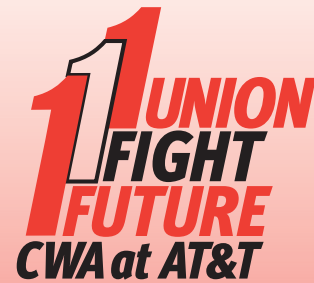


- 1995** Overtime language unchanged. Single region-wide grievance procedure. Dismissal review board, 125 days annual union time. New hire orientation. New Media included in regional contract recognition clause. Breakthrough Agreement expanded to include employees of Enhanced and Custom Business Services.
- 1998** Card Check at Ameritech Cellular. Maintained state-by-state language on overtime and other issues. Expedited arbitration on adherence and other performance issues.
- 2001** Card check expanded to all Ameritech units. No monitoring without notification.
- 2004** **If the company chooses to sell a property or a part of its business, the buyer would be required to negotiate an equal contract. Intersubsiary Movement Process to allow for transfers to other AT&T companies.**

COMMUNICATIONS WORKERS OF AMERICA

CWA
WE MAKE THE
DIFFERENCE
AT AT&T MIDWEST



2009 UPDATE

CWA
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WORKERS OF AMERICA
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Bargaining for Our Futures

CWA members at the AT&T companies have worked hard over many years to win the good wages, benefits and working conditions we enjoy today. Our wages were not “given” to us by “generous” management. They were won piece by piece over years of negotiations with AT&T and all the companies that have preceded it. Our contracts ensure that we have a solid base of wages and working conditions that work for us every day.

Experience tells us that good contracts are won in the workplace and in the community, not just at the bargaining table. The power we have at the negotiating table flows directly from our members and is a direct result of the information and education our members receive about the bargaining issues, along with their solidarity and their activity in the workplace. To win the kinds of improvements we will need in coming years, to improve on the benefits and employment protections we have now, we will need to mobilize all of our members with all the determination and solidarity we can.

Mobilization is the Way We Make the Difference

CWA first developed the Mobilization program in 1988 to put pressure on our employers in support of our demands at the bargaining table. Through Mobilization we educate members on the issues, build union organization and activism in the workplace and in the community. In turn, members let the company know that they are united behind their bargaining committees and willing to do whatever it takes to get the contract improvements they need.

Over these 20 years, CWA has made great strides in each round of bargaining, despite some tough times in the economy, tumultuous change in our industry and increased opposition from management. Even so, from wage improvements and benefit enhancements to employment security and organizing rights, negotiations have yielded better contracts in every round. Mobilization has provided the sustained commitment of membership that has enabled CWA to achieve those goals.

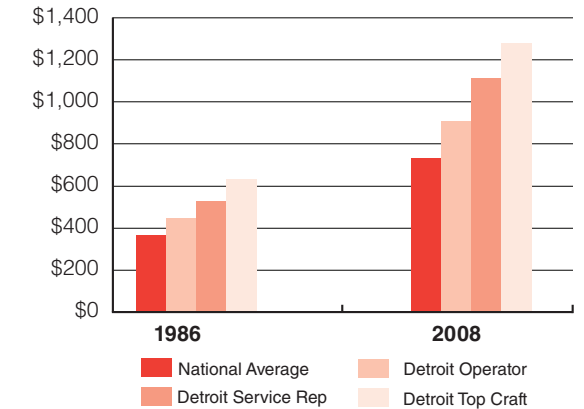
We Make the Difference — Standard of Living

In 1986, an operator in Detroit, Michigan was paid a maximum weekly wage of \$440 — 23% more than the average wage paid to all workers in the United States. Top craft workers were paid \$622.50 per week — 74% above the national average. Service Representatives earned \$517.50 — 45% more than the average worker.

By April 2008, after the last pay increase in the 2004 contract, weekly wages for Operators and Top Craft workers had increased by 105% since 1986 to \$900.50 and \$1,274 respectively. Service Rep wages had risen 114% to \$1,106.50 per week.

Between 1986 and 2008, consumer prices increased by 99%, but average wages increased enough to gain 1.5% in buying power. Yet, Detroit Operators were paid 25% more, Service Reps 53% more and Top Craft 76% more than the national average weekly wage. Thus, Operators and Top Craft workers increased their purchasing power for almost 3%, while Service Reps gained more than 7%.

