Rather, it is an individual decision that belongs to the employee. With the parties' mutual recognition of this fundamental tenet, the following provisions are intended to establish, encourage and nurture an environment during a union organizing drive that will allow employees to choose whether or not to become represented in a fully informed and uncoerced manner. All negotiations concerning appropriate unit, access, conduct and voting will be performed by Verizon Labor Relations Staff in conjunction with local management and designated Union representatives.

2. Neutrality

The Company and the Union agree that an organizing drive will be met by a neutral position by the Company. This statement is consistent with and reinforces the previously established

principle of employee choice. It should follow that an environment intended to foster employee choice would be a neutral environment and that information communicated by either party would be fact based and not misleading, distorted or disparaging. Neutrality means the following:

- (a) Management will not be anti-Union nor will the Union be anti-management.
- (b) Management will not advocate that employees should not vote for a Union to represent them.
- (c) The Unions will be afforded reasonable opportunities for access to employees to get their message communicated.
- (d) Management will respond to employee questions and is obligated to correct inaccurate or misunderstood information by employees.
- (e) The Union(s) will be referred to by name and will not be characterized as a "third party" or "outsider".
- (f) Any written information distributed to employees by either party relative to the organizing campaign will be shared with the other. The parties' communications with employees will be shared with the other. The parties' communications with employees will be in accordance with this agreement.
- (g) Neither party will hire consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked.
- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct meetings for the sole purpose of discussing organizing activities without inviting appropriate Union representatives to attend.

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

### 3. Rules

The procedures to be followed are listed below:

- (a) The Union must show a minimum of 50% + 1 show of interest on signature cards of the appropriate unit.
- (b) A vote of 50% + 1 of those votes, validated by the Third Party Neutral (TPN), will determine the outcome.
- (c) If the Union is not successful, another election will not be scheduled for twelve months.
- (d) The TPN will resolve any issue concerning challenged ballots in similar fashion to the National Labor Relations Board (NLRB) process.

### 4. Time Bound

It is in the interest of both parties that the organizing campaign be conducted expeditiously. The Union is therefore obligated to notify management of its intention to conduct a formal organizing drive before it begins. The date of this notification will "start the clock". The entire campaign, including the consent election, will be concluded in 90 days. It is the intent of the parties that the 90-day time frame will include discussion and agreement on the unit. In the event the parties are unable to agree on the unit, the dispute resolution process set forth below will be utilized and the time period will be extended by the number of days required to reach agreement on the unit, but in no event will the total campaign, including resolution of the scope of the bargaining unit and the consent election process exceed 120 days. If employees vote not to be represented, the Union agrees not to initiate another campaign (nor continue the current campaign) in that same work group for 12 months from the date of the conclusion of the campaign. This would not preclude the local Union from having contact with the workers in the group. If employees vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and will be limited to the agreed upon unit.

**5. Informed Decision**

Both parties agree that employees should be fully informed about all aspects of Union representation. The Union will provide fact-based information to employees as it endeavors to convince prospective members of the merits of being represented by a Labor Union. Management's role during this process will include:

- (a) responding to individual employee inquiries;
- (b) explaining the organizing process, including obligations and responsibilities; and
- (c) correcting any inaccuracies, misstatements or misunderstandings disseminated by the Union.

**6. Free from Coercion**

Consistent with the basic tenet of employee choice, the parties want to ensure that employees have expressed their choice from an informed position and are completely free from any coercion by the Company, the Union or any other party or parties. One way to ensure this objective is to have a NLRB conducted election.

In the alternative, the Company and the Union agree to use a process that is called "Consent Election." This process will work as follows:

- (1) As part of the access discussions, the parties agree to use "Consent Election".
- (2) The Unions shall initiate the consent election process by providing to a TPN proof of support by means of show of interest cards from 50% + 1 of the employees in the unit. The TPN will then notify Verizon Labor Relations Staff and request a list of names, job titles and home addresses. The Company will furnish the list within five working days. The Union will also be furnished with the list. The "show of interest" cards will clearly state their purpose and that a secret ballot consent election will be conducted to determine the will of the unit. If the TPN determines that the Union has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.
- (3) The election process will be supervised by a mutually selected TPN, whose role is to ensure the integrity of the process itself, and will be conducted within two weeks of the submission of the Union's show of interest to the TPN. Employees will be asked to express their individual preference in a manner that will ensure that their choice will not be known to either party. The TPN will count the votes and advise the parties of the outcome. Consistent with this agreement, a vote of 50% + 1 of those who vote will control. The parties may have an observer present when the TPN counts the ballots.
- (4) In all cases, the election process shall take place within 14 days of receipt and verification of the Union's show of interest cards by the TPN. In those cases where there is no dispute about the composition of the unit, the election process will be held within seven days. The election may be held at the Company location or at a neutral site as agreed by the parties. The cost of using a neutral site will be split equally by the parties.

If there is a dispute as to composition of the unit, the TPN shall decide the issue within an additional seven days.

