

This is the entire text of the collective bargaining agreement between Verizon Select Services Inc. and the International Brotherhood of Electrical Workers, Local 543, effective May 14, 2006, through May 7, 2011.

This electronic document is for informational purposes only. The Agreement executed between the parties is the controlling document.

AGREEMENT

BETWEEN



VERIZON SELECT SERVICES INC.

AND

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,  
LOCAL 543



*Effective May 14, 2006 through May 7, 2011*

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ARTICLE I

Agreement

This agreement entered into this 14<sup>th</sup> day of May 2006 by and between Verizon Select Services Inc. hereinafter referred to as the "Company" and Local 543 of the International Brotherhood of Electrical Workers, affiliated with the AFL-CIO, hereinafter referred to as the "Union".

In Witness Whereof the parties hereto have caused this Agreement to be executed by their duly authorized officers and committees:

Verizon Select Services

International Brotherhood of Electrical  
Workers Local 543

\_\_\_\_\_  
Mark Grignol  
Sr. Staff Consultant Labor Relations

\_\_\_\_\_  
Les Dugger  
Business Manager

Bargaining Committee:

\_\_\_\_\_  
Bob Foster

\_\_\_\_\_  
Art Garcia

\_\_\_\_\_  
Paul Gwaltney

\_\_\_\_\_  
Al Cota

Section 1  
Duration of Agreement

1. This agreement and the provision hereof shall remain in full force and be binding from 12:01 a.m., **May 14, 2006** until 12:01 a.m. **May 7, 2011**, and from year to year thereafter unless either party notifies the other party, not less than 30 calendar days prior to the anniversary date of this Agreement or of an extension thereof, of its desire to terminate or amend the same. If an amendment is desired, the parties shall exchange proposals not less than ten (10) calendar days prior to actual negotiations.
2. In the event notice of desire to amend is given, the parties hereto agree to hold joint conferences beginning not less than 15 calendar days prior to the anniversary date for the purpose of negotiating amendments with regard to wages, hours, working conditions and other matters of collective bargaining.
3. The parties hereto agree that during such conference, there shall be no cessation or stoppage of work, service, or employment on the part of or at the insistence of either party, provided however, that in the event the negotiations are deadlocked after the anniversary date of the Agreement, there shall be a 7-day period during which time the Company and the Union shall endeavor to find means to peacefully settle their differences, and thereafter both parties shall be released from their obligations as set forth in Article I, Sections 5, 6, 8, and 9 and further provided that any cessation or stoppage of work, service, or employment after said 7 day period shall automatically terminate this agreement.

Section 2  
Management Prerogatives

The Company has and will retain the right and power to exercise its sole discretion to manage the plant, initiate action, formulate and change the working schedules, and direct the working forces, including the right to hire, to suspend or discharge for just cause, to promote, demote, lay off and transfer its employees, subject to the provisions of this Agreement, and to promulgate and from time to time change the rules and regulations not inconsistent with this Agreement governing the conduct of employees both on and off Company premises during the performance of work assignments. The Company's right to exercise its sole discretion in these matters will be limited only by the specific agreements made between the Company and the Union as written in this collective bargaining agreement during contract negotiations or as later agreed in writing between the parties to this agreement.

### Section 3 Union Recognition

The Company recognizes the Union as the exclusive representative of all employees working in the classifications covered by Exhibit A of the Agreement who are employed on the Boeing sites in Long Beach, Huntington Beach, Carson, Cypress, Anaheim, Canoga Park, Palmdale, Seal Beach, Torrance and California, or any additional Boeing sites as determined by management, for the purpose of collective bargaining with respect to wages, hours, working conditions and other conditions of employment.

### Section 4 Representation

1. The Union agrees to notify the Company's Labor Relations Manager of the stewards representing employees of this unit. The Company will advise the Union of the names of the various supervisors with whom grievances shall be processed in Step One. Any steward or grievance committeeman in lieu of such steward shall upon request to the Company be given sufficient time off to process grievances.
2. The Company agrees that upon notifying management of his intentions the steward or grievance committeeman shall not be hindered, coerced, restrained or interfered with in the performance of his duties of investigation, presentation, and adjustment of grievances or disputes as provided in the grievance procedures, which duties may be performed during the steward's or grievance committeeman's working hours. It is understood and agreed by the parties hereto that each will cooperate with the other in reducing to a minimum the actual time spent by the stewards or grievance committeemen in investigating, presenting and adjusting grievances or disputes. The Union will not promulgate nor administer Union business on Company time (excluding rest periods) except by reason of investigation, presenting or adjusting grievances and disputes.
3. Officers and representatives of the Union who are employees of the Company and who have been selected by the Union as its representatives may, dependent upon business needs, be granted time off without pay not to exceed 20 days per year, except by mutual agreement, to take care of Union business, provided that reasonable notice is given to the Company.

Section 5  
Management/Union Cooperation

1. The Company is engaged in services requiring continuous operation, and it is agreed that recognition of such obligation of continuous service during the term of this Agreement is imposed upon both the Company and its employee's members of said Union. The Union agrees that, with respect to the employees covered by the Agreement, it will not call upon or permit them to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under the Company in accord with the terms of the Agreement and the Company agrees on its part to do nothing to provoke interruption of, or prevent such continuity or performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's business.
2. The Company and the Union will cooperate with each other to promote harmony and efficiency in labor relations.
3. This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Such amendment must be reduced to writing and state the effective date of the amendment.
4. The Company agrees to keep in its employ only members in good standing with the Union. Any non-members shall affiliate themselves with the Union on the 31<sup>st</sup> day after signing of this agreement or on the 31<sup>st</sup> day after date of hire, whichever is later.

Section 6  
Payroll Deduction of Union Dues

The Company agrees to deduct Union dues from the employee's wages and to transmit same to the local Union as per the authorization of each individual employee. This authorization shall be revocable at any time with 15 days notice.

The Company will furnish the Union in intervals of 4 weeks, copies of the computer reports for each employee in the bargaining unit who has been hired, terminated, transferred, changed in classification, or changed in status.

The Union agrees to hold harmless and indemnify the Company against liabilities resulting from the process of dues/fees from employees and subsequent transfer to the Union. The Union recognizes that the deduction and transfer of such dues/fees is merely a service of convenience provided by the Company for the purpose of transferring amounts owed by the employee to the Union.



Section 7  
Bulletin Boards

The Company shall supply one half of employee bulletin board space for the use of the Union in posting officially signed Union bulletins, and the space shall be so identified. All bulletin boards will be accessible to the employees.

Section 8  
State or Federal Law

1. It is understood and agreed that if during the term of this Agreement, mandatory laws applicable to and in conflict with any of the provisions hereto shall become effective and thereafter govern the parties in respect to such conflicting provisions, this Agreement shall be modified by the parties to conform with such laws.
2. Should any provisions of this Agreement be declared illegal by any court of competent jurisdiction such provisions shall immediately become null and void, leaving the remainder of the Agreement in full force and effect, and the parties shall thereupon seek to negotiate substitute provisions which are in conformity with the applicable laws.

Section 9  
Non-Discrimination

1. The Company agrees to employ persons without regard to race, color, age, religion, sex or national origin, and the Union agrees to make membership available on the same terms.
2. The use of masculine or feminine gender in this contract shall be construed as including both genders and not as sex limitations, unless the contract clearly requires a different construction.

Section 10  
Contracting

Except as limited by specific language of this contract, nothing else shall limit the Company in the employment of such contract labor as, in the sole discretion of the Company, may become necessary for the proper construction, installation, removal and maintaining of communications facilities. However, the Company shall not enter into any contractual arrangement for the construction, installation, removal and/or current maintaining of plant facilities which may result in the lay off or part-timing of employees covered by this agreement or otherwise has the affect of reducing the size of the bargaining unit. It is not the intent of the parties to construe this paragraph as a limit on expanding the scope of work to be performed by bargaining unit employees. Where practical, the Company agrees to offer scheduled overtime assignments to it's own employees before offering said overtime to contract employees.

## ARTICLE II

### Section I Working Hours and Work Schedules

1. The workweek is Sunday through Saturday.
2. An employee's regular shift shall be 8 hours, inclusive of two 15 minute paid rest periods and exclusive of a midpoint meal period of one-half hour (or one hour by mutual agreement).
3. The regular work schedule for employees shall consist of five (5) consecutive days on, followed by two (2) consecutive days off, but not more than five (5) days in any single workweek and the same days in each workweek. Employees shall have a choice of days off and shifts on the basis of bargaining unit seniority. Only his qualifications and the needs of the business shall limit an employee's exercise of seniority in this selection.
4. By mutual agreement of the parties, an alternate workweek may be used consisting of four (4) consecutive days on, followed by three (3) consecutive days off. In such case an employee's regular shift will be ten (10) hours at a straight time rate, inclusive of two 15 minute paid rest periods and exclusive of a midpoint meal period.

### Section 2 Shift Differentials

1. Changes in regular shifts normally will be posted seven (7) calendar days before going into effect but in no event less than 48 hours. During the posted period, employees will select shifts and days off.
2. A night differential of one dollar (\$1.00) per hour shall be paid for the entire scheduled tour when any portion of the tour falls between 9:00 p.m. and 6:00 a.m. Shift differential will not be included as part of the employee's rate for the purpose of calculating overtime. Shift differential will not be prorated. Shift differential will not be paid on holidays not worked, nor during vacations, nor during periods covered by sick benefits, nor will it be paid for work falling within the specified hours as a result of overtime which is a continuance of a regularly assigned shift or if it is a result of an emergency call-out.
3. All time worked on Sunday shall be paid at 1 ½ times the straight time rate of pay.

4. When conditions of the work require, an employee may be assigned a special shift for a particular job, for 8-hour periods, provided the assignment continues for at least three, but not more than five consecutive days and the Company provides 48 hours notice to the employee. Special shifts are paid at straight time rates plus applicable shift differential. If an employee is not notified 48 hours in advance of his assignment to a special shift, he will be paid time and one-half for all hours outside the normally scheduled hours.

### Section 3 Meals

1. On a normally scheduled workday, should an employee be required to work outside his regularly assigned working hours, he will be entitled to a payment of \$7.00 in-lieu-of-meal in accordance with the following:
  - A. If it is regular scheduled overtime, he shall be entitled to a meal payment after working three (3) hours beyond regular quitting time.
  - B. If it is two hours or more beyond his shift as a result of a shift extension.
2. Any meal payment referred to above will not be paid if the Company provides said meal.

### Section 4 Overtime

1. Definitions:
  - A. Time worked in excess of 8 paid hours in any workday. (Except as provided in Article II, Sec. 1, Para. 4 Alternate Work Week) "Paid hours" include hours worked and/or all time not worked for which pay is received.
  - B. Time worked outside of regularly scheduled hours. "Worked hours" include paid holidays and time paid as a result of a call-out and shall be counted toward the accumulation of 60 hours in a calendar week. Time paid as sick time, vacation, sleep time, and excused time paid will not be counted toward 60 hours.
2. Overtime Distribution
  - A. For work requiring overtime, a volunteer list will be maintained. Such work shall be divided as equally as practicable among those employees qualified and available in each job classification at each headquarters. If there is an unreasonable disparity of hours, appropriate adjustments will be made to the overtime scheduling.
  - B. Overtime will be offered starting with that employee having the least amount of overtime recorded.

