

This is the entire text of the collective bargaining agreement between Verizon Supply Chain Services and CWA District 9 effective June 25, 2006, through June 18, 2011.

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

AGREEMENT

between



VERIZON SUPPLY CHAIN SERVICES, INC.

and



COMMUNICATIONS WORKERS OF AMERICA

EFFECTIVE – JUNE 25, 2006

EXPIRES – JUNE 18, 2011

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE</u>
	<u>Agreement</u>	1
1	<u>Recognition</u>	1,2
2	<u>Union Security and Check-Off of Union Dues</u>	2-5
3	<u>Retained Rights</u>	5,6
4	<u>Discipline</u>	6
5	<u>Grievance Procedure</u>	6,7
6	<u>Arbitration</u>	7,8
7	<u>Holidays</u>	8-10
8	<u>Wages</u>	10
9	<u>Fringe Benefits</u>	11
10	<u>Sickness and Accident Benefits</u>	11-15
11	<u>Bereavement Leave</u>	15
12	<u>Seniority</u>	16
13	<u>Transfer</u>	16,17
14	<u>Hours-of-Work, Overtime</u>	17,18
15	<u>Vacation</u>	18
16	<u>Force Adjustment</u>	18-20
17	<u>Layoff Allowance</u>	20,21
18	<u>Recall Rights</u>	21,22
19	<u>Probationary Employees</u>	22
20	<u>Union Representatives, Shop Steward</u>	22,23
21	<u>Posting of Notices</u>	23
22	<u>Leaves of Absence</u>	23,24
23	<u>Jury Duty and Witness Pay</u>	24,25
24	<u>Premium Payments</u>	25,26
25	<u>Work Away From Headquarters</u>	26,27
26	<u>Wage Differential for Management Supervisory Work</u>	27
27	<u>Voting Time</u>	28
28	<u>Contracting Work</u>	28
29	<u>Strikes & Work Stoppages</u>	28
30	<u>Responsible Union – Company Relationship</u>	28,29
31	<u>Terms of Agreement</u>	29
32	<u>Safety</u>	29
33	<u>Temporary Employees</u>	29,30
34	<u>Schedule Change</u>	30
35	<u>Military Leave of Absence</u>	31
36	<u>Productive Work by Management</u>	31
37	<u>Definitions</u>	31-33
	<u>Wage Schedules</u>	104-108

Memorandums of Agreements:

<u>Adoption Assistance</u>	34,35
<u>Bumping Rights</u>	35
<u>Dental Plan</u>	36,37
<u>Excused Absence (Family Leave)</u>	37
<u>Family and Medical Leaves of Absence (FMLA)</u>	37-40
<u>Flexible Reimbursement Plan (FRP)</u>	40
<u>Hearing Aid Benefit</u>	41
<u>Hourly Job Selection Process</u>	42
<u>Income Security Plan (ISP)</u>	42-45
<u>Joint Healthcare Cost Containment Committee</u>	45,46
<u>Layoff Allowance</u>	46,47
<u>Leave of Absence</u>	47
<u>Long Term Care Plan</u>	47,48
<u>Long Term Disability</u>	48-50
<u>Lump Sum In Lieu Of Wages</u>	51
<u>Lump Sum Payment Option</u>	52
<u>Mail Order Prescription Plan (MOPP)</u>	52,53
<u>Medical Plan</u>	53-60
<u>New Hire Orientation</u>	61
<u>Non Standard Work Week</u>	61,62
<u>Overtime Administration</u>	62
<u>Part -Time Employees</u>	63
<u>Pension Plan – Pension Minimums</u>	64
<u>Pension Plan Survivor Benefits</u>	65,66
<u>Personal Lines of Insurance</u>	66
<u>Prescription Identification Card (PIC)</u>	67
<u>Retiree Life Insurance</u>	68
<u>Safe Working Environment</u>	68
<u>Safety Shoes</u>	69
<u>Sr. Metrology Technician</u>	70
<u>Supplemental Term Life Insurance</u>	71
<u>Team Performance Award</u>	72-75
<u>Ten-Hour, Four-Day Work Week</u>	75,76
<u>Term Employee</u>	76
<u>Training and Education</u>	76,77
<u>Transfer of Work</u>	77
<u>Transfer Priority</u>	78,79
<u>Vision Plan</u>	79-81
<u>Voluntary Employees Beneficiary Association (VEBA)</u>	82-85
<u>Voluntary Employees Beneficiary Association (VEBA)</u>	85-88

National Memorandums of Agreement:

<u>Domestic Partner Benefits</u>	85-91
<u>Education and Life-Long Learning</u>	91,92
<u>Hourly Savings Plan</u>	92
<u>Hourly Savings Plan (HSP)</u>	92-94
<u>Neutrality and Consent Election</u>	94-99
<u>Service and Seniority Recognition</u>	99-101
<u>Union Leave of Absence</u>	101,102
<u>Vacation Carry Forward (Banking)</u>	103

AGREEMENT

This Agreement made and entered into this 25th day of June, 2006, by and between Verizon **Supply Chain Services, Inc.**, hereinafter called the "Company" and the Communications Workers of America, hereinafter called the "Union".

