

2005 National Internet Contract

Between

**Communications Workers of
America**



and

SBC Internet Services



**SBC Internet Services
And
Communications Workers of America**

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AGREEMENT

This agreement is made and entered into as of ~~4/24~~ 2005 by and between COMMUNICATIONS WORKERS OF AMERICA (hereinafter called the "Union") and SBC Internet Services (hereinafter called the "Company"). The Company and the Union agree as follows:

ARTICLE 1 RECOGNITION

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

Section 1.02 Applicable job titles:

Billing Coordinator
Customer Billing Representative
Support Administrator I
Provisioning Administrator I
Provisioning Administrator II
Technical Support Representative I
Technical Support Representative II
Support Administrator II
Provisioning Administrator III
Connectivity Specialist I
Circuit Coordinator
Connectivity Specialist II
Network Specialist

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

ARTICLE 2
COMPANY-UNION RELATIONS

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

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

Section 2.03 **Unpaid Union Time**

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

- A. The Union recognizes that service requirements, as determined by the Company must be taken into consideration in excusing Union representatives from work to perform Union activities.
- B. Except for unusual circumstances, Union representatives shall give at least one (1) week notice, prior to the requested time off for Union activities.
- C. Time off for Union activities will be limited to two hundred (200) hours per calendar year, per Union representative, except that up to five (5) Union representatives may have time off for Union activities limited to 560 hours per calendar year. Time off to engage in formal negotiations for subsequent collective bargaining agreements shall not be included in determining the amount of time off for the purpose of this section.
- D. Time off for Union activities shall not be deducted from the employee's seniority.

Section 2.04 Paid Union Time

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

- A. Pay shall be allowed only if the employee has been excused from duty in advance by the employee's supervisor to attend the meeting or perform the Union activity.
- B. The meeting pertains to matters relating to employees of the Company represented by the Communications Workers of America.
- C. Paid time is limited to the actual meeting time, and will be paid at the straight time, not to exceed eight (8) hours of pay.
- D. Under no circumstance, will an overtime rate be paid to employees as a result of attending a meeting with management or performing Union activities under this Section.

Section 2.05 Union Activities On The Company's Premises

- A. Authorized representatives of the Union may be granted access to the Company's premises where employees covered by this contract are located upon application to the appropriate Company representative, subject to the Company's practices and the requirements of Government regulations.
- B. The Union, or employees acting as its officers or agents, may conduct Union activities and distribute Union literature, on Company premises with notification to the appropriate Company Representative. Activities shall only be permitted on Company premises when both the employees performing the activity and the employees to whom the activity is directed are on non-work time (such as lunch periods, rest periods and before or after an employee's work time). Distribution of Union literature may take place only in areas where work is not performed and on the employee's non-work time. Union literature shall not contain anything controversial or anything derogatory to the Company or any of its employees. Should the Union distribute any Union literature that, in the judgment of the Company, is at variance with the spirit and intent of this Section, such literature shall be immediately collected by the Union upon notification by the Company.

C. Union activities involving the solicitation of members on the Company's premises shall be carried on only in accordance with the following:

1. Solicitation of employees shall only be made during periods when neither the Union representatives nor the employees being solicited are on Company time, excluding paid rest periods and lunch periods.
2. Such solicitation shall not be carried on in space where the Company's operations or administrative work is being performed.
3. Such solicitation shall be limited to small groups of employees (not to exceed four (4)), unless authorization for a larger group is obtained in advance from the appropriate Company representative.
4. Such solicitation shall not interfere with the operations of the Company or the use of the space for the purposes for which the space was intended.

ARTICLE 3
UNION SECURITY AND PAYROLL DEDUCTIONS OF UNION DUES

Section 3.01 Effective thirty (30) calendar days following the effective date of this agreement, all employees in the bargaining unit shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members. Employees who enter the bargaining unit after the effective date of this agreement assume this obligation thirty (30) calendar days after they enter the bargaining unit.