**7. Access Agreement**

As soon as reasonably practicable after a request by the CWA for access, Verizon Labor Relations Staff, in conjunction with local management and CWA representatives, will meet to discuss the details related to reasonable access to the unit by the CWA representatives. The Union will be allowed reasonable opportunities for access to Verizon facilities. It is the intent and commitment of Verizon and the CWA that the access agreed upon will not interfere with

the operation and other normal and routine business activities, plans and programs of Verizon generally, and specifically, the selected unit. Access agreed upon will be in non-working areas and during employee non-working times. Agreements as to eventful access, such as access to conference rooms, will be reasonable in length and there will be reasonable periods between requests for eventful access. However, an uneventful access, such as a prearranged meeting with an individual employee, will not be affected.

If Verizon and the CWA are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other units will be looked to for guidance as to what works and is reasonable. Verizon and the CWA commit that they will reach such an access agreement in each instance in an expeditious manner.

#### 8. Dispute Resolution

- (a) Questions or disputes arising during the course of an organizing effort within a particular unit of non-represented employees will, in all cases, be addressed first by and between the parties themselves and, in particular, Labor Relations Staff in conjunction with local Verizon management and appropriate CWA representatives. It is the intent and desire of Verizon and the CWA that such matters are dealt with by and between the parties themselves, particularly at the local level, without having to resort to the assistance of a third party. It is also agreed, however, that if every good faith and reasonable effort has been made, but the matter unresolved, the process described below will be utilized.
- (b) The TPN will resolve disputes in the manner set forth in this agreement. Either Verizon or the CWA can refer a question or dispute, unresolved after good faith efforts have been made to resolve the dispute locally, to the chosen TPN by providing three working days' written notice to both the other party and the TPN. The notice will provide concise statement of the question or dispute to be addressed and a statement that the parties have attempted in good faith but have been unable to resolve the matter by and between them.
- (c) If the question or dispute involves a matter related to access (i.e., the nature, event, time, location, individuals involved, etc.) the TPN will fully investigate all relevant facts surrounding the question or dispute. The TPN will then call the parties together and attempt to facilitate resolution of or otherwise mediate the matter.

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

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

- (e) Regardless of the type of question or dispute that is submitted to the TPN, the parties will each be given a full opportunity to present their positions and supporting factual information prior to the issuance of any opinion. No written briefs will be submitted. There shall be no ex parte contact with the TPN without the concurrence of all parties. Verizon and CWA believe that matters pertaining to these values are best handled by and between the parties themselves and resort to a TPN should be necessary in only a limited number of cases.

Verizon and the CWA agree that the parties may distribute a decision of the TPN to employees in the selected unit but not outside to the public such as the press.

- (f) The parties agree that the process set forth herein shall be the exclusive means for resolving disputes covered by this dispute resolution process, and neither party will utilize any other forum (e.g. NLRB, federal court, etc.) to address issues subject to resolution pursuant to this process.
- (g) All expenses, resulting from the use of the TPN process, shall be split equally by Verizon and CWA.

#### 9. Acquisitions and Ventures

The parties recognize the rapidly changing nature and structure of the communications industry. Verizon may acquire (or be acquired by) another entity. It has and may in the future form joint ventures or strategic alliances, may license its brand or technology, or may be a financial investor in other entities. The employees in those entities may be non-represented, represented in whole or in the part of the CWA, or represented in whole or in part by some other labor organization. It is not possible to structure a single rule which will apply to all such circumstances and the Company cannot compel other entities to abide by this agreement.

MEMORANDUM OF AGREEMENT  
Between  
THE VERIZON/GTE COMPANIES

EXHIBIT VII

And  
COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**UNION LEAVE OF ABSENCE**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

WHEREAS former GTE/CWA bargaining unit employees have become full-time employees of the CWA or its local affiliates;

WHEREAS the treatment of such CWA employees for Verizon/GTE pension benefit credit varies both among former GTE/CWA bargaining units and between CWA and local affiliate employment; and

WHEREAS other employers in Verizon's industry permit similarly situated employees greater pension benefits credit than does Verizon/GTE;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. Any full time employee of a Verizon/GTE Company in a CWA bargaining unit who becomes a full-time employee of either CWA or a CWA local affiliate (a "Verizon/GTE-Union employee") shall be entitled to be on leave of absence status from Verizon/GTE. While on such leave status, the Verizon/GTE-Union employee shall continue to accumulate seniority and shall retain return rights to the bargaining unit.
2. While on leave of absence status, a Verizon/GTE-Union employee shall accrue Accredited Service under the Verizon/GTE Pension Plan in which the employee actively participated while a bargaining unit employee until either:
  - a. The Verizon/GTE-Union employee ends his/her full-time employment with the CWA or a local affiliate; or
  - b. The Verizon/GTE-Union employee retires from Verizon/GTE or otherwise affirmatively relinquishes his/her leave of absence; or
  - c. The aggregate length of all such leaves of absence equals fifteen (15) years.
    - i. Effective January 1, 2002 the aggregate length of all such leaves of absence equals eighteen (18) years.
    - ii. Effective January 1, 2004 the aggregate length of all such leaves of absence equals twenty (20) years.
3. This provision will apply retroactively, providing that to be eligible for retroactive leave of absence status and pension benefit credits as described hereinabove, the Verizon/GTE-Union employee must have been a current full-time CWA or local affiliate employee on March 1, 2000, and must not have as of that date retired or received a voluntary separation benefit from Verizon/GTE.
4. In the event that any court of competent jurisdiction finds this Agreement to be unlawful, it shall be null and void as of the date of its execution, but Verizon/GTE and the CWA will immediately negotiate in good faith to provide the most equivalent lawful benefit for Verizon/GTE-Union employees.