- C. Refusals will be recorded and counted as hours worked, for purposes of maintaining equity.
  - D. An employee being added to the overtime list at any time will be credited with the average number of overtime hours of those already on the overtime list. On January 1 the recorded overtime will revert to zero. An employee who wishes to have his name removed from the volunteer list must give management at least one week's notice.
  - E. If overtime cannot be filled by volunteers, it will be assigned to that employee having the least amount of overtime.
  - F. If sufficient personnel are not available from the volunteer list, assignments may be made from the crew list.
3. Compensation
- A. Overtime will be paid at the rate of 1 ½ times the straight time rate of pay.
  - B. All hours worked in excess of 60 in a calendar week shall be paid at the rate of 2 hours pay for each hour worked. For the purpose of this paragraph, the term "hours worked" includes the time paid as a result of a call-out.

Section 5  
Call-Out Payments

- 1. When an employee is called outside of his regularly scheduled working hours, (other than for prearranged work) time worked, including reasonable travel time, shall be considered call-out time. The minimum time for which compensation shall be paid is two hours. If allowed minimum overlaps into normal shift, straight time pay for regularly scheduled hours shall commence at the close of the two hours minimum period.
- 2. All time worked at an overtime rate will be calculated to the nearest one-tenth of one hour (6 minutes).
- 3. An employee who has worked eight hours at an overtime rate during the 16 hours immediately preceding the starting time of regular shift may be relieved from duty for a six hour rest period. That portion of the six hour rest period which coincides with this regular scheduled shift will be paid at the contractual straight time rate.

When an employee has qualified for the rest period, he will receive two times the contractual straight time rate for all hours worked until relieved. If the employee has had six hours off at the time he reports for his regular shift, he will receive the contractual straight time rate. If the employee has not had six hours off at the time he reports for his regular shift, he will receive two times the contractual straight time pay, until he is relieved from duty.

When an employee is relieved for a six hour (or more) rest period, he will be notified when to report to work. If he fails to report back at that time, all rest period pay and any unworked regular time will be forfeited.

## Section 6 Permanent and Temporary Headquarters

### 1. Definitions

- A. Permanent headquarters is defined as stipulated in Article I, Sec. 3.
- B. An employee's reporting location may be any facility established by the Company within his permanent headquarters area.
- C. The Company may establish temporary headquarters at any location where work is to be performed for a temporary period of time, normally in excess of one day. Temporary assignments will not exceed 10 working days without mutual agreement between the Company and the employee.

The Company agrees to give 36 hours notice when establishing a temporary headquarters. If less than 36 hours notice is given, an employee will be paid at the overtime rate for the first day of the temporary assignment.

### 2. Board and Lodging Expenses

- A. The Company will pay the employee's expenses while he is assigned to temporary headquarters, provided the lodging is taken at places designated by the Company.
- B. The Company will continue to pay the employee's expenses while he is retained at temporary headquarters on his days off, unless mutually agreed otherwise.
- C. Employees who work overtime while receiving board and lodging at the Company expense shall not be entitled to payment for additional meals.

### 3. Transportation

- A. The Company will provide transportation facilities or pay expenses for travel at the beginning and end of a temporary assignment when an employee is being dispatched between his permanent and temporary headquarters.
- B. If the Company directs the employee to report to a job site, which does not entail additional travel from the employee's home, the Company will not be obligated to pay for mileage.
- C. An employee, with the approval of his supervisor, may report directly to the job instead of his permanent or temporary headquarters; in such cases, he will furnish his own transportation.
- D. Company vehicles are not to be used for transportation to facilities that provide meals, unless authorized by management.

### 4. Travel Time

- A. An employee being dispatched from his permanent or temporary headquarters to a job will be paid for his time consumed in such travel. When the employee is directed to return to his permanent headquarters, travel time will be paid.
- B. If travel to a temporary headquarters or job site does not entail additional time from the employee's home, the Company will not be obligated to pay for the time spent traveling.
- C. All travel required of an employee after reporting for work each day shall be on Company time.
- D. From time to time employees may be asked to travel on weekends in order to attend training classes. Travel for the purpose of attending off-site training classes shall be paid at the basic hourly rate and shall not be considered time worked. Therefore, notwithstanding other provisions of this agreement shall not be overtime eligible or considered in calculations for determining overtime eligible hours.

### 5. Meals & Incidental Expenses When Away From Headquarters Overnight

- A. An employee will be allowed \$20.00 for expenses on the day he leaves for the out-of-town assignment.

An allowance of \$30.00 per day for those days he is away from headquarters for the entire day.

An allowance of \$20.00 for the day he returns to headquarters from the out-of-town assignment.

The expense allowance covers all expenses incurred by the employee except for transportation and motel accommodations. Receipts for motel charges are required.

- B. Those employees away from headquarters for one day at a time (not overnight) will have a normal meal treatment as set forth in Art. II, Sec. 3, Paragraph 2(a).

#### Section 7 Standby Pay

1. In order to respond quickly to a request/need for service, on call status and pay will be used when management deems it to be appropriate. Standby status is defined as a predefined number of hours, occurring outside of the employee's normally scheduled work hours, in which the employee must be ready to receive and respond to a communicated need for service and reach the customer's site promptly and as soon as possible.
2. Standby duty will be rotated amongst employees that have familiarity with the account and the technical qualifications to respond to anticipated problems.
3. When the employee is in a standby status, he/she will receive \$22.00 per day for time spent on standby status. Pay for time spent in standby status will not be used for hours worked calculations and will not be paid at overtime rates since standby pay is not pay for time worked.
4. Should an employee be informed that they are on standby status and subsequently be unavailable to receive communication regarding service needs or to promptly respond to a call for service performance the employee will be subject to disciplinary action up to and including termination.
5. In the future, employees may be asked to remotely clear a case of trouble while on standby. In the event that the trouble is cleared remotely during standby hours, then the standby pay shall serve as adequate compensation to that employee. Employees may be compensated for excessive numbers of calls at Management's discretion. If the employee is required to physically visit the customer site in order to clear a trouble, then the call out pay provisions of this Agreement shall apply.

ARTICLE III  
Absences from Work

Section 1  
Vacation

1. Accrual Rates

There shall accrue to each full time regular employee vacation credits for the total number of years of continuous and active service completed with the Company at the following rates:

Years of Accredited Service	Weeks of Vacation
Less than 12 months	0
1 year but less than 5 years	2
5 years but less than 15 years	3
15 years but less than 25 years	4
25 or more years	5

2. Time for Taking

A. The time for taking a vacation, which may be any time that does not interfere with the operation of Company business, shall be arranged by the Company after consulting with the employee. To the extent practicable, vacations will be arranged on a Company seniority basis at the time requested. The Company will make every effort to accommodate the employees requested vacation. Once the vacation schedule is completed, (by March 31<sup>st</sup>) the Manager will approve said schedule within seven (7) calendar days. Changes to scheduled vacations will be dealt with on a case-by-case basis. In any event, an answer to vacation change requests will be given within seven (7) calendar days.

B. An employee entitled to two (2) weeks of vacation under Article III, Section 1, Paragraph 1 of this Article may designate one (1) week of his vacation as a "split" vacation week to be taken on a day-at-a-time basis. Any vacation week or weeks so designated must be scheduled and taken subject to the following provisions:

(1) The employee shall normally designate the intent to take one (1) or two (2) weeks of vacation on a day-at-a-time basis under the provisions of this section at the time of selecting full weeks in the normal manner. An employee who has not designated such an intent and subsequently wishes to take a previously scheduled full week of vacation on a day-at-a-time basis, may do so subject to management approval.



- (2) Request for individual vacation days will be considered in the order received after all full weeks of vacation have been selected and scheduled in accordance with Article III. Section 1.

Requests for individual vacation days shall be made as far in advance as possible, ordinarily not less than ten (10) calendar days prior to the day(s) being selected. However, requests with less than ten (10) days notice will still be considered and may be granted subject to the needs of service as determined by management.

If an employee is entitled to five weeks vacation, one week must be taken during the months of January, February, March, April, November or December in accordance with Article III, Section 1, Paragraph 1e of this Agreement. If this week is taken in individual vacation days, all vacation days must be taken during these months.

- (3) Day-at-a-time vacation days may not be taken on authorized holidays. The number of days at a time vacation days taken on Saturday or Sunday will be limited to two in any given year per employee.
- (4) No work shall be scheduled for an employee on a vacation day.
- (5) Individual vacation days not selected and approved by management by October 1 of the current year may be designated by management in accordance with the needs of service.

C. Any changes in the date of scheduled vacation must be by mutual agreement of the employee and the Company.

### 3. Use of Vacation Credit

- (1) When an employee has vacation credit, such credit must be used by taking vacation leave during the calendar year in which such vacation credit has been established. In the event an employee's first anniversary of employment falls on such a date in December as to preclude taking his full week vacation within the remaining days of that calendar year, then such employee shall be allowed additional time to complete the full vacation, but in any event not later than the succeeding January 31, except as noted below.
- (2) If, due to business needs as determined by management, an employee is unable to take all of his earned vacation during the calendar year in which such vacation credit is established, the employee will be allowed to carry over up to five (5) days to be taken prior to March 31 of the following calendar year.

#### 4. Credits and Debits – Termination

If a full time regular employee has vacation credit at the time of terminating his employment with the Company, whether by quitting, discharge, layoff, or retirement, he shall receive vacation pay in lieu of vacation time off with his closing check. If he has vacation debit (received more vacation time off with pay than he earned) at the time of such termination, the amount of overpayment shall be subtracted from his closing paycheck and any remaining vacation debit shall be refunded to the Company by the employee.

#### Section 2 Holidays

1. Authorized holidays with pay at straight time rates are as follows:

New Year's Day	Thanksgiving Day
Memorial Day*	Thanksgiving Friday
July Fourth	Christmas Day
Labor Day *	Floating Holidays (6)

#### **Effective 1/1/2009: Floating Holidays (7)**

\* Federal legal holidays observed on Monday

- A. Up to one floating holiday may be taken in two hour increments.
2. Individual Floating Holidays not selected and approved by Management by November 1 of the current year may be designated by management in accordance with the needs of the service.
  3. Work performed on holidays shall be paid for at the rate of 2 ½ times the straight time rate for all hours worked on holidays. It is understood that the hours which coincide with the employee's regularly assigned hours, the (8) hours holiday pay is included in the 2 ½ times.
  4. When any of the above holidays fall on a regular day off, if it falls on the first day off, the holiday will be observed on the preceding workday; if the holidays falls on the second day off, the following workday shall be observed as the holiday. A full time regular employee not working on a holiday shall receive 1 days pay if he works all of his last scheduled tour or half tour preceding the holiday and works all of his first tour or scheduled half tour following the holiday, unless excused by his supervisor.

5. Should any holiday which an employee is entitled to observe come on his regular work schedule fall within the period of any employee's vacation, he shall be allowed one extra vacation day of his choice during the week either preceding or following the vacation, subject to management approval.
6. An employee hired after July 1 of a calendar year shall only be entitled to two (2) floating holidays during their first calendar year of service.

**Effective 1/1/2007 the number of Floating Holidays a new hire will be eligible for will be based on the following schedule :**

**First Quarter Hire Date – 6**  
**Second Quarter Hire Date – 4**  
**Third Quarter Hire Date – 2**  
**Fourth Quarter Hire Date – 0**

Section 3  
 Sickness and Accident Benefits

1. Computation Rate

Up to one waiting day will be waived for employees who have not been absent due to illness or injury for 120 consecutively scheduled days; up to two waiting days will be waived for employees who have not been absent due to illness or injury for 180 consecutively scheduled days.