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

Section 3.03 Section 3.01 and 3.02 above shall only apply in the State of California on the effective date of this contract. If during the term of this Contract the Union shall become duly authorized under the laws of the States of Nevada and/or Texas to enter into this type of union security agreement, the effective date of this Section as to employees in Nevada and Texas shall be the date upon which the Company receives proper written evidence from the Union that it is fully qualified to enter into such an agreement in Nevada and/or Texas.

Section 3.04 The Company agrees to collect Union dues monthly and on a designated pay period through payroll deduction from the employee's pay check, upon receipt of a written authorization form signed by the employee and delivered to the Company. This authorization shall be effective until the employee revokes the authorization in writing.

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

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

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

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

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

ARTICLE 4
NO STRIKE/NO LOCKOUT

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

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

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

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

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

ARTICLE 5
BULLETIN BOARDS

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

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

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

ARTICLE 6
NONDISCRIMINATION
AFFIRMATIVE ACTION
FEDERAL AND STATE LAWS

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

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

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

- A. The ADA Committee is empowered to resolve any issues or problems regarding a potential conflict between obligations under the ADA and the terms of this Contract.
- B. Agreements made by the ADA Committee will not prejudice the position of either party and will not be cited in any other proceeding. Such agreements will not be subject to the grievance and arbitration process.
- C. Unresolved issues or problems regarding potential conflicts will not delay or defer the Company's actions. If the ADA Committee is unable to resolve a dispute, the issue(s) regarding appropriate actions under the ADA and the Contract may then be addressed under the arbitration provisions of the

Contract. To ensure timely resolution of such disputes, the grievance procedure shall be bypassed and the matter submitted directly to arbitration.

- D. The Union representative participating in the ADA Committee, if an employee of the Company, will be paid for attending ADA Committee meetings in accordance with Article 2, Section 2.04.

ARTICLE 7
CLASSIFICATION OF EMPLOYEES

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

ARTICLE 8
SENIORITY

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

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

ARTICLE 9
TIME OFF

Section 9.01 **Paid Holidays**

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

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

Holidays that fall on a Sunday will be observed on the following Monday. When a holiday falls on a Saturday, employees will be given another day off in a subsequent week or a preceding week as determined by the Company. All time off earned in the previous vacation year, must be taken before any time off in the current vacation year can be taken.

Section 9.02 **Working On A Holiday**

Employees who work on a holiday, will not be given a day off to be taken at a later date. Employees who work on a holiday will be paid eight (8) hours at straight time for the holiday and at time and one half (1 ½) for each hour worked on the holiday.

Section 9.03 **Holidays During A Vacation Week**

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

Section 9.04 **Vacation Year**

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

However, an employee may be granted vacation for which they are otherwise eligible in a vacation year without performing any work for the Company in that year provided they are not on a leave of absence or disability and such

vacation is contiguous to and continues with their vacation for the preceding year; or such vacation begins during the first seven (7) days of the vacation year.

Section 9.05 Vacation Eligibility

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

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

Section 9.06 Carry-over Vacation

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

The Company may at its discretion place employees on vacation and require them to take vacation at a specified time. The number of weeks management may place employees on vacation is limited to not more than one (1) week in a vacation year. Should the need to place employees on vacation occur, the Company will provide thirty (30) days notice to the affected employees.

Section 9.07 Vacation Selection

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

Section 9.08 Personal Days Off

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

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

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

Section 9.09 Carry-Over Of Personal Days Off

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

Section 9.10 Selection Of Personal Days Off

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

Section 9.11 Civic Duty

Employees must give their supervisor advance notice when they are requested to appear for jury duty. Time off to comply with a summons for obligatory jury duty will be paid subject to court verification. The Company will grant unpaid time off for other court ordered processes. Employees are expected to

notify their supervisors as soon as possible of the need for time off to comply with any court order.

Section 9.12 Death In An Employee's Immediate Family/Household

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

Section 9.13 Absence

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

Section 9.14 Excused Time Required By Law

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

ARTICLE 10
WORKING CONDITIONS

Section 10.01 **Work Schedules**

The Company will determine and post the work schedules. Employee's scheduled work hours may start at any time of the day, on any day of the week and may be spread over any six (6) days of the week. Work schedules will be posted for a minimum period of one (1) week and are subject to change, with forty-eight (48) hours notice to the employee. However, work schedules will not be posted for employees who normally work the same hours Monday through Friday.