MEMORANDUM OF AGREEMENT

EXHIBIT VIII

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**VACATION CARRY FORWARD (BANKING)**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

1. The Company and the Union agree that eligible employees may carry forward into future years a limited number of weeks of vacation for each vacation year as set forth in this Memorandum of Agreement.
2. Employees eligible for four (4) weeks of vacation may carry forward up to one (1) vacation week for each vacation year; employees eligible for five (5) weeks of vacation may carry forward up to two (2) vacation weeks for each vacation year.
3. Such carried forward vacation shall be subject to supervisory approval.
4. Future scheduling of such accumulated carried forward vacation time is subject to advanced written application and approval.

MEMORANDUM OF AGREEMENT

Between

THE VERIZON/GTE COMPANIES

And

COMMUNICATIONS WORKERS OF AMERICA  
(CWA)

**SERVICE AND SENIORITY RECOGNITION**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE Companies" or "the Companies" or "the Company") have collective bargaining relationships throughout the United States;

NOW THEREFORE THE VERIZON/GTE COMPANIES AND CWA agree as follows:

**SERVICE RECOGNITION**

1. Effective with the merger of fGTE and the former Bell Atlantic (fBA) on June 30, 2000, all service will be recognized prospectively at all "affiliate" companies for retirement eligibility and vesting purposes.
2. Effective January 1, 2002 any service previously recognized by pre-merger fBA for Net Credited Service (NCS) and ERISA Service of at least 1000 hours will be recognized by the fGTE "affiliate" companies for eligibility and vesting in pension plans (but not for calculation of pension benefits) and for eligibility for health and welfare plans and retiree medical plans.
3. Effective January 1, 2002 Verizon (fGTE) will recognize service for pension eligibility and vesting purposes (but not for calculation of pension benefits), for eligibility for health and welfare plans, and for retiree medical plans that meets the definition of eligible Portability service as described briefly below:
  - The employee must have been working at a Portability Company on December 31, 1983.
  - The employee had to be a non-supervisory employee (or a supervisory employee with a base pay of \$50,000 or less) on December 31, 1983 and at termination. The pay limit is adjusted monthly for inflation and it is based on the Consumer Price Index (CPI).
  - The employee must not have elected to waive Portability treatment at any point in their career at any company.
4. Individuals who are subsequently rehired will be eligible for recognition of prior service, as identified in paragraphs 1, 2 and 3 above, upon completion of 1,000 hours of continuous active service.
5. Employees will have until February 1, 2002 to request a review of prior service—subject to research and verification of employee records. In the event the employee's request is received after February 1, 2002, bridging will be effective upon verification.

**SENIORITY RECOGNITION**

Effective January 1, 2002 it is further agreed that all service recognized for pension and vesting eligibility and health and welfare benefits is recognized by all parties to this Agreement for seniority purposes for all represented employees subject to the following conditions:

1. Service, as defined in this Memorandum of Agreement, with a Verizon Company that is earned while the employee is represented by the Communications Workers of America is recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement.
2. Service, as defined in this Memorandum of Agreement, with a Verizon Company that is earned while the employee is represented by a union(s) other than the Communications Workers of America is recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement where the seniority provisions of that other union(s) are reciprocal.
3. Service, as defined in the Memorandum of Agreement, with a Verizon Company that is earned while the employee is not represented by a union will be recognized for seniority purposes in all Verizon/CWA collective bargaining agreements covered by this Memorandum of Agreement after the employee has been represented by the Communications Workers of America for one year, but in no event earlier than January 1, 2003.

This agreement shall supersede or replace existing relevant provisions and shall be deemed to be incorporated into the existing collective bargaining agreements between the Verizon/GTE Companies and their Communications Workers of America bargaining units.

VERIZON/GTE COMPANIES

Ronald B. Johnson

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Director-Labor Relations

Michael T. Metcalf  
Vice President-Labor Relations

Date: 1/6/02

COMMUNICATIONS WORKERS OF AMERICA

T. O. Moses

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Vice President-Telecommunications

Dina Beaumont  
Executive Assistant to the President

Morton Bahr  
President

Date: 1/6/02