Full time regular employees who do not qualify for first day payment as stipulated above shall be paid for sickness absence according to the following schedule:

Employees shall be paid at regular rates, not to exceed 40 hours per week, for scheduled working days when incapacitated by physical illness or physical injury occurring outside of employment. Successive sickness benefit periods are added together in computing the period for which benefits are payable, except that sickness occurring after 26 weeks of continuous employment is considered as a new sickness.

Accredited Service	Days in Waiting Period	Weeks Full Pay	Weeks Half Pay
Less than 12 mos.	0	0	0
1 yr. to less than 5 yrs.	2	4	9
5 years, less than 10 yrs.	2	13	13
10 yrs., less than 14yrs.	1	13	39
15 yrs., less than 20 yrs.	1	20	32
20 years or more	0	26	26

- A. The scheduled working days referred to in this section shall be computed in accordance with the pattern of scheduled days of the work week in which the sickness absence first occurred regardless of the number of scheduled working days in that week. This pattern shall be deemed to continue into all subsequent workweeks of such absence for determining work time lost and days for which sickness absence should be paid. Sickness absence shall not be deemed to continue into the second work week unless such absence includes the first scheduled day of the original work schedule for the second week.

When an employee reports on the job for duty, **works 2 hours**, and is subsequently taken sick and excused by the supervisor before completion of his tour of duty, he will be paid at straight time for the remainder of the full tour of duty for which scheduled if he has (5) years or more of Company seniority. If he has less than five (5) years of Company seniority, **and works 2 hours**, he will be paid for the remainder of the half tour for which scheduled; provided that, in individual cases as determined by the Company, payment may be made at straight time for the remainder of the full tour of duty for which scheduled. Sickness absence payments referred to above shall not include any Sunday, holiday, or overtime extra payments which would have been received had the employee worked.

Sick Disability Benefits for Verizon and Verizon Communications Corporation.

It is the joint responsibility of the Company and the Union to police the sick leave provisions and applications to ensure against abuse of excessive absenteeism. Such abuse may lead to disciplinary action and/or ultimate termination.

Sick Leave and Long Term Disability Benefits will be integrated with the State of California State Disability Benefits, Social Security Benefits and/or any other state or federal income replacement program. It is the employee's responsibility to file any necessary applications for benefits.

2. Time Off For Medical Examination

The cost of obtaining a medical examination required by the Company will be paid for by the Company.

3. Notification of Inability to Report for Work

- A. The Company, as agreed to previously, supports the employee's need to occasionally have as much as 52 weeks of Sick Benefit. After that 52 week period the Company must consider the needs of the business and therefore needs to be unencumbered in whatever actions are taken to meet the needs of the business applicable laws notwithstanding. The employee is no longer guaranteed a job following the 52 week period, even if the employee was receiving Long Term Disability Benefit.

- B. This provision also speaks to the need that the Company may designate any absence in which the employee receives Sick Disability Benefit as FMLA time. The Company would be required to notify the employee of any such hours so designated.
- C. Any employee wishing to be paid under the foregoing sick leave provisions of this Agreement who does not advise his supervisor (or appropriate person as designated by that supervisor) of his inability to remain at work or his inability to report for work prior to his next scheduled shift, shall forfeit the benefits provided herein for the period of absence prior to such notification. However, management reserves the right to waive this requirement where, in its opinion, the circumstances were such that notification was not practicable.
- D. The Company may require each employee taking sick leave to produce a doctor's release prior returning to work. A doctor's release will not normally be required for incidental absence.
- E. The Company may ask an employee to produce a statement from a Medical Doctor (MD) declaring the employee "Unable physically to report for duty". The statement is required for any absence that extends beyond five (5) working days but may be requested for shorter absences if the absence is in question or there is a pattern of abuse. The Company may withhold sickness benefit payments if such documentation is not provided.
- F. In addition, the Company may request the employee's doctor to declare the nature of the current illness only and information on limitations and/or restrictions that the employee may have if the Company can provide "light duty" assignments. If not provided, the Company may withhold sickness benefit payments.

#### Section 4 Jury/Death/Workers Comp. Absences

##### 1. Jury Duty

When a regular full time employee is required to serve as a juror or as a witness, the Manager having jurisdiction is authorized to allow the employee full straight time earnings minus the amount per day allowed by the Federal or State Court.

##### 2. Absence Without Loss of Pay for Death in Immediate Family

- A. Regular employees may be granted up to three days without loss of regular pay to attend the funeral of an immediate family member. Immediate family is defined as the employee's parents, children, brothers, sisters, husband, wife, grandparents, grandchildren, mother/father/brother/sister-in-law. In the case of extremely serious injury/illness of an immediate family member considered to be life threatening, up to three days may be granted. In no case will time be granted for both illness/injury and death for the same person.

At the discretion of management, up to two additional days may be granted when required for travel time.

Effective May 7, 2011 the option to use three days for family illness/injury will be eliminated.

### 3. Worker's Compensation Benefits

When a compensable industrial accident occurs, the Company will, during a period of not longer than 26 weeks, supplement workers' compensation benefits during the period of temporary disability, as determined by the Workers' Compensation Appeals Board, by an amount necessary to raise the employee's total compensation to 85 percent of his regular straight time wages. An additional period of not more than 26 weeks will be supplemented up to 66 2/3% of regular straight time wages. The Company will not, however, supplement any workers' compensation benefits provided for by permanent disability ratings as determined by the Workers' Compensation Appeals Board, nor will the Company supplement funds provided for by its compensation insurance carrier or any settlements of industrial accident claims. When any such settlement is made, for the purpose of this section, the period of temporary disability shall be presumed to terminate on the date of such settlement.

An employee who is absent from duty due to compensable illness or accident past the end of the calendar year (in which case his vacation, or portion thereof would normally be lost by expiration of the calendar year) may, if he has returned to active duty, take said vacation prior to March 31. If the employee is unable to return prior to March 31, he shall be paid in lieu of such vacation an amount which, together with his disability benefit or workers' compensation, is equivalent to full pay at his regular straight time rate for a period of time that is equal to the length of vacation lost.

### 4. Integration

Workers Compensation Benefits will be integrated with the State of California State Disability Benefits, Social Security benefits, or any other state or federal income replacement program. It is the employee's responsibility to advise management of their contention that a workers compensation illness or injury has occurred.

ARTICLE IV  
Compensation

Section 1  
Wages

1. Wage Schedule

Wage schedules for employees covered by this Agreement are set forth in Exhibit A attached hereto and made a part hereof.

2. Notice of Wage Increase

The Company will provide each employee with a written notice of each time an increase occurs in such employee's wage rate. Wage increases shall be made effective at the beginning of the nearest pay period.

3. In-Charge Employees

In-charge assignments shall be made when an employee is required to direct others, coordinate work, make decisions outside the normal scope of their job duties and enforce rules and regulations. An employee designated in-charge is expected to work with the tools of his trade to the extent time permits.

The Company will determine the need for an in-charge assignment. In selecting an employee for such assignment, the Company will consider availability of personnel, ability and qualifications, training needs and practicality.

An employee designated to be in-charge shall receive \$1.00 per hour differential while performing such work for one hour or more.

4. Upgrades/Working Out Of Classification

Employees assigned to perform work in a higher rated classification, for one hour or more, will have their pay adjusted to the next higher rate on the new schedule for the duration of the assignment. Employees assigned to perform work in a lower classification will not have their wages reduced.

5. An employee reclassified from a higher to a lower job classification will have his/her pay adjusted to the next lower rate on the new schedule.

6. When an employee is reclassified from a lower to a higher wage schedule, the employee's rate of pay on the new wage schedule shall be adjusted to the next higher wage rate above the employee's present rate.

A. There will be at least \$ .50 increase in pay or the employee will be moved to the next higher step.

Section 2  
Group Insurance/Benefits

1. The Company will provide group medical, dental, life insurance, and long term disability benefit plans. The eligibility for coverage, coverage terms, conditions, exclusions, limitations, etc. will be determined by the applicable summary plan description. Company and employee contributions for each of the coverages, if any, will be subject to negotiation.
2. The Company will provide an employee retirement plan(s) for the benefit of covered employees. The eligibility for participation, benefits, vesting schedules, conditions, exclusions, limitations, etc. will be determined by the applicable summary plan description. Company and employee contributions for the retirement plan(s), if any, will be subject to negotiation.
3. The Company will provide, when feasible, employee benefit plans which offer the participating and/or the company income tax advantages. Examples of such plans would include health care reimbursement accounts, child care reimbursement accounts, and retirement plans. The company and the union recognize the establishment, terms and conditions, and the continuation of such plans are subject to federal and state tax laws and IRS regulations, which can change at any time.
4. Bridging of service, if any, for retirement plan purposes will be controlled by the retirement plan documents.

Bridging of service for benefits such as vacation and service awards will be as follows:

- A. The candidate for bridged service must be an active, regular full-time employee
- B. The employee's prior service must have been with a recognized business unit of Verizon or Contel.
- C. If the employee's break in service is 5 years or less prior to their date of rehire, the employee will be first eligible for bridging consideration after a minimum of 1,000 hours in their most recent position.

If the employee's break in service is 5 years or more prior to their date of rehire and their prior service is greater than the break in service, the employee will be first eligible for bridged service credit after 1000 hours of continuous regular full-time employment with Verizon.



If the employee's break in service is 5 years or more prior to their date of rehire and their prior service is not greater than the break in service, the employee will be first eligible for bridged service credit after 5 years of continuous regular full time employment with Verizon.

- D. Bridging of prior service must not provide the employee with double credit for any of the benefits for which bridged service is considered.  
The employee requesting service bridging must provide their dates of service, the prior company's name, address, etc. If the company is unable to verify this service through normal internal channels the employee must provide adequate and suitable documentation (including start date, continuation of employment, and end date) to justify the bridging of their prior service otherwise no bridging will occur.
- E. Bridging is prospective only and will not be applied retroactively so that an employee is given benefits retroactively as if they had been bridged at an earlier date.

## ARTICLE V

### Section 1 Layoff and Recall

#### 1. Notice of Layoff

Regular full time employees shall be given 2 weeks notice or 2 weeks pay before being laid off, except when discharged for cause.

#### 2. Curtailment

In the event of a layoff, company seniority will prevail if abilities are substantially equal. For purposes of this Article, "ability" shall be defined as the skill, knowledge, demonstrated capacity to perform the Company's work without the benefit of training (may allow for a short familiarization period), and demonstrated proficiency in carrying out job functions.

In the event of a reduction of forces within a classification or a permanent curtailment of operations, the Company at its option may accept an employees offer to volunteer for layoff on a Union seniority basis. Employees accepting voluntary layoff will receive the curtailment allowance of the employee who would have otherwise been laid off.