Section 10.02 **Split Work Days**

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

Section 10.03 **Change Of Hours**

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

Section 10.04 **Cancellation Of Hours**

- A. If an employee is notified less than one (1) hour before the originally scheduled start time that the scheduled hours are canceled, the affected employee will receive two (2) hours of pay at the straight time rate.

- B. If an employee reports to work and his/her hours are canceled for the remainder of the day, the employee will receive four (4) hours of pay at the straight time rate or pay for the actual hours worked, whichever is greater.

Section 10.05 **Overtime**

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

Section 10.06 **Shift Differentials**

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

the employee's rate of pay for purposes of computing payments during periods of vacation and holidays, if the following conditions are met:

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

Section 10.07 Sunday Premium Payments

Employees who work on a Sunday shall receive the rate of one and one-half (1 ½) times the employee's base wages, up to a maximum of eight (8) hours per day. Employees who are excused from work with pay during scheduled hours on Sunday shall be paid at straight time for the excused absence.

Section 10.08 Meal Periods

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

Section 10.09 Rest Periods

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

Section 10.10 Relief Differential

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

Section 10.11 Working In A Different Title

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

Section 10.12 Travel and Temporary Work Locations

- A. The Company will either furnish all means of transportation or specify what transportation shall be used for travel on Company business.

- B. Employees who agree to use their personal vehicles for Company business will be reimbursed at the then current IRS reimbursement rate for mileage.

- C. Employees may be assigned to work at a temporary work location. When employees are assigned to work at a temporary work location, the employee will be reimbursed for travel time and transportation expenses to and from the temporary work location in excess of that required for the employee's normal commute.
- D. Transportation expenses include, but are not limited to, mileage, bridge toll, parking, airfare, and bus fare.

Section 10.13 Overnight Trips

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

- A. Transportation expenses as described in Section 10.12
- B. Lodging, approved in advance by the Company
- C. Meals, not to exceed twenty-five dollars (\$25) per day, unless management approves a higher amount in advance.

Section 10.14 Changes to Job Titles

- A. Whenever the Company determines it is appropriate to create a new job title or change a job title in the bargaining unit, it shall give advance notice to the Union. The Union may initiate negotiations over wage ranges regarding new job titles.
- B. Whenever, during the life of the Contract, the Company determines it appropriate to create a new job title in the bargaining unit, it shall proceed as follows:
 - 1. The Company will give advance notice to the Union in writing of such new job title and provisional wage range. Notification will include information about the new or changed job title and the assigned provisional wage range. Upon such notification, the Company may proceed to staff such position within the provisional wage range.
 - 2. The Company agrees to meet with the Union, upon the Union's request, to discuss all aspects, which led to the Company's decision to create the new job title and the assigned provisional wage range.
 - 3. The Company will conduct a follow-up review to assess whether the provisional wage range remains appropriate. The follow-up review

will occur no less than six (6) months after staffing. After the Company's follow-up review is completed, the Company will notify the Union in writing. The notification will include information regarding the wage range.

- C. Within thirty (30) days from the Union's receipt of the notice referred to in Section 10.14B3, the Union shall have the right to initiate negotiations concerning the wage range established by the Company.
- D. The parties agree that they shall negotiate for a period of no more than sixty (60) calendar days from the date such negotiations commenced. If no agreement is reached within the sixty (60) calendar days, the Union may elect to submit the issue to a Neutral Third Party for resolution. The Union will notify the Company in writing of its intent to submit the issue to a Neutral Third Party within thirty (30) calendar days from the conclusion of the negotiations. If the Company does not receive written notification within the thirty (30) calendar day period referred to above, the matter shall be considered settled in the Company's favor.
- E. All the time limits in Section 10.14 may be extended by mutual agreement.
- F. If the parties reach an agreement, such agreement on the wage range shall be applied retroactively to the day of establishment of the new job title and wage range.
- G. The Neutral Third Party referred to above shall be selected from the panel of arbitrators referred to in Section 16.06 of this agreement.
 - 1. The Neutral Third Party will render a written decision within fifteen (15) working days after the hearing.
 - 2. The Neutral Third Party is empowered to decide only whether the wage rate assigned by the Company or the wage rate requested by the Union is the appropriate rate.
 - 3. The Neutral Third Party shall have no authority to add to, subtract from, or modify any provisions of this Agreement.
 - 4. The Neutral Third Party's decision shall be applied retroactively to the day of the establishment of the new job title and wage rate.

