



IBEW Local Union 21 • CWA Local 4250



Illinois & NW Indiana 2009 AT&T Mobilization & Bargaining News

AT&T "Legacy T" Bargaining Report #4

February 27, 2009

Today the Company presented their Benefits Proposals. Based on Tuesday's presentation and the plan they forced on their management, it was mainly what we expected, though they came up with a few ideas that even surpassed our lowest expectations. Their plan is much too detailed to list it all here so we will just give you the highlights (or lowlights). However, you should remember that this is their FIRST proposal. There is a lot of bargaining still to come. Hopefully there is also a lot of activity out in the Locals that is still to come too, and you must let AT&T management know this is not a plan any of us can live with.

One thing people need to understand about all the dollar amounts in the Company's proposal is that none of them are fixed amounts. The Company will adjust them every year based on some insurance company formula based on their spending. It's just like the people who got stuck with insane variable mortgages they couldn't pay while the value of their homes plummeted. They want us to agree to this without us even knowing how much we will be paying in 2010.

1. There is a "standard" plan for individuals (not families) that will have no monthly premium. The big catch is that (if you are "in network") there is a \$1150 yearly deductible you have to pay before the plan covers a penny. Families in this plan would have to pay \$95 a month with a \$2300 deductible. There are various other "options" that have families paying as much as \$321 a month.
2. The out of pocket yearly maximums also went from \$3000 for a family in network, to up to \$11,600.
3. For office visits there is no flat co-pay but you pay (in-network) 10% of the fee for the visit, whatever it is (that is, if you've met your deductible – otherwise it's 100%).
4. Prescription co-pays went way up (and can change yearly).
5. There will be a monthly premium (which can change yearly) for families for Dental with a PPO. The maximum yearly benefit has been lowered for both dental and orthodontic.
6. There will be a monthly premium for vision for families.

But that's not even the worst of it.

1. ANYONE WHO WAS HIRED AFTER 8/1/97 WHO RETIRES AFTER THIS CONTRACT IS SIGNED WILL GET ZERO COMPANY PAID MEDICAL BENEFITS. They can buy it on their own at "cobra" rates.
 2. Those hired before 8/1/97 who retire during the agreement will get paid benefits by the company but ONLY for themselves. They will have to pay 44% of the premium of each dependent (which can change every year).
 3. Their proposal takes fully paid benefits away from part time workers no matter how many hours they work. The most they can get is 50% of their premium covered if they work over 20 hours a week.
- There is a lot more to this plan. The bottom line is this: It is much worse than it has to be considering the economic health of AT&T. It punishes those who need care the most. It does not FIX one health care issue – all it does is shift the cost from AT&T to us.

As we said in the beginning, this was Company proposal number ONE. There will be a lot more back-and-forth over the next few weeks. How much better it gets will depend a lot on our Unity and our refusal to allow this to happen.



www.ibew21.org

www.cwalocal4250.org

SET TO TALK – READY TO WALK

Sisters & Brothers:

While at\$t was presenting our CWA Bargaining Teams their extremely retrogressive health care proposal, the press was reporting that at\$t would acquire 100 percent of Centennial Communications Corp. stock at \$8.50 per share, for a total equity price of \$944 million. Including net debt, the total enterprise value is approximately \$2.8 billion. AT&T Inc. and Centennial Communications Corp. said that AT&T plans to acquire Centennial, a regional provider of wireless and wired communications services, for nearly \$1 billion in cash.

AT&T, DON'T EVEN THINK OF MESSIN' WITH OUR HEALTH CARE!

In Unity-Strength & Solidarity:

**Steve Tisza, President
CWA Local 4250**

PS: AT&T and Tiger Woods Just signed a **big Contract too!**

AT&T Pushing Ahead with Plans to Buy Centennial

by Ananta Pancham

Feb. 26, 2009 -- After a two-and-a-half hour executive session, Public Services Commission members spent much of their Thursday board meeting getting status updates on the pending sale of two local telecom companies.