#### 3. Curtailment Allowance

- A. Regular full time employees including pension eligible employees involuntarily laid off, except for just cause, shall be paid a curtailment allowance in accordance with the following table:

Years of Net Credited Service	Amount of Pay Weeks
Less than 6 months	0
6 months but less than 2 years	2
2 years but less than 3 years	3
3 years but less than 4 years	4
4 years but less than 5 years	5
5 years but less than 6 years	6
6 years but less than 7 years	7
7 years but less than 8 years	8
8 years but less than 9 years	9
9 years but less than 10 years	10
10 years but less than 12 years	14
12 years but less than 15 years	17
15 years or more	21

- B. If an employee who has received a curtailment allowance is re-engaged and the number of weeks since the effective date of curtailment is less than the number of weeks of pay upon which the curtailment allowance was based, exclusive of any payments in lieu of vacation, the amount paid in excess shall be considered as an advance to the employee by the Company, and the repayment of this amount shall be made at the time of rehire or through payroll deduction each payroll period of at least ten percent (10%) per week of the employee's weekly wage rate until the amount is fully repaid.
- C. If an employee who has been curtailed and given a curtailment allowance is subsequently rehired and again curtailed, the curtailment allowance in the case of the second curtailment or of any subsequent curtailment shall be based upon the length of continuous service since the date of last rehire, plus any portion of the prior curtailment allowance which has been refunded to the Company.
- D. Employees who are curtailed will retain seniority and priority bidding rights for job vacancies for one (1) year.
- E. An employee who was offered a position and who declined those options and elected to accept curtailment, will not be afforded priority bidding rights, however, he/she will retain normal bidding rights for one (1) year.
- F. Downgraded employees will have priority bidding rights to any former classification(s) held prior to the time of being downgraded.

Section 2  
Seniority

1. Accredited Service is the aggregate of the years and months of active employment in the service of the Company, its predecessors, its associated companies or companies affiliated with the corporation 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 absent time or leave of absence time that was specifically approved for service credit purposes in accordance with the published statements of Company policy.

2. Bargaining Unit Seniority – total countable time under jurisdiction of Local 543, I. B.E. W. as an employee of Verizon Select Services Inc.

ARTICLE VI  
Disciplinary Actions

Section 1  
Grievance and Arbitration Procedure

1. Grievance Procedure – Step One Local Level

Any employee or group of employees having a grievance shall present the same to his or their supervisor, orally or in writing, or through a representative of his or their own choosing.

When it is determined the grievance may affect the terms and condition of this Agreement, an authorized representative of the Union shall be called and take part in such meetings as may be necessary to protect the Union's interests.

If a grievance is presented orally and is not satisfactorily settled, it will be reduced to writing and must include:

- A. A statement of the grievance, the date and the facts upon which it is based.
- B. The remedy or correction that it is desired the Company make.
- C. The claim relating to rates of pay, wages, hours of employment or other conditions of employment, and the section or sections of this Agreement relied upon or claimed to have been violated.

This grievance will be presented again to the supervisor at Step One, but not later than 15 calendar days after the date of occurrence that is the basis of the grievance. The supervisor will return his answer in writing to the Union within 15 calendar days.

2. Grievance Procedure – Step Two

If a grievance is not settled satisfactorily in Step One, an authorized representative of the Union accompanied by a steward shall meet with the Company's representatives for the purpose of settling said grievance. Such a meeting shall be requested by the Union Business Manager or his representative within 15 calendar days after receipt of the supervisor's answer in Step One, and shall be scheduled within 30 calendar days after such request. The Company shall give its decision to the Union within 15 calendar days after the meeting.

3. Whenever the Union appeals a grievance from a given step to the next succeeding step, such an appeal must be presented to the Labor Relations Manager in writing and contain a statement outlining the Union's position on the Company's last response.

4. Failure of either party to abide by the time limits set forth in this Article shall result in a forfeiture of the grievance to the other party; provided however, that the parties may extend said time limits by a mutual written agreement.

5. General Provisions Governing Arbitration

The Company and the Union agree to use every means to facilitate the arbitration in every way possible, and to this end the parties agree that they will use their best efforts to effect a final decision on any matter submitted to arbitration.

Either party may call any employee as a witness in any proceeding before the Arbitrator, and if the employee is on duty, the Company agrees to release him from duty so he may appear as a witness. If an employee is called by either party to appear before the Arbitrator for any purpose, the party calling him will reimburse him for all expenses, including time lost.

Any difference involving the interpretation or application of this Agreement that may arise between the Company and the Union which the Company's representative and the representative of the Union as herein before provided are unable to settle, shall be submitted at the request of either party to an impartial arbitrator to be selected in a manner as specified hereinafter. The Company shall not be obligated to submit any matter to arbitration unless it has first been processed as a grievance and the Union has requested such action within 15 calendar days after receiving the Company's decision at Step Two.

The Arbitrator herein before referred to shall be appointed by the Company acting through its Labor Relations Manager or his duly appointed representative, and the Union acting through its Business Manager or his duly appointed representative. The parties shall submit a written statement to the Arbitrator of the exact question to be arbitrated. If the parties cannot agree on a single statement, the parties shall submit separate statements. The Arbitrator shall conduct a hearing on the matter at issue and both parties shall be allowed to present such evidence and make such argument as they see fit. The jurisdiction and authority of the Arbitrator of the grievance and his opinion and award shall be confined exclusively to the interpretation or applications of the explicit provisions of this Agreement at issue between the Union and the Company.

In the event that the parties are unable to agree on the selection of the Arbitrator within 3 calendar days after meeting for that purpose, then the parties shall request the American Arbitration Association to nominate 3 persons for the Arbitrator, one of whom must be selected by the following procedure.

The Company shall challenge one of the three members presented, and the Union shall likewise challenge one of the nominees, the party having first challenge to be decided by lot. The nominee so selected shall become Arbitrator, and his decision shall be final and binding on both parties. The reimbursement of the Arbitrator for time and expenses shall be born equally by the Company and the Union.

## ARTICLE VII Miscellaneous

### Section 1 Benefits

The following contributions shall remain in effect until May 14, 2006.

1. The Company agrees to pay 100% of the employee only premium for dental insurance and 80% of the employee plus one or family premium for dental insurance.
2. The Company will provide each employee with 1 times their annual salary in term life insurance. This employer paid coverage can be supplemented by voluntary employee contributions to purchase Group Universal Life Insurance as described elsewhere within this agreement. **Effective January 1, 2007 Supplemental Term Life Insurance will replace Group Universal Life Insurance.**

## ARTICLE VIII

### Section 1 Safety

The Company shall make reasonable provisions for the safety of employees in the performance of their work. The Union shall cooperate in promoting the realization of the responsibility of the individual employee with regard to the prevention of accidents.

In the event of a labor dispute not involving the parties to this Agreement, the Company shall make reasonable provision for the safety of employees who may be required to enter the work site.

### Section 2 Tools, Equipment and Uniforms

1. The Company will furnish to new employees and on a replacement basis to present employees, any shirts with company names required by the Company and all tools and equipment necessary for the proper performance of the job. When provided by the Company, employees are expected to wear/utilize provided items. When provided, the Company will make arrangements for cleaning uniforms and will pay the entire cost of cleaning uniforms.
2. Employees who are furnished tools and equipment will be held responsible for the proper use, care and maintenance of these items, and will be held responsible for replacement due to negligence, improper treatment and/or loss of all tools and equipment at the time of replacement thereof, or upon termination of employment with the Company. Normal wear and tear excluded.

### Section 3 Substance Abuse Policy

The Company is committed to maintaining a workplace free from drugs or alcohol and is obligated to comply with the requirements of the Drug Free Workplace Act of 1988, as well as the special Department of Defense Drug Free Workforce rules for specific government contracts.

The Company has developed and implemented a policy on substance abuse that applies to all employees. Employees wishing to transfer in to the Boeing account must first successfully pass a substance abuse test.

Additionally, the Company reserves the right to take appropriate measures to comply with restrictions or procedures placed on our company and its employees by our customers.

#### Section 4 Personally Owned Cars

Employees shall not use personally owned cars on Company business unless authorized. If authorized, reimbursements will be at the rate established as Company policy.

#### Section 5 Notices

Any notice required or permitted under the terms of this agreement shall be effective when directed to the Company's Labor Relations Manager, 500 E. Carpenter Frwy, Irving, Texas 75038 or to the Union, addressed to Local Union No. 543, I.B.E.W., 16519 Victor Street, Suite 304, Victorville, California 92392-3967, attention Business Manager, as the case may be, and deposited postage prepaid and certified in the United States mail. Either party may, by notice given as aforesaid, change its notice address for further notices hereunder. The effective date of any such notice shall be the date of receipt thereof.

#### Section 6 Probationary Employees

Probationary employees are those hired on trial to qualify for regular full-time positions. The probationary period is 4 months. The Company will notify the Union prior to extending a probationary period beyond 4 months and in no case will a probationary period exceed 6 months. Probationary employees are subject to discharge at the discretion of the Company as long as the discharge is not discriminatory and is not for the purpose of keeping jobs filled with probationary employees. Probationary employees do not have seniority, but after an employee has served the probationary period his seniority shall be established.

Vacations and sick benefits shall accrue to probationary employees during the probationary period, but probationary employees shall not be entitled to vacation or paid sick leave until such time as they become regular employees and until such time as vacation or sick leave is earned under the vacation and sick leave provisions of this agreement.

#### Section 7 Memorandum Effective Dates

In the contracts between the parties which were effective prior to May 16, 1999, the parties reached various Memos of Understanding which affected a certain Contract reached between the parties. Although each successive collective bargaining agreement reached between the parties did have a specific beginning and ending effective date, not all Memos of Understanding included specific effective dates within their text. However, it was always the intent of the parties that such Memorandums of Understanding had the same effective date(s) as the applicable contract.

This Section establishes that all undated Memorandums of Understanding reached between the parties before May 16, 1999 are hereby declared null and void. In the future, all Memorandums of Understanding reached between the parties will/must have a specific beginning effective date and a specific ending effective date in order to be considered a valid Memorandum of Understanding between the parties.

Section 8  
Work By Excluded Personnel

Management will limit their performance of work ordinarily performed by bargaining unit employees to OJT (On-The-Job-Training) instruction of employees and/or to those cases of clear and present emergencies and/or when no qualified bargaining unit employees are readily available.



MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

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 May 14, 2006 and shall expire May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

## 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 SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKIERS LOCAL 543  
  
DENTAL OPEN ENROLLMENT

Verizon Select Services Inc. and International Brotherhood of Electrical Workers Local 543 agree to continue open enrollment periods which will be held during the fourth quarter of each year. Selections made during the open period will become effective the following January.

This Memorandum of Agreement is effective May 14, 2006 and shall expire May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
DENTAL PLAN

1. Verizon Select Services Inc. and International Brotherhood of Electrical Workers Local 543 agree to the provisions of the Dental Plan set forth in this Memorandum of Agreement.
2. For a summary of details refer to the 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 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 VII 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 May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Dental Plan, shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

DOMESTIC PARTNER BENEFITS

1. Verizon Select Services Inc. and International Brotherhood Of Electrical Workers Local 543 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 in a property that is to be divested as part of Verizon's Network Services Repositioning program will be excluded from this offer.
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.
11. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
EDUCATION AND LIFE-LONG LEARNING

Verizon Select Services Inc. and International Brotherhood Of Electrical Workers Local 543 agree to continue joint efforts which allow employees additional opportunities to learn and enhance their knowledge. This includes, but is not limited to, participation in the Verizon Tuition Assistance Plan (TAP) for Associate Employees which includes the 100% prepaid tuition feature. Effective January 1, 2007 there will be a maximum annual payment of tuition and fees of \$8,000.