H. The procedures set forth in Section 10.14 shall be the exclusive means by which the Union may dispute the wage range set by the Company.

ARTICLE 11
COMPENSATION

Section 11.01 **Eligibility**

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

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

Section 11.02 **Wages**

A. July 2005 (For California and Nevada Employees Only)

Eligible employees in California and Nevada only will receive a 4.0% lump sum payment of the employee's annualized (52 weeks) weekly wage rate as of July 23, 2005 to be paid no later than August 24, 2005.

B. July 2006

Effective July 23, 2006, establish Wage Schedules, increase Wage Schedules by 3.0% to top exponentially, resulting in the wage schedules below:

Step	WS 5	WS 7	WS 9	WS 11	WS 13	WS 15	WS 17	WS 19
1	\$583.40	\$624.00	\$658.00	\$695.00	\$729.50	\$768.00	\$806.50	\$845.50
2	\$605.48	\$650.66	\$689.46	\$727.83	\$763.82	\$803.61	\$843.40	\$883.66
3	\$628.40	\$678.47	\$722.42	\$762.20	\$799.75	\$840.87	\$881.98	\$923.53
4	\$652.19	\$707.46	\$756.96	\$798.20	\$837.38	\$879.86	\$922.33	\$965.21
5	\$676.88	\$737.69	\$793.15	\$835.90	\$876.77	\$920.65	\$964.53	\$1,008.77
6	\$702.50	\$769.21	\$831.07	\$875.39	\$918.02	\$963.34	\$1,008.66	\$1,054.29
7	\$729.09	\$802.08	\$870.80	\$916.73	\$961.21	\$1,008.01	\$1,054.80	\$1,101.87
8	\$756.69	\$836.35	\$912.43	\$960.03	\$1,006.43	\$1,054.75	\$1,103.06	\$1,151.59
9	\$785.33	\$872.09	\$956.05	\$1,005.37	\$1,053.78	\$1,103.65	\$1,153.52	\$1,203.56
10	\$815.05	\$909.36	\$1,001.76	\$1,052.86	\$1,103.35	\$1,154.83	\$1,206.30	\$1,257.87
11	\$845.91	\$948.22	\$1,049.65	\$1,102.59	\$1,155.26	\$1,208.37	\$1,261.48	\$1,314.64

(6 month time interval between steps)

Eligible employees whose July 22, 2006 wage rate is at or below the top step of their respective wage schedule, will be slotted to the step with a rate that is closest to, but not lower than their July 22, 2006 wage rate.

Employees with a wage rate below the top step who are slotted to step 11 will receive, at a minimum, a \$5.00 increase to their wage rate.

Eligible employees whose July 22, 2006 wage rate is above the top step of their respective wage schedule, will receive a 3.0% lump sum payment of the employee's annualized (52 weeks) weekly wage rate as of July 22, 2006 to be paid no later than August 23, 2006.

<u>Job Title</u>	<u>Wage Schedule</u>
Billing Coordinator	5
Customer Billing Representative	5
Support Administrator I	7
Provisioning Administrator I	7
Provisioning Administrator II	9
Technical Support Representative I	9
Technical Support Representative II	11
Support Administrator II	13
Provisioning Administrator III	13
Connectivity Specialist I	15
Circuit Coordinator	17
Connectivity Specialist II	19
Network Specialist	19

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

Section 11.03 Discretionary Lump Sum Payments

A lump sum payment of up to five (5) percent of an employee's annualized (52 weeks) weekly wage rate may be granted to individual employees at the Company's discretion.

Section 11.04 Additional Cash Awards

The Company may provide employees with additional cash awards.