CWA Wages Exceed U.S. Average



Key Bargaining Gains

Wage Increases

- 1970s** Progression schedules shortened to 5 years for craft and 4 years for clerical workers. Ten percent evening and night differential established. Reduction of traffic tours to 7.5 hours. Clerical restructuring and upgrades. Improved differentials. Town upgrades. Plant upgrades.
- 1980s** Improved wages through annual raises and progression. Upgrades for operators and numerous titles. Increased differentials. New success sharing plan. Profit-sharing plan improved with a portion of the payout going into base wages.
- 1992** Achieved wage gains of 12% over term of contract along with significant job upgrades in technical and clerical titles. Established a trial program that pays employees for being on call.
- 1995** 10.87% compounded wage increases. Annual Success Sharing payment \$300 to \$1,500 based on financial objectives attained, paid in Ameritech stock. Increased temporary assignment reimbursement rates.
- 1998** 11.19% compounded wage increases.

2001 13.07% compounded wage increases. Additional wage increase for Service Rep titles. Upgrades for 15 titles. Increased temporary assignment reimbursement rates.

2004 **12.04% compounded wage increases (plus cost of living adjustments in 2007 and 2008). Lump sum payments of 1% of pay plus \$1,000 over the life of the contract. Team performance award, minimum \$425.**

Employment Security

1970s Reassignment pay protection plan. Supplemental income protection plan.

1980s Improvements in supplemental income and reassignment pay protection plans negotiated. Contracting out reduced. Voluntary income protection plan established. Annual job opportunities forecast. Career counseling and outplacement services for long-service laid-off workers. Enhanced "prep-tech" training, 3-year preferential right of return policy for involuntary transfers. Annual career direction and semi-annual placement report. Established a \$30 million training fund for current employees to gain experience at entry-level craft jobs while maintaining their current levels of pay for 6 months.

1992 Increased pre-paid training for surplus employees. Expanded tuition reimbursement to include 50 percent reimbursement for all undergraduate degree programs. Improved Pay Protection Plan so that downgraded employees will not suffer any loss in pay. Lowered Training Opportunity Program eligibility requirement for regular full-time employees who have been laid-off.

1994 VIS Agreement – wall-to-wall union jobs to build the broadband network for video information services provides over 1,000 union job opportunities.

1995 New "Hometown Jobs" force adjustment procedure. New transfer plan. Information and Review to reduce contracting-out of bargaining unit work. Career and Personal Development. Supplemental Income Protection Plan and Reassignment Pay Protection Plan.

1998 Job Offer Guarantee. Training Opportunity Plan. Relocation allowance increased to \$13,000. New Media access to Job Link top transfer into Core, expand subsidiaries available for transfer in surplus situations. Quarterly contracting-out reviews.

2001 SIPP payments increased to \$31,000; SIPP will be offered prior to surplus declaration. Transitional Leave of Absence to reach pension eligibility. Pay protected in case of demotion. Relocation increased to \$16,000 for homeowners, \$8,000 for renters. Increase percentage of New Media

employees able to transfer into Core. Seniority recognized in Job Link system. Preferential hiring into other CWA-represented jobs elsewhere in SBC.

2004 **Contracted work in Tier 1 and 2 Customer Contact/Technical Support will be brought back into the bargaining unit. Parties may agree to bring outbound telemarketing jobs and buried service wire work into the unit. Represented employees will perform all work on customer premises, Wi-Fi and VoIP work. Surplus employees may transfer to any 100%-owned subsidiary, carrying service credit for benefits and vacation. Relocated and surplus employees given the opportunity to return to their Hometown Job Area. Additional distribution options for term pay, new RPPP plan for new hires and rehires. Expanded Vsipp plan.**

Health Care Benefits

1960s Established basic and "catastrophic" medical plans for employees, retirees and dependents. Members paid 75% of the cost of the coverage.

1970s Company agreed to pay full cost of health care package, HMO option added to health plan. Surgery and physician fees paid at 80% of usual, customary and reasonable (UCR) charges. Deductible decreased to 1% of basic wage or \$150 per individual. Dental plan introduced. UCR increased to 90% for surgery, physician's fees. New orthodontia coverage. Retirees given HMO option. In-patient alcohol treatment coverage. Joint Health Care Cost Containment Committee established.

1980s Vision care introduced. Dental coverage improved. UCR increased to 95% of surgery charges. Many services covered at 100%. Lifetime retiree maximum benefit is \$50,000. Annual eye exams provided.

1992 Modified the comprehensive HealthCare Plan to include personal care physician network. Network benefits include TMJ paid from healthcare benefits instead of Dental. Healthcare flexible spending account introduced.