This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

1. Verizon Select Services Inc. and IBEW Local 543 agree to the provisions concerning Family and Medical Leaves of Absence as set forth in this Memorandum of Agreement.
2. The purpose of the leave shall be as follows:
  - a. for the birth and care of a newborn child of the employee, or the placement of a child with the employee for adoption or foster care.
  - b. to care for a spouse, biological or adoptive parent, or person who has acted in role as parent with day-to-day responsibility, or child (biological, adopted, foster or stepchild or legal ward or child for whom the employee has day-to-day parental responsibility), or parent-in-law, grandparent or grandparent-in-law who has a “serious health condition”.
  - c. for a serious health condition of the employee which makes the employee unable to perform the functions of the position of such employee. As with an absence for a serious health condition, the Company may require an employee to provide a “fitness for duty” certification to return to work after such leave.
3. The total period of this leave will be up to twelve (12) work weeks within a twelve (12) month period. Any leave of absence provided for in the Collective Bargaining Agreement (CBA), whether paid or without pay, that is qualified under the Family Medical Leave Act , shall run concurrently with the Family Medical Leave of Absence under the Family Medical Leave Act of 1993 (FMLA).
4. Employees who have completed at least twelve (12) months of accredited service at the beginning of the leave and worked at least 1,250 hours during such period may be eligible for leave.
5. The FMLA excludes employees where there are 50 employees or less within 75 miles of the employee’s worksite. The Company will attempt to accommodate requests for FMLA leave for employees at remote locations, however, such requests may be denied based on business necessity.
6. Leave may be taken on an intermittent or reduced schedule basis for reasons specified in paragraphs 2.b and 2.c if determined to be “medically necessary” as defined in the Departments of Labor Regulations 29 CFR Part 825. It may not be taken intermittently or on a reduced schedule basis for reasons

specified in paragraph 2.a unless approved by the Company.

7. If an employee is granted intermittent or reduced schedule leave, the Company may require such employee to transfer temporarily to an available alternative, equivalent position that better accommodates recurring periods of leave than the employee's regular position.
8. Employees shall provide the Company with at least 30 days advance notice of intent to take the leave when foreseeable.
9. In cases where both spouses are employed by the Company, and both spouses are eligible for FMLA leave, they will be permitted to take a total of 12 weeks of FMLA leave during the applicable 12-month period for any one qualifying circumstance (birth of a child or to care for a child after birth; placement of a child in foster care or for adoption or to care for the child after placement; or to care for a parent with a serious health condition). Where the husband and wife both use a portion of the total 12 week FMLA leave entitlement for one qualifying circumstance, the husband and wife would each be entitled to the difference between the amount he or she took individually and 12 weeks for FMLA leave for a different purpose.
10. While on FMLA leave, eligible employees are entitled to maintain company-paid life insurance and medical/dental benefits to the extent provided to active employees.
11. Upon return to work, employees granted FMLA leave shall receive accredited service for the period of the leave. There is no break in service for purposes of vesting, eligibility to participate in pension plans and other types of benefits and seniority.
12. Subject to Item 13 below, at the end of the approved leave an (or each segment of the leave, as applicable), employees shall be guaranteed reinstatement to the same or equivalent job.
13. Reinstatement is subject to any contractual provisions of the Collective Bargaining Agreement which cover adjustments to the workforce that may have occurred during the leave of affected employees.
14. Employees who wish to change their projected return date, may request the change, in advance, and the Company will endeavor to accommodate such requests.
15. Employees, while on leave, shall be considered to have terminated employment if they accept employment with another employer, engage in business for profit, and/or apply for unemployment insurance benefits.
16. The provisions of the Memorandum of Agreement are not subject to the grievance or arbitration procedure of the Collective Bargaining Agreement



except for the application for reinstatement by employees on leave.

18. All terms herein shall be defined as set forth in the Department of Labor Regulations, 29 CFR 825.
19. The Company has the right to act in accordance with the Family and Medical Leave Act of 1993 and to comply with the regulations provided by the Department of Labor.
20. This Memorandum of Agreement is effective on May 14, 2006 and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
FLEXIBLE REIMBURSEMENT PLAN (FRP)

1. Verizon Select Services Inc. agrees to continue the Flexible Reimbursement Plan (FRP).
2. Eligibility for the Plan begins after ninety (90) days net credited service is achieved or the date that 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 May 14, 2006, and shall expire on May 7, 2011. 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 May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543  
GROUP UNIVERSAL LIFE INSURANCE (GUL)

1. The Company agrees to continue, without endorsement, the opportunity for employees to enroll in Group Universal Life (GUL) Insurance.
2. For a summary of details, refer to the attached booklet, Group Universal Life.
3. GUL will be administered solely in accordance with its provisions and no matter concerning GUL or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of GUL 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 May 18, 2003, and shall expire on December 31, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Group Universal Life Insurance, shall also terminate on December 31, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL 543

HEARING AID BENEFIT

Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to continue a Hearing Aid Benefit as set forth in this Memorandum of Agreement.

Employees are automatically eligible for the Hearing Aid Benefit after enrollment in any Verizon medical option. If an employee should waive Verizon medical coverage the employee will not be eligible for the Hearing Aid Benefit.

This benefit provides reimbursement of expenses for the actual cost of single or bilateral hearing aid devices, molds, hearing aid check, batteries, and adjustments, when prescribed by a licensed primary care physician, specialist or audiologist. Repair and replacement costs are covered unless due to loss or misuse. The cost of one HMO office visit co-payment, or one hearing examination by a licensed physician or audiologist is included and reimbursable if such cost is actually incurred in connection with the diagnosis and prescription of a hearing aid device.

The benefit is not subject to any deductible, co-payment, reasonable and customary limitations, or network/participating provider requirements. There are no limitations or exclusions based on how the hearing impairment was caused or occurred.

The maximum reimbursement under this benefit is \$1000 per covered individual every 24 months. The benefit will not coordinate with any hearing aid benefit of any other health plan.

Reimbursement under the benefit is contingent upon the claimant's timely submission of a completed claim form, along with copies of the relevant receipts and prescription. A timely submission is one that is made during the two-year benefit period, or within 90 days of the earlier of: the last day of the two-year period, or the last day of active Verizon employment. Verizon, in its sole discretion will determine the claims administrator, and the benefit funding method to be used.

This Memorandum of Agreement shall be effective May14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
HOURLY SAVINGS PLAN (HSP)

1. Verizon Select Services Inc. and International Brotherhood of Electrical Workers Local 543 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 revision 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.
8. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
HOURLY SAVINGS PLAN (COMPANY MATCH)

Verizon Select Services Inc. and IBEW 543 agree to increase the company matching contribution to the Hourly Savings Plan (HSP).

- Effective January 9, 2005, the company matching contribution will be 82 cents for every \$1 contributed by the employee, up to a maximum of six percent of pay.

This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 13, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
INCOME SECURITY PLAN (ISP)

1. Verizon Select Services Inc. and International Brotherhood Of Electrical Workers Local 543 recognize the need for technological change in the business and hereby enter into this Memorandum of Agreement (hereinafter referred to as the Agreement). In order to lessen the economic impact upon regular employees who become surplus due to technological change, the Company and the Union agree to establish the INCOME SECURITY PLAN (the Plan). "Technological change" shall be defined as a change in plant or equipment, or a change in a method of operation, diminishing the total number of regular employees required to supply the same services to the Company or its subscribers. "Technological change" shall not include layoffs or force realignments caused by business conditions, variations in subscribers' requirements, or temporary or seasonal interruptions of work.

When technological change brings about any of the following conditions, the Plan shall apply:

- A. A need to layoff and/or force realign employees in any job title:
  - B. Reassignment of regular employees to permanent headquarters fifty (50) miles or more from the employee's permanent headquarters.
2. During the term of this Agreement, if the Company notifies the Union in writing that a technological change has created or will create a surplus in any job title in any work group and/or work location, regular employees meeting the following qualifications shall be eligible for Plan participation:
    - A Accredited service of one year or more;
    - B. No comparable assignment available within fifty (50) miles of the former permanent headquarters and/or refusal of reassignment to a new permanent headquarters fifty (50) miles or more from the former permanent headquarters.

However, the Company reserves the right to apply this Plan to any surplus in force, whether or not it is brought about by technological change, that the Company deems appropriate. All elections shall be voluntary and acceptance by the Company will be in order of seniority.

3. The Company reserves the right to determine the job titles and work group(s)

and/or work location(s) in which a surplus exists, the number of work groups and/or work locations in which a surplus exists, the number of employees in such titles and locations which are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Plan. In no event shall the number of employee elections accepted under the terms of the Plan exceed the number of employees determined by the Company to be surplus.

4. For those employees who are eligible in accordance with Sections 1 and 2, the Company will provide the following ISP Termination pay benefits:
  - A. ISP Termination Allowance of \$1,100, less withholding taxes, for each completed year of accredited service up to and including thirty (30) years for a maximum of \$33,000 prior to withholding taxes. The ISP Termination Allowance is not prorated for any partial year of service.
  - B. In addition to the ISP Termination Allowance, the Company shall pay an employee who has left the service of the Company with ISP benefits an ISP Expense Allowance not to exceed \$750, less withholding taxes, for each completed year of accredited service for a maximum of \$3,750 prior to withholding taxes. The ISP Expense Allowance is not prorated for any partial year of service.

The combined maximum ISP Termination pay benefit payable as set forth in Paragraphs A and B of this Section 4 shall in no event exceed a total of \$36,750.

The dollar amounts set forth in this Agreement shall be prorated for regular part-time employees based on the average hours worked during the last twenty-six (26) pay periods; i.e., average of thirty (30) hours worked per week would result in termination benefits paid at 75% of those set forth in Paragraphs A and B of this Section 4.

5. Employees eligible for ISP Termination Allowance in accordance with Section 2 will receive a lump sum payment for the entire amount of the ISP Termination Allowance paid in the month following the month in which the employee leaves the service of the Company.
6. Reemployed employees must complete one (1) full year of accredited service with the Company before coming eligible again for termination benefits. Those employees who have previously received termination benefits of any kind shall be eligible for the ISP Termination Pay benefits based on their most recent date of hire in lieu of their accredited service date as outlined in paragraphs 4 A and B above.
7. All benefits payable under the Plan are subject to legally required deductions.
8. Termination benefits shall not be made if the termination is the result of any sale



or other disposition by the Company of the exchange or office at which the employee is working or from which the employee is assigned to work, when the employee is continued in the employment of the new management of the exchange or office.