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

ARTICLE 12
TEAM AWARD

Section 12.01 **Team Award**

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

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

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

- Billing Coordinator
- Customer Billing Representative
- Provisioning Administrator I
- Support Administrator I
- Support Administrator II
- Technical Support Representative I
- Technical Support Representative II

The Team Award Target is eleven (11) percent of the employee's actual annual base wages for the award year for the following job titles:

- Circuit Coordinator
- Connectivity Specialist I
- Connectivity Specialist II
- Network Specialist
- Provisioning Administrator II
- Provisioning Administrator III

Section 12.02 **Team Award Eligibility**

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

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

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

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

Section 12.03 Team Award Prorating

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

ARTICLE 13
EMPLOYEE DISCOUNT PROGRAM

Section 13.01

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

ARTICLE 14
FORCE ADJUSTMENT

Section 14.01 **Transfers**

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

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

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

Section 14.02 **Relocation Of Work**

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

Section 14.03 **Force Adjustment**

Whenever force conditions as determined by the Company are considered to warrant a surplus and the possible layoff of employees, the Company shall notify the Union in writing, prior to notifying the affected employees. Employees will be laid off in a process determined by the Company. The surplus employees designated for layoff will be notified a minimum of two (2) weeks prior to the layoff date, unless otherwise provided by law.

Section 14.04 **Layoff Allowance**

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

LENGTH OF SERVICE	LAYOFF ALLOWANCE
0 - 12 Months	1 week of pay
13 - 24 Months	2 weeks of pay
25 - 47 Months	3 weeks of pay
48 Months or More	4 weeks of pay

Section 14.05 **Priority Rehire**

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

ARTICLE 15
BENEFIT PLANS

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

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

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

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

ARTICLE 16
PROBLEM RESOLUTION PROCESS

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

Section 16.02 All issues or prospective grievances may be taken up informally with the appropriate manager in an effort to resolve the matter. In no case will such an informal attempt to resolve an issue or grievance result in a modification of the time limits, for filing a formal grievance, provided for in Section 16.04B, below.

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

Section 16.04 **Grievances**

The Company and the Union agree that grievances shall be confined to differences arising out of the interpretation or application of the agreement and disciplinary action for just cause. In the event of such grievances, the following grievance procedures shall be followed:

- A. The Union will submit the grievance in writing within thirty (30) calendar days of the date of occurrence of the action, or within thirty (30) calendar days of the date of discovery of the action by the affected employee, to be considered timely presented. Grievances not presented within the timeframes specified above, will not be eligible for processing under the grievance process.
- B. Written submission of the grievance shall include the name of the grievant (if applicable), the Article/Section of the contract alleged to have been violated or the disciplinary action that is at issue, the date of occurrence of the alleged violation/action, sufficient details to set forth the nature of the grievance, and the remedy sought.

- C. All grievances will be submitted by the Union to the employee's immediate supervisor. The supervisor will provide the Union with requested information relevant to the grievance within ten (10) days following presentation of the grievance. Disputes over relevancy of information requested will be referred to the National Union Representative and Labor Relations Director level.

- D. The Step I grievance meeting will be held with the above referenced manager and two (2) Union representatives; however, only one (1) Union representative will be paid for attending the grievance meeting, except as provided in Section 16.04(D)(1) below. Payment for the one (1) Union representative attending the grievance meeting will be made in accordance with Article 2 Section 2.04.
 - (1) Two (2) Union representatives, who attend a Step I grievance meeting, involving the dismissal of an employee, will be paid in accordance with Article 2 Section 2.04.

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

- F. At the conclusion of the Step I grievance meeting, Management will verbally inform the Union of the Company's position and rationale.

- G. The Union must notify the Company's Human Resources representative in writing of its intent to escalate the grievance to Step II within fifteen (15) calendar days following the Step I meeting, or the date the Step I meeting should have been held as stated in Section 16.04E. The Union's failure to notify the Company of its intent to escalate the grievance within fifteen (15) calendar days will result in the grievance being considered withdrawn from the grievance procedure.

- H. The Step II grievance meeting will be held with a representative from Human Resources and two (2) paid Union representatives. Payment for the Union representatives attending the grievance meeting will be made in accordance with Article 2, Section 2.04.