1995 Improved access to providers. Language to prevent adverse change in benefits without union consent. Joint Benefits Forum to develop problem resolution process. Third Party Medical Opinion for short-term disability. Vision care schedules increased \$5. Dental maximum increased to \$1,200 annually. Orthodontics \$1,400 lifetime. Retiree health protected without contributions for term of the agreement.

1998 No changes to benefits as stated in benefit documents without union consent, subject to arbitration. Benefit Investigation Committee.

2001 Improved access standards for networks. Network participation voluntary, coverage of new employees after 3 months. Survivors of active employees who die will be covered for 12 months. Mammography benefit enhanced. Hearing aid benefit of \$1,000 every 36 months. Retiree medical caps increased. Annual dental max increased to \$1,300. Lifetime orthodontia increased to \$1,600. Night guard coverage. Vision Plus coverage contribution reduced. Coverage of Registered Domestic Partners. New dispute resolution procedure for short-term disabilities. Full-time students eligible to age 25.

2004 **Continued NO PREMIUMS for active and retiree health coverage. Dental plan schedule B service reimbursements increased 5%. Extended 2 benefit representative positions. Annual enrollment for Care Plus and Vision plans.**

Vacations and Time Off

1970s Vacation improved first, 2 weeks after one year of service, later 3 weeks after 8 years and 4 weeks after 15. Two additional holidays added. Excused Work Days introduced. Long-term disability plan added to provide financial security for injured workers. Maternity plan to provide both paid and unpaid leave.

1980s Vacation improved — 3 weeks after 7 years, additional excused work day. "Banking" of vacation time for long-term workers in Ohio. Six-month leave for adoptive parents in Michigan.

1992 Removed requirement that employees with more than two weeks vacation take one week within first four months of the year.

1995 Pay on first day of illness after 5 years service. Three days funeral time plus one day if funeral more than 200 miles away. One EWD may be taken in 2-hour increments; all EWDs may be taken in half-day increments. One EWD or vacation day may be taken upon request. Up to 3 day-at-a-time vacation days may be taken in half-day increments.

1998 Stepchild and stepparent added to funeral leave definition. An additional non-paid day may be requested if deceased is spouse, child or other person living in employee's household. Employee may substitute vacation or EWD for non-paid day.

2001 Eligibility for funeral leave reduced to 9 months. Additional unpaid days added for certain relatives. Two days personal time off guaranteed. Vacation carryover. Vacation year begins on December 31 (retirees receive pay for next year's vacation). Floating holidays may be rescheduled.

2004 **Increased opportunity for vacation time in large centers. EWD days in 2-hour increments. Funeral time for registered domestic partners.**

Pension Benefits

1970s Benefit formula improved and minimum pensions increased. Widowers receive survivor benefits. Early retirement penalty significantly reduced. Savings and security plan extended to non-management with matching funds from company. Increased death benefits, Improved surviving spouse option.

1980s Early retirement penalty removed with 30 years service. Retiree benefits increased. New 401(k) savings plan option, regular improvements in benefit levels.

1992 Increased pension bands from 10 to 17% depending on employee's age and date of retirement.

1995 12 to 15% increase in pension bands.

1998 Elimination of age variations on pension bands, 12 to 19% increases in pension band values, lump sum distribution options protected. Employer savings plan match increased to 80% of employees' first 6%. Maximum weekly savings contribution increased to \$55.

2001 14% increase in pension bands, band upgrades for operator service employees, lump sum distribution available to employees on disability and leaves of absence. Pre-Retirement Survivor annuity benefit payable to spouse as a lump sum. Ameritech savings plan merged into SBC Savings and Security Plan. Portability of service among SBC entities.

2004 **Bands increased 13.1% (compounded) + COLA over term. Lump Sum Payout protected if GATT rate were to cease. Elimination of 60-day election period for lump sum distribution of pension benefits. Maximum weekly savings increased to \$65 for week pay of \$1,200 or more.**

Worker Protection

1960s Three-year contracts achieved.

1970s Union/management national safety committee established. Union representation at disciplinary meetings guaranteed, Payment for moving expenses, "just cause" for discipline, expedited arbitration established.

1980s Union/management technology change committee formed. Quality of work life committee. Monitoring of workers is limited. Overtime limits in Michigan. Voluntary income protection plan established. Supplemental income and reassignment pay protection plans improved. Union/management training and retraining committees formed. Reinstated safety advisory committees. Increased relocation expense benefits and payments. Agreements on monitoring and on overtime. Technology change language.