9. An employee's election to leave the service of the Company and receive termination pay benefits must be in writing and transmitted to the Company within fourteen (14) calendar days from the date of the Company's offer in order to be effective, and it may not be revoked after such fourteen (14) calendar day period.
10. This Agreement will be implemented prior to invoking the provisions of Article V, Layoff and Recall of the Collective Bargaining Agreement, when conditions set forth in Section 1 of this Agreement exist as determined by the Company.
11. Neither the right to effect a technological change, the determination of a surplus condition, eligibility for participation in the Plan, nor any part of this Plan or Agreement shall be subject to the arbitration procedure of the Collective Bargaining Agreement.
12. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

LIVING BENEFIT RIDER (LBR)

1. Verizon Select Services Inc. agrees to make available a Living Benefit Rider (LBR) to employees and their spouses who are presently enrolled in Group Universal Life (GUL) Insurance.
2. The Company and the Union recognize that long-term care will continue to be the most likely catastrophic illness risk facing employees. As a result of these concerns and for these reasons, the LBR option to GUL is established to provide protection against the financial ravages of declining health.
3. The LBR provides a benefit equal to two percent (2%) of the face value of the policy (excluding any cash value amounts) per month for a period up to twenty-five (25) months. In effect, the LBR can pay out a maximum of fifty percent (50%) of the face value of the policy (25 months x 2%). The maximum potential benefit is \$10,000.00 per month with a minimum potential monthly benefit of \$400.00.
4. Eligibility for the benefit shall be based on the following conditions:
  - A. Employees or spouses must be continuously unable to care for themselves in a minimum of three (3) activities of daily living for at least six (6) months. Activities of daily living are defined as eating, getting around, transferring, toileting, bathing, and dressing.
  - B. Employees or spouses must submit written medical evidence that shows the inability to perform the activities of daily living.
  - C. The condition causing the inability to care for oneself cannot be a condition for which the individual received medical care or treatment during the six (6) months immediately before LBR coverage became effective (pre-existing condition clause).
  - D.. GUL must remain in force.
  - E. The LBR is paid for a maximum of twenty-five (25) months and permanently reduces any amount of life insurance proceeds by the total amount of the LBR paid.
5. No matter concerning the Living Benefit Rider or any differences arising thereunder shall be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

6. This Memorandum of Agreement is effective on May 14, 2006 and shall expire on December 31, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Living Benefit Rider, shall also terminate on December 31, 2006 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

LONG TERM CARE PLAN

1. Effective January 1, 2007, Verizon Select Services, Inc. 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 May 14, 2006, and shall expire on May 7, 2011. 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 May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

LONG TERM DISABILITY

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 Select Services Inc. and IBEW Local 543 agree to establish a Long-Term Disability (hereinafter referred to as LTD) plan subject to the following provisions:

1. Regular full-time employees are eligible to participate in the LTD plan, subject to the following requirements:
  - Completion of 3 months of continuous employment (new hires).  
Effective January 1, 2007 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 3 months of employment (new hires)  
Effective January 1, 2007 enrollment during the first ninety (90) days of employment (new hires)
  - Enrollment during the initial Company-designated enrollment period (incumbents with 3 months of continuous employment)  
Effective January 1, 2007 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 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), Company-provided salary continuation plan (ISP, layoff allowances) 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 26 weeks of absence during a period of 52 consecutive weeks and the eligible employees have been under the care of a physician.
  - Monthly benefits will be paid for 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 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 60, benefits will be paid up to their 65th birthday
  - If eligible employees become disabled on or after age 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 addition, will generally result in monthly LTD benefits for no longer than 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 Select Services Inc and IBEW Local 543. 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 May 14, 2006 and shall expire on May 7, 2011. 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 May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

LUMP SUM IN LIEU OF WAGES

1. Verizon Select Services, Inc. and the International Brotherhood of Electrical Workers agree to modify the Plan for Hourly-Paid Employees' Pensions and the GTE Hourly Savings Plan. Such modifications are subject to approvals by the Company's Board of Directors and the United States Department of the Treasury.
2. Specific language will be prepared to modify the present Plan for Hourly Employees' Pensions to provide for lump sum payments in lieu of wages to be included in Monthly Compensation for pension purposes .
3. Specific language will be prepared to modify the present GTE Hourly Savings Plan to provide for lump sum payments in lieu of wages to be included in Compensation for savings plan contributions.
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.
5. This Memorandum of Agreement is effective on May 14, 2006 and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

LUMP SUM PAYMENT OPTION

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to continue the Plan for Hourly Employees' Pensions (hereinafter referred to as the Plan). Such modifications are conditional upon the approval from the appropriate Board of Directors and a favorable determination from the Internal Revenue Service that the Plan is and continues to be qualified under Section 401(a) of the Internal Revenue Code. Therefore, the effective date of January 1, 2004, for the following modification will be contingent upon the receipt of the necessary approvals.
2. Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.
3. The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
4. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the lump sum payment option, shall terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.



MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

MAIL ORDER PRESCRIPTION PLAN (MOPP)

1. Effective January 1, 2007, Verizon Select Services Inc. and IBEW Local 543 agree to offer 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 (HMOs).
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 May 14, 2007 and shall expire on May 7, 2011. 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 May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
and

MEDICAL PLAN

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to continue the provisions of the Medical Plan benefits set forth in this Memorandum of Agreement. New benefits will be effective January 1, 2007, unless indicated differently.
2. For a summary of details refer to the attachment entitled Medical Plan Highlights.
3. Some of the major provisions include:
  - A. For all regular full 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. Effective January 1, 2007, the following options are available to employees and their eligible dependents pertaining to enrollment in a Verizon company-sponsored medical plan or Verizon-offered 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 Verizon-offered 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 Verizon-offered 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 Verizon 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. An eligible surviving spouse, registered domestic partner, and dependent (s) of an active employee who participate in a Company sponsored medical plan, shall be provided medical coverage continuation at no charge for twenty-four (24) months following the death of an employee.

5. The Medical Plan will be administered solely in accordance with its provisions, and no matter concerning the Medical Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.
6. The selection of the Health Care Plan Administrator, the administration of the 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.
7. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. 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.

## POINT OF SERVICE PLAN

<b>COVERAGE ITEM</b>	<b>IN NETWORK</b>	<b>OUT-OF-NETWORK</b>	<b>OUT-OF-AREA</b>
Deductible	\$0	\$350 Individual \$700 Individual + one \$1050 Family	\$150 Individual \$300 Individual + one \$450 Family
Annual Out-of-Pocket Maximum	\$0	\$2000 Individual \$4000 Individual + one \$6000 Family	\$1500 Individual \$3000 Individual + one \$4500 Family
Maximum Lifetime Benefit	\$2,000,000	\$2,000,000	\$2,000,000
Office Visit Co-Pay	\$15 per visit	75% of R&C after deductible	80% of R&C after deductible
Chiropractic Care	\$15 per visit	50% of R&C after deductible \$10,000 annual limit	80% of R&C for covered services after deductible
Podiatry	\$15 per visit	75% of R&C after deductible	80% of R&C for covered services after deductible
Surgeon & Asst. Surgeon	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Anesthetist, Physicians, Hospital Visit	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Physician Home or Office Visits	\$15 per visit	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Radiology & Laboratory	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Physiotherapist	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
(Acute) Semi-private room, ICU etc.	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Emergency Room	\$50 (waived if admitted) \$75 - Effective 1/1/2007	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Urgent Care	\$50 (waived if admitted)	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible

<b>COVERAGE ITEM</b>	<b>IN NETWORK</b>	<b>OUT-OF-NETWORK</b>	<b>OUT-OF-AREA</b>
Ambulance	No Charge if medically necessary	75% of R&C if medically necessary after deductible	80% of R&C if medically necessary after deductible
Blood	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Prosthetics & Durable Medical Equipment	No Charge	75% of R&C for covered products after deductible	80% of R&C after deductible
Private Duty Nursing	No Charge if medically necessary	75% of R&C after deductible if medically necessary - \$10,000 annual limit	80% of R&C after deductible if medically necessary
Outpatient Surgery	No Charge	75% of R&C for covered procedures after deductible	80% of R&C for covered procedures after deductible
Home Health Care	No Charge	75% of R&C for covered services after deductible	80% of R&C after deductible for covered services. Max 52 visits per year if commenced within 14 days of discharge.
Hospice Care	No Charge if authorized	75% of R&C for covered services after deductible	80% of R&C for covered services after deductible
Skilled Nursing Facility	No Charge 100 day annual limit	75% of R&C for covered services after deductible. For up to 60 days per year	80% of R&C after deductible for covered services. Maximum of 120 days per year if commenced within 14 days of discharge.
Birthing Center	No Charge if authorized	75% of R&C for covered services after deductible	80% of R&C after deductible
Newborn Exam	No Charge in hospital	75% of R&C after deductible. For one inpatient pediatric exam.	80% of R&C after deductible In hospital only.
Well Child Care	\$15 per visit	Not covered	Effective 1/1/2007, 80% of R&C after deductible.
Immunizations (Routine Childhood)	\$15 per visit	Not covered	100% of R&C for covered services
Routine Health Assessment	\$15 per visit for periodic health evaluation	Not covered	Effective 1/1/2007, 100% of R&C for preventative healthcare routine assessment
Routine Mammogram (Bi-annual over age 40)	\$15 per visit	75% of R&C for covered services	100% of R&C for covered services

<b>COVERAGE ITEM</b>	<b>IN NETWORK</b>	<b>OUT-OF-NETWORK</b>	<b>OUT-OF-AREA</b>
Routine Pap Test – Annual	\$15 per visit	75% of R&C for covered services	100% of R&C for covered services
Second Surgical Opinion	\$15 per visit	75% of R&C for covered services	100% of R&C for covered services
High Risk Maternity - Outpatient	\$15 per visit	75% of R&C for necessary services after deductible	100% of R&C for necessary services
X-Ray & Lab Exams to Diagnose or Treat Illness or Injury	No Charge	75% of R&C for necessary services after deductible	80% of R&C for necessary services after deductible
Medical & Surgical Supplies Needed to Treat Illness or Injury	No Charge	75% of R&C for necessary supplies after deductible	80% of R&C for necessary supplies after deductible
Pre-admission	No Charge	75% of R&C for covered procedures after deductible (see note)	80% of R&C for covered procedures after deductible (see note)
Non-Duplication of Benefits	Yes	Yes	Yes
Artificial Insemination Effective 1/1/2007	50% covered	50% with lifetime maximum of up to \$1,000	50% with lifetime maximum of up to \$1,000
In Vitro Fertilization Effective 1/1/2007	50% with lifetime maximum of \$10,000	50% with lifetime maximum of \$10,000	50% with lifetime maximum of \$10,000
Treatment Review Pre-certification	NA	See Note	See Note

\*Note: All out-of-network and out-of-area inpatient admissions, surgeries and specific outpatient diagnostics require treatment review pre-certification, or an additional deductible of \$500 will apply to services that are not certified.

Employees whose principle residence is in "network areas", who elect to use out-of-network providers, will receive benefits as outlined in "out-of-network" benefits.

Employees whose principle residence is outside any and all "network areas" will receive benefits as outlined in "out-of-area" benefits, unless they elect to enroll in an established "network area".

All deductibles are "first dollar" unless otherwise specified.

**Prescription Drug**

Coverage below will remain in effect up to and including December 31, 2006.

	<b><u>IN NETWORK</u></b>	<b><u>OUT-OF-NETWORK</u></b>	<b><u>OUT-OF-AREA</u></b>
Prescription Drugs	\$10 generic/\$20 brand name at network pharmacy*	\$10 generic/\$20 brand name at network pharmacy*	80% of R&C – no deductible
Mail Order Prescription Benefit for Maintenance Medications Up to 90 day Supply	\$10 generic/\$20 brand name*	\$10 generic/\$20 brand name*	\$10 generic/\$20 brand name

\* Plus difference between generic and brand if generic available and not used.

Effective January 1, 2007: Prescription Drug coverage above will be replaced by Verizon standard Prescription Identification Card (PIC) and the Mail Order Prescription Plan (MOPP), see applicable Memoranda of Agreement.

**MENTAL HEALTH/SUBSTANCE ABUSE BENEFITS**

<b><u>COVERAGE ITEM</u></b>	<b><u>IN NETWORK</u></b>	<b><u>OUT-OF-NETWORK</u></b>	<b><u>OUT-OF-AREA</u></b>
Inpatient	100% payment for up to 45 days/calendar year	Not Covered	100% payment for up to 45 days/calendar year
Partial Hospitalization	100% payment for up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)	Not Covered	100% payment for up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)
Outpatient	\$15 per visit for up to 50 visits per calendar year	Not Covered	\$15 per visit for up to 50 visits per calendar year.

Treatment is obtained through the providers determined most appropriate by the Company.

Supplemental Benefit:

If you reach an annual maximum, a supplemental benefit of 50% of covered charges up to a lifetime maximum of \$2,000,000 is provided.