- I. The Step II grievance meeting will be held within fifteen (15) calendar days of receipt of the Union's written notification of its intent to escalate the grievance to Step II. If the Step II grievance meeting is not held within fifteen (15) calendar days of the Union's written presentation of the grievance and no mutual agreement to extend the timeframe has been reached, the grievance will be considered denied by management.
- J. The Company will send the Step II Company position in writing to the National Union – District Vice President, or designated representative with a copy to the Local Union, within five (5) calendar days of the Step II grievance meeting.

Section 16.05 Arbitration

- A. If the Union is not satisfied with the Company's position at the final meeting in the grievance procedure, the Union may request that the grievance be arbitrated using regular arbitration or where mutual agreement is reached and the grievance involves disciplinary action, mediation or expedited arbitration.
- B. The National Union will notify the Labor Relations Executive Director, in writing, of its desire to meet on the grievance within thirty-five (35) calendar days of receipt of the Step II Company position letter as described in Section 16.04J above. The meeting between Labor Relations and the National Union will be held within fifteen (15) calendar days of receipt of the written notice. The National Union may elect to waive this meeting and, within the same thirty-five (35) calendar day time limit, notify the Company of its intention to arbitrate the grievance as specified below. If the Union fails to send either written notice within the time limit stated (35 calendar days), and no mutual agreement to extend the time limit has been reached, the grievance will be considered withdrawn from the grievance process.
- C. The Labor Relations Executive Director, or designated representative, will send a final Company position letter to the District Vice President of the National Union within five (5) calendar days of the National Union/Labor Relations meeting. Within thirty (30) calendar days following the National Union's receipt of the Company's final position letter, the Union will notify the Company, in writing, of its intention to arbitrate the grievance.

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

Section 16.06 Just Cause

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

Section 16.07 Arbitrator Panel

The parties shall establish a panel of ten (10) arbitrators, with the Company selecting five (5) and the Union selecting five (5). A sequential rotation will be established and used to assign arbitrators to cases.

Section 16.08 Power Of The Arbitrator

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

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

Section 16.09 Arbitrator's Decision

Except as provided in Expedited Arbitration, Section 16.10, the arbitrator will render a written decision within thirty (30) calendar days from the date the matter is submitted. All decisions will be final and binding on all parties. Prior to the arbitration hearing, the parties may mutually agree in writing that a particular case will be non-precedent setting, otherwise all decisions will constitute a precedent, except those grievances that are arbitrated using the expedited arbitration procedures as described in Section 16.10.

Section 16.10 Expedited Arbitration

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

Section 16.11 Mediation

- A. The parties may agree that a grievance which has been appealed to arbitration in accordance with Section 16.05 may be presented at a mediation conference. Such agreement to mediate a grievance will not extend any of the timeframes listed in Section 16.05.
- B. The mediator will be selected from the panel of arbitrators using the process described in Section 16.07.
- C. The parties at the mediation conference may accept the resolution proposed by the mediator and such settlement will not be precedent setting for other cases or grievances and may not be cited in any other proceedings between the parties.
- D. If no settlement is reached during the mediation conference, the mediator shall provide the parties with an oral advisory opinion, unless both parties agree that no opinion shall be provided. The mediator shall state the grounds for his or her opinion.
- E. If no settlement is reached at the mediation conference, the grievance will be heard in arbitration in accordance with the provisions in Section 16.05. In the event that a grievance that has been mediated is subsequently arbitrated, nothing said or done by the mediator may be referred to at arbitration, including settlement proposals. The mediator cannot serve as the arbitrator in the case.

Section 16.12 Arbitration/Mediation Expenses

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

ARTICLE 17
CONCLUSION

This agreement shall be effective ~~4~~ ²⁴ 2005 and shall continue until 11:59 p.m. on July 21, 2007. Negotiations on a new contract shall begin not earlier than sixty (60) days prior to such termination. It is the intention of the parties with respect to the collective bargaining of future contracts to conduct their negotiations thereon in such a manner as to reach a new agreement on or before the termination of the present contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed this 22 day of April 2005.

For Communications Workers of
America

For SBC Internet Services

Tina Beaumont

Wm. A. Beckley