AT&T is pushing to buy out Centennial Communications Corp. -- a move that Centennial officials said Thursday would give its local customers access to a network with the "best" worldwide coverage, a broader range of wireless devices and the "nation's largest" wi-fi network, among other things.

"What's most critical to the U.S. Virgin Islands is that we will be better prepared to respond to natural disasters," said Jorge Bauermeister, Centennial's attorney. Bauermeister assured the PSC that Centennial plans to move ahead with "business as usual," particularly when it comes to keeping up with its five-year plan and using its federal Universal Service Funds to build facilities in the territory.

The USF is an FCC-controlled program designed to bring better telecommunications services to rural and insular areas. Funding is awarded based on conditions such as whether the money would be used to help subsidize local services, telecommunications infrastructure and building service quality. Centennial began receiving its funding about a year ago, after being designated an eligible telecommunications carrier by the PSC. (See "[PSC OKs Federal Funding for Vitelco, Centennial.](#)")

[Under terms of the agreement, AT&T would acquire 100 percent of Centennial's stock at \\$8.50 per share, for a total equity price of \\$944 million. Including net debt, the total enterprise value is approximately \\$2.8 billion.](#) The acquisition, which is subject to U.S. Justice Department and Federal Communications Commission approval, is expected to close out at the end of June, according to

William L. Roughton, Centennial vice president of legal and regulatory affairs. (See "[AT&T to Buy Centennial For Nearly \\$1 Billion](#)").

AT&T to Buy Centennial For Nearly \$1 Billion

by Lynda Lohr

Nov. 8, 2008 -- [AT&T Inc. and Centennial Communications Corp. said Friday that AT&T plans to acquire Centennial, a regional provider of wireless and wired communications services, for nearly \\$1 billion in](#)

cash.

AT&T and Centennial both operate cell phone service in the Virgin Islands.

"It's not going to mean a change in service," William L. Roughton, Centennial's vice president of legal and regulatory affairs, said Saturday from Washington, D.C.

However, the Centennial name will be gone when the sale is finalized. Roughton expects that to happen toward the end of the second quarter of 2009.

Roughton said that Centennial has 3,500 customers in the Virgin Islands. He did not have a figure for AT&T, but said it was the largest cell phone provider in the Virgin Islands. No one could be reached for comment at AT&T on Saturday.

According to a press release from AT&T, the transaction will enhance AT&T's wireless coverage for customers in the Virgin Islands, Puerto Rico and largely rural areas of the Midwest and Southeast United States. Centennial has 1.1 million customers in those locations.

With the addition of Centennial's wired network in Puerto Rico, AT&T will also be able to better serve the company's business customers who operate there.

As a result of the acquisition, Centennial's wireless subscribers will have access to iPhone 3G, an AT&T exclusive.

Centennial's customers who choose select smartphones -- such as the BlackBerry Bold, another AT&T exclusive -- and AT&T LaptopConnect cards will also get free access to the nation's largest Wi-Fi network.

"Mobility is a vital investment area for AT&T and our company's biggest growth driver," said Ralph de la Vega, president and chief executive officer of AT&T Mobility and Consumer Markets.

He said that AT&T's existing customers will enjoy better on-network calling in the current Centennial roaming areas. And Centennial customers will have access to a mobile-to-mobile network of nearly 75 million subscribers and AT&T's national and international roaming capabilities.

Centennial Chief Executive Officer Michael J. Small said the merger was a natural next step for the company.

"As a result of this merger, our wireless customers will enjoy greatly expanded network coverage and access to AT&T's wide range of innovative products and services. Our business customers will benefit from AT&T's expertise in delivering networking services and solutions to businesses of all sizes," he said.

Under terms of the agreement, Centennial stockholders will receive \$8.50 per share for a total equity price of \$944 million. Including net debt, the total enterprise value is approximately

\$2.8 billion. AT&T expects the proposed transaction to deliver significant value to its stockholders.

The acquisition is subject to regulatory approval, approval of Centennial's stockholders and other customary closing conditions. Welsh, Carson, Anderson & Stowe, Centennial's largest stockholder, has agreed to vote in support of this transaction. AT&T is working to obtain approvals by the end of the second quarter of 2009.