## **CERTIFICATION FOR SERVICES**

Some services require certification before being rendered or received. If you do not contact Treatment Review indicated on your identification card prior to receiving such services, an additional \$500 deductible will apply to services that are not certified.

The following services require prior certification:

- A) All inpatient admissions to any facility type
- B) All surgeries, regardless of setting
- C) All Home Health and Hospice services
- D) All conditions of pregnancy (excluding elective abortions)
- E) Specified outpatient tests and procedures:

- Thallium Treadmill - heart
- Esophagastroduodenoscopy
- Fiberoptic Colonoscopy
- Cardiac Catheterizations
- Venous Thrombosis Study
- MUGA - Grated Cardiac Scan
- Nuclear Medicine Studies - Thyroid Scan
- Bone Scan
- Liver Scan
- Kidney Scan
- Gallium Scan
- CAT Scan
- Echocardiography
- Arteriography
- PET
- ERCP
- MRI
- Cystoscopy
- Hysteroscopy
- Laparoscopy
- Bronchoscopy

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543  
  
NO WAIVER OF BARGAINING

The Company and the Union agree that Article I, Section 2 of the Agreement shall not be interpreted as a waiver of the Union's right to bargain concerning any changes in wages, hours and working conditions which may not be covered by the Agreement. Neither shall any past practice be construed to constitute such a waiver.

This Memorandum of Understanding is effective May 14, 2006, and expires on the final day of this contract on May 7, 2011.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
PENSION ACCRUAL SERVICE

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to modify the pension treatment for hourly employees who leave a former GTE company and subsequently are employed by a former Bell Atlantic company.
2. Effective as soon as administratively possible, hourly employees who leave the employ of a fGTE company and who subsequently are employed by a former Bell Atlantic company will begin participation in the applicable Verizon Pension Plan for New York and New England Associates (the New York/New England plan) or the Verizon Pension Plan for Mid-Atlantic Associates (the Mid-Atlantic plan) in accordance with the participation eligibility provisions of the applicable plan. The hourly employee will continue to earn Vesting Service and Accredited Service for purposes of retirement eligibility under the (fGTE) Hourly Pension Plan while employed by the fBA company, subject to any applicable bridging requirements. Accredited Service for pension accrual purposes under the (fGTE) Hourly Pension Plan will stop as of the date the hourly employee stops working for the fGTE company.
3. Employees who begin working for a fBA company will begin participation in the New York/New England or Mid-Atlantic plan, whichever is applicable, on the date

specified by the participation eligibility provisions of those plans. Service recognition under the New York/New England or Mid-Atlantic pension plan will be based on the provisions of those plans.

4. Verizon will provide a defined pension plan benefit based upon:
  - (a) The Verizon (fGTE) Hourly Pension Plan accrued benefit as of the date of termination with the fGTE company determined using the average annual compensation earned at the fGTE company for the five consecutive highest paid years earned up to the date employment with the fGTE company ended and Accredited Service earned up to the date employment with the fGTE company ended.

PLUS

- (b) The accrued benefit earned under the New York/New England plan or the Mid-Atlantic plan, whichever is applicable, based upon Verizon service credited under the applicable plan.
5. The amount and availability of benefits under the Pension Plan are governed by the provisions of the Pension Plans and are subject to ERISA, the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Pension Plans in effect at the time employees separate from service, except as required by applicable law or a subsequent plan amendment. The operation and administration of the Pension Plans, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Pension Plans shall rest with the applicable plan fiduciaries of the Pension Plans and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
6. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall terminate on May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
PENSION PLAN SURVIVOR BENEFITS

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to modify the Plan for Hourly Employees' Pensions. Such modifications will be effective January 1, 2004, 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 May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

PERMANENT HEADQUARTERS & TEMPORARY ASSIGNMENTS

Permanent headquarters area as stipulated in Article II Section 6 of the Agreement is understood to mean all Boeing sites in Long Beach, Huntington Beach, Cypress, and Torrance, California. Anaheim, Canoga Park, Palmdale, and Seal Beach will be considered reporting locations within the Long Beach headquarters location.

Employees assigned to work at other sites for a temporary period will travel on Company time and at Company expense. Should the employee be directed to report directly to another site at the beginning of his shift, he shall have the normal treatment as stipulated in this Agreement for a temporary assignment.

When the company has advance knowledge that an employee will be required to drive to a remote location on the following day, the company will make an honest effort to notify said employee of such assignment so that the employee can make arrangements for individual transportation on the day in question.

The union agrees that employees who live in outlying locations will respond to overtime assignments when required to satisfy our customer service needs.

This Memorandum of Understanding is effective May 14, 2006, and expires on the final day of this contract on May 7, 2011.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

PERSONAL LINES OF INSURANCE

1. Verizon Select Services Inc. agrees to continue, 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 May 14, 2006, and shall expire on May 7, 2011. 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 May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

PRESCRIPTION IDENTIFICATION CARD (PIC)

1. Effective January 1, 2007 Verizon Select Services Inc. and IBEW Local 543 agree to offer the Prescription Identification Card (PIC) 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 (HMOs).
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 May 7, 2011 and shall expire on May 7, 2011. 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 May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
RETIREE LIFE INSURANCE

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to make available to employees who retire on or after May 14, 2006, with a service or disability pension under the Verizon Pension Plan, a \$5,000 retiree life insurance benefit.
2. Employees who retire on or after January 1, 2004, with a service or disability pension under Verizon Pension Plan, a \$10,000 retiree life insurance benefit.
3. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Retiree Life Insurance benefit, shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.



MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

SUPPLEMENTAL TERM LIFE INSURANCE

1. Effective January 1, 2007, Verizon Select Services, Inc. agrees to make available, without endorsement, the opportunity for employees to enroll in Supplemental Term Life Insurance.
2. For a summary of details refer to the Life Insurance Summary Plan Description (SPD).
3. 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.
4. This Memorandum of Agreement is effective on May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Supplemental Term Life Insurance, shall also terminate on May 7, 2011 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

**TEAM PERFORMANCE AWARD**

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to continue the Team Performance Award set forth in this Memorandum of Agreement.
2. For a summary of details, refer to the attachment entitled Team Performance Award.
3. This Memorandum of Agreement is effective on May 14, 2006, and shall expire May 7, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

**TEAM PERFORMANCE AWARD**

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 agree to develop and implement a Team Performance Award, which will provide participating employees the opportunity to earn compensation based upon collective/team performance results.

2. **ELIGIBILITY**

All full-time and part-time regular hourly employees are eligible to receive an award if they are on a TPA Team for 30 calendar days or more. Employees on other Incentive plans are not eligible, i.e., BSG, Consumer Sales, Retail, LiveSource.

3. **AWARDS**

Awards are based on performance toward objectives over the period of a calendar year. An award amount is determined for the applicable calendar year, a percentage of which may be earned by eligible employees, depending on team performance during that calendar year. The payout ranges from 0% to 120% of an established target.

The range of the Team Performance Award payout is as follows:

- A. The 2006 target award is 3% payable in the first quarter of 2007. The

range of 0% to 120% based on achievement of objectives.

- B. The 2007 target award and thereafter is 4% payable in the first quarter of 2008 and thereafter. The range of 0% to 120% based on achievement of objectives.

Employees transferring between or changing teams for any reason during the year will receive an award based upon the team in which they reside at the end of the calendar year (December 31). Awards will not be prorated based on time spent with each team.

An employee who resigns, is laid off, terminated, dies or retires during the calendar year is eligible for a prorated Team Performance Award if all other eligibility requirements have been met. \*

\* In case of Termination for Cause the individual situation will be reviewed to determine if the individual is eligible for an award.

Employees on approved military leave of absence who have one year or more service will be given full wage credit up to three months toward the Team Performance Award. Employees on any other unpaid leave will have cumulative leave time excluded from award computation.

4. **TIME OFF FOR UNION ACTIVITIES**

Excused time off for union activity will be counted as time worked when computing Team Performance Awards.

5. **BENEFITS TREATMENT**

Team Performance Award payments are recognized in the calculation of Pension Plan benefits, Group Life Insurance, and the Hourly Savings Plan. Such payments will be applicable in the year payment is received. This is in accordance with benefit plan definitions.

All other benefits are in accordance with the collective bargaining agreement and are based on rates shown in the hourly wage schedules.

6. **TAXES, PERSONAL ALLOTMENT**

Deductions for federal, state, and local tax liabilities will be made in accordance with lump sum distribution tax laws.

Personal allotments such as savings bonds, and United Way contributions will

not be made.

7. **OVERTIME**

The Team Performance Award payouts are for hours worked and must be included in overtime payments.

The overtime payment will be calculated as follows:

The Team Performance Award payout divided by the total hours worked equals the award hourly rate. This rate is then multiplied times .5 x number of overtime hours in the same calendar year for which the Team Performance Award was paid. The result of this calculation is the award overtime payment due the employee.

EXAMPLE:

Team Performance Award	\$500
divided by	
Total Hours Worked	1,880
equals	
Award Hourly Rate	\$0.2659
times	
Overtime Rate (1/2)	. 5
equals	
Hourly Overtime Rate of Pay	\$0.1329
times	
Total Overtime Hours	100
equals	
Award Overtime Payment	\$13.29

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

A Team Performance Award overtime payment will be included in the award payout.

8. **OBJECTIVES/MEASURES**

All hourly employees normally will be assigned to teams based on their functional area of responsibility. Teams may consist of a few employees or many.

Each team will be given a set of objectives linked to, but not limited to, one or more of these performances areas:

- Quality/Value of services delivered
- Productivity
- Expense Budget

## Revenue

Teams that satisfy a minimum level of performance will receive an incentive payment. If that minimum level of performance is exceeded, the incentive payment will be larger. Each member of a team will receive the same percentage of target award that the team achieved. An example would be as follows.

<u>Level of Performance</u>	<u>Percentage of Target Award</u>
Below Minimum	0%
Minimum to Target	10 - 99%
Target	100%
Over Target to Maximum	101 - 120%

9. The Company reserves the right to establish objectives and determine performance results. The objectives, the performance results, or any part of the Team Performance Award shall not be subject to the grievance or arbitration provisions of the collective bargaining agreement.
10. Prior to the announcement of objectives and performance targets for the applicable year, company representatives will meet with Union representatives to review the rationale for such objectives and targets.

11. **MODIFICATION OF THE TEAM PERFORMANCE PLAN**

Verizon may at any time modify, in part or in whole, the Team Performance Award Plan. Any modification shall not affect awards already earned under this plan. The Company reserves the right to modify team structure as may be necessary.

12. **TERMINATION OF THE TEAM PERFORMANCE PLAN**

The suspension or termination must be by mutual agreement of the parties.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

TRAINING

As a result of negotiations held November 1990 the Company and the Union acknowledge the need for employees to be well trained in all aspects of their job classification(s).

It is the intent of the Company to provide such training to their employees, keeping them current with changing technology and qualified to carry out their duties and responsibilities. It is also the intent to provide opportunity for advancement through company provided training.

The Company will maintain adequate training records and review said records when developing training schedules and assignments for those employees requiring and desiring said training. These records will be considered along with other factors for promotional opportunities.

It is the responsibility of the employee to take advantage of training opportunities when provided by the Company, either within the Verizon system or through external sources, and to apply themselves in a manner which will qualify them in the performance of their day-to-day duties. Employees are also encouraged to pursue training opportunities on their own which will keep them abreast of current technology.

The Company and the union shall work together to locate or develop after-hour training programs and/or self-study training programs. Employee participation on their own time will identify motivated individuals with a desire for additional training. (This additional training will not replace normal on-the-job training.)

The Company will not discipline employees for non-performance of duties in areas where adequate training opportunities have not been provided or required through past experience of employment.

This Memorandum of Understanding is effective May 14, 2006, and expires on the final day of this contract on May 7, 2011.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 543

VACATION BANKING

1. Verizon Select Services, Inc. and International Brotherhood of Electrical Workers Local 543 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.

This Memorandum of Agreement is effective upon ratification and shall expire on May 7, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing. Employees who have accumulated banked vacation time shall not lose such time should this Memorandum of Agreement not be extended.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543

VACATION DONATION

The Company and the Union agree to permit employees, on a trial basis, to donate their vacation time to their coworkers subject to the following guidelines:

1. The need to receive donated vacation time must be related to the catastrophic illness or injury of the employee or a member of their immediate family as defined in Article V, Section 13b or due to an unexpected dire situation.
2. Employees must exhaust all eligible paid time prior to utilizing donated vacation.
3. The maximum number of donated vacation days an employee can receive is five (5) days, unless expanded by mutual agreement.
4. Each employee may donate up to the maximum number of days provided for by Company policy. Donating employees must be from the same department as the receiving employee.
5. Once the Company determines that an employee's situation qualifies to receive donated vacation, the Department Manager and local Union Representative will let employees know about the option to donate a vacation day to their coworker. The situation should be handled as discreetly as possible to avoid embarrassment to the employee in need and to avoid coworkers feeling obligated to donate their time.
6. The employee in need cannot personally solicit other employees to donate their vacation.
7. None of the provisions of this agreement are subject to the grievance or arbitration process.
8. This agreement can be cancelled by either party with 30 days notice.

This Agreement is effective May 14, 2006, and shall remain in effect up to and including May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.



MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
  
VISION PLAN

1. Verizon Select Services Inc. and the International Brotherhood Of Electrical Workers Local 543 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 May 14, 2006, and shall expire on May 7, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate on May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT  
between  
VERIZON SELECT SERVICES, INC.  
and  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 543  
VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon Select Services, Inc. (hereinafter referred to as the Company) and International Brotherhood of Electrical Workers Local 543 (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 May 1, 1996, and May 7, 2011, with a service or disability pension under the GTE Hourly Pension Plan 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 May 1, 1996, 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:

- A. For eligible employees who retire(d) between May 1, 1996, and December 31, 2004:

<u>Age at Retirement</u>	<u>Company Contribution % (Employee + 1)</u>	<u>Retiree Contribution % (Employee + 1)</u>
Less than 60	0%	100%
Non-Medicare covered, 60+	100%	0%
Medicare covered Retiree (per eligible life)		\$15 per month

- B. For eligible employees who retire between January 1, 2005, and May 7, 2011:

<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 May 1, 1996.
- (b) When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option under Verizon RETIREE OPTIONS reach the figures set forth in the chart below ("Capped Retiree Medical Benefits Premiums"), during the period through December 31, 2006 or when the Retiree Medical Benefits Premiums for the \$400 deductible coverage option reach the figures set forth in the chart below during the period from January 1, 2007 through May 7, 2011, the Company Contribution Amount shall be capped and the Company shall make no additional contributions toward Retiree Medical Benefits Premiums.

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>	
	Through December 31, 2006	As of January 1, 2007
Retiree only (primary coverage)	\$ 5,556 (annual)	\$11,500
Retiree plus one dependant coverage	\$11,112 (annual)	\$23,000
Family coverage	\$12,446 (annual)	\$26,000
Medicare covered Retiree (per eligible life)	\$1,506 (annual)	\$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 \$350 deductible coverage option for the period through December 31, 2006, and the \$400 deductible coverage option for the period from January 1, 2007 through May 7, 2011. If the retiree elects the \$150 deductible coverage option, during the period through December 31, 2006, the Retiree Contribution Amount will increase by the amount the \$150 deductible coverage option exceeds the \$350 deductible coverage option during that period. If the retiree elects the \$200 deductible coverage option, during the period from January 1, 2007, through May 7, 2011, the Retiree Contribution Amount will increase by the amount the \$200 deductible coverage option exceeds the \$400 deductible coverage option during that period. If the retiree elects the \$1,000 deductible coverage option, the Retiree contribution amount will decrease by the amount the \$1,000 deductible coverage option is less than the \$350 deductible coverage option (not to exceed zero) during the period through December 31, 2006, and by the amount it is less than the \$400 deductible coverage option during the period from January 1, 2007, through May 7, 2011. When the Retiree Medical Benefit Premiums for the \$350 deductible coverage option reach the amounts set forth in the chart in paragraph 5 during the period through December 31, 2006, or when the Retiree Medical Benefit Premiums for the \$400 deductible coverage option reach the amounts set forth in the chart in paragraph 5

during the period from January 1, 2007, through May 7, 2011, the Company Contribution amount for all coverage options, including the \$150 deductible coverage option, available through December 31, 2006, the \$200 deductible coverage option, available from January 1, 2007, through May 7, 2011, and the \$1,000 deductible coverage option, 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 May 14, 2006, 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 May 7, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

## WAGES

### EXHIBIT A

#### Schedule: P1

LUMP SUM		GWI	GWI	GWI	GWI	GWI
<b>5/14/2006</b>		<b>5/14/2006</b>	<b>5/13/2007</b>	<b>5/11/2008</b>	<b>5/10/2009</b>	<b>5/9/2010</b>
\$1,102.00	Start	\$13.37	\$13.64	\$13.98	\$14.33	\$14.69
\$1,186.00	6 Mo.	\$14.40	\$14.69	\$15.06	\$15.43	\$15.82
\$1,281.00	12 Mo.	\$15.55	\$15.87	\$16.26	\$16.67	\$17.08
\$1,484.00	18 Mo.	\$18.02	\$18.38	\$18.84	\$19.31	\$19.79
\$1,494.00	24 Mo.	\$18.14	\$18.50	\$18.96	\$19.44	\$19.93
\$1,613.00	30 Mo.	\$19.58	\$19.98	\$20.47	\$20.99	\$21.51
\$1,739.00	36 Mo.	\$21.11	\$21.53	\$22.07	\$22.62	\$23.19
\$1,881.00	42 Mo.	\$22.84	\$23.29	\$23.88	\$24.47	\$25.08
\$2,026.00	48 Mo.	\$24.59	\$25.09	\$25.71	\$26.36	\$27.01
\$2,189.00	54 Mo.	\$26.57	\$27.10	\$27.78	\$28.48	\$29.19
\$2,371.00	60 Mo.	\$28.78	\$29.36	\$30.09	\$30.85	\$31.62
\$2,398.00	66 Mo.	\$29.11	\$29.69	\$30.43	\$31.19	\$31.97

#### Job Titles: COMMUNICATIONS TECHNICIAN

#### Schedule: P2

LUMP SUM		GWI	GWI	GWI	GWI	GWI
<b>5/14/2006</b>		<b>5/14/2006</b>	<b>5/13/2007</b>	<b>5/11/2008</b>	<b>5/10/2009</b>	<b>5/9/2010</b>
\$1,028.00	Start	\$12.48	\$12.73	\$13.05	\$13.38	\$13.71
\$1,104.00	6 Mo.	\$13.40	\$13.67	\$14.01	\$14.36	\$14.72
\$1,191.00	12 Mo.	\$14.46	\$14.75	\$15.12	\$15.50	\$15.89
\$1,278.00	18 Mo.	\$15.51	\$15.82	\$16.22	\$16.62	\$17.04
\$1,374.00	24 Mo.	\$16.69	\$17.02	\$17.44	\$17.88	\$18.33
\$1,458.00	30 Mo.	\$17.71	\$18.06	\$18.51	\$18.97	\$19.45
\$1,593.00	36 Mo.	\$19.34	\$19.73	\$20.22	\$20.73	\$21.25
\$1,716.00	42 Mo.	\$20.84	\$21.25	\$21.78	\$22.33	\$22.89
\$1,857.00	48 Mo.	\$22.54	\$22.99	\$23.57	\$24.16	\$24.76
\$1,999.00	54 Mo.	\$24.27	\$24.76	\$25.37	\$26.01	\$26.66
\$2,172.00	60 Mo.	\$26.36	\$26.89	\$27.56	\$28.25	\$28.96

#### Job Titles: INSTALLATION TECHNICIAN

**Schedule P3**

LUMP SUM		GWI	GWI	GWI	GWI	GWI
<b>5/14/2006</b>		<b>5/14/2006</b>	<b>5/13/2007</b>	<b>5/11/2008</b>	<b>5/10/2009</b>	<b>5/9/2010</b>
\$886.00	Start	\$10.76	\$10.97	\$11.25	\$11.53	\$11.82
\$967.00	6 Mo.	\$11.74	\$11.97	\$12.27	\$12.58	\$12.89
\$1,048.00	12 Mo.	\$12.73	\$12.98	\$13.31	\$13.64	\$13.98
\$1,129.00	18 Mo.	\$13.71	\$13.98	\$14.33	\$14.69	\$15.05
\$1,212.00	24 Mo.	\$14.72	\$15.01	\$15.39	\$15.77	\$16.16
\$1,293.00	30 Mo.	\$15.70	\$16.01	\$16.41	\$16.82	\$17.24
\$1,375.00	36 Mo.	\$16.70	\$17.03	\$17.45	\$17.89	\$18.34
\$1,456.00	42 Mo.	\$17.68	\$18.03	\$18.48	\$18.94	\$19.41
\$1,538.00	48 Mo.	\$18.66	\$19.04	\$19.51	\$20.00	\$20.50
\$1,619.00	54 Mo.	\$19.65	\$20.05	\$20.55	\$21.06	\$21.59
\$1,701.00	Top	\$20.65	\$21.07	\$21.59	\$22.13	\$22.69

**Job Titles: WIRING TECHNICAN****Schedule P4**

LUMP SUM		GWI	GWI	GWI	GWI	GWI
<b>5/14/2006</b>		<b>5/14/2006</b>	<b>5/13/2007</b>	<b>5/11/2008</b>	<b>5/10/2009</b>	<b>5/9/2010</b>
\$894.00	Start	\$10.85	\$11.06	\$11.34	\$11.62	\$11.92
\$953.00	6 Mo.	\$11.56	\$11.80	\$12.09	\$12.39	\$12.70
\$1,032.00	12 Mo.	\$12.52	\$12.77	\$13.09	\$13.42	\$13.76
\$1,103.00	18 Mo.	\$13.39	\$13.66	\$14.00	\$14.35	\$14.71
\$1,187.00	24 Mo.	\$14.41	\$14.70	\$15.07	\$15.45	\$15.83
\$1,282.00	30 Mo.	\$15.56	\$15.88	\$16.27	\$16.68	\$17.10
\$1,341.00	36 Mo.	\$16.28	\$16.61	\$17.02	\$17.45	\$17.88
\$1,396.00	42 Mo.	\$16.95	\$17.29	\$17.72	\$18.16	\$18.62
\$1,448.00	48 Mo.	\$17.57	\$17.93	\$18.37	\$18.83	\$19.30
\$1,588.00	54 Mo.	\$19.28	\$19.67	\$20.16	\$20.66	\$21.18
\$1,609.00	Top	\$19.53	\$19.92	\$20.42	\$20.93	\$21.46

**Job Titles: WAREHOUSE ATTENDANT**