Neither the Company nor the Union shall in any manner discriminate against, interfere with, restrain, or coerce employees because of sex, sex orientation, race, creed, color, age, religion, national origin, qualified physical or mental impairment, being Vietnam era veterans or disabled veterans, union membership or non-membership or because of participation or non-participation in activities on behalf of the Union.

The employer may take all reasonable actions necessary to comply with Americans with Disabilities Act (ADA) which are neither in conflict with provisions of this Agreement or with rights established by the National Labor Relations Act.

Nothing in these Agreements shall be construed to require either of the parties hereto to act contrary to any State or Federal law or regulation. In the event that any such condition arises, it is agreed that these Agreements shall be deemed to be modified in respect to either or both parties to the extent necessary to comply with such law or regulation.

These Agreements shall be binding upon the successors and assigns of the Company and no provisions, terms or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, reorganization, or assignment of the Company or by any change in the legal status, ownership, or management thereof.

ARTICLE 1

1. RECOGNITION

- 1.1 The Company recognizes the Union as the exclusive bargaining agent for all hourly paid employees excluding all other employees, guards, supervisors as defined by the Act, and confidential employees as agreed to by the parties, at the following locations in California: Orange, Riverside, San Bernardino, Los Angeles, Ventura, Santa Barbara, Kern, Tulare, Fresno, Sacramento, and Marin counties and the city of Calabasas, Long Beach, Irvine, San Diego and Los Gatos. Outside California the **city** of King of Prussia, Pennsylvania.

- 1.2 These Agreements shall be binding upon the successors and assigns of the Company and no provisions herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, or assignment of the Company or by any change in the ownership or management thereof.
- 1.3 The Company will notify the Union of the name(s) of all persons hired within seven (7) days of the date of hire.

ARTICLE 2

2. UNION SECURITY AND CHECK-OFF OF UNION DUES

- 2.1 Under federal labor laws, and obligations under this Agreement, the Union is required to represent all of the employees in the bargaining unit fairly and equally without regard to whether the employee is a member of the Union. In consideration thereof, Agency Shop provisions will prevail during the term of this Agreement.
 - 2.1-1 Membership in the Union is not compulsory. Employees in job classifications within the collective bargaining unit are free to accept or to decline membership in the Union.
 - 2.1-2 Any employee who is a member of the Union may, upon proper notice, voluntarily withdraw from such membership but may not, thereby, be relieved of Agency Shop requirements herein.
- 2.2 Subject to conditions set forth within this Article 2, regular, part-time and temporary employees within **thirty (30)** calendar days of hire shall as a condition of employment, and at their option either: (1) apply for membership in the Union and, if accepted, maintain membership in good standing thereafter during the term of this Agreement, or (2) alternatively arrange to pay to the Union a service fee Equal in amount to the membership dues uniformly required for all members of the same class.

2.2-1 For purposes of this Article 2, the following definitions will apply:

In good standing - means that the employee pays, or tenders payment of Initiation fee, and periodic dues in amount and frequency regularly required by the Union as a condition of acquiring and retaining membership. Service fee employee - means a covered employee who elects not to become a member of the Union, or who withdraws membership from the Union, and is required in lieu of membership to pay the representation fee to the Union.

Proper notice - means that the employee will notify both the Company and the Union by registered mail return receipt requested. Notice to the Company will be directed to the Area

Human Resources Administrator, and notice to the Union will be to the applicable Union Local President.

- 2.3 These Agency Shop provisions apply to all newly hired covered regular, part-time, and temporary employees whose date of engagement is on, or after June 5, 1973 with the exception of those as agreed to by the Company and the Union in the Memorandum of Agreement dated August 4, 1988 and June 17, 1989.

- 2.3-1 Any covered employee who is a member of the Union, on the 31st calendar day following May 5, 1973, is subject to the Agency Shop requirements herein.

If the 31st day is a Sunday, or a recognized holiday, the next regular workday will be controlling.

- 2.3-2 Any covered regular employee, who is not a member of the Union on the date specified above, is excused from the Agency Shop requirements. However, such employee may elect to join the Union, or to become a Service Fee Employee, at any later time at his or her option.

- 2.4 Service Fee Employees are in no manner members of the Union, and possess no Membership right, privileges, or responsibilities that accrue to members of the Union.

No Service Fee Employee shall be required to pay the representation fee during any period that, by Union rules or actions, dues payments are suspended or not enforced for regular members of the Union.

- 2.5 Nothing herein shall be construed to limit the Union's lawful rights to determine and enforce regulations regarding acquisition of, and retention of, membership in the Union. Any covered regular employee who is refused membership, or whose membership is involuntarily terminated by action of the Union body (other than for refusal to tender initiation fee and periodic dues) shall not be subject to discharge from employment, but, rather, shall take on the status of a Service Fee Employee.

- 2.6 The Company shall incur no liability in the enforcement of this Article.

- 2.6-1 Membership dues and initiation fees (which terms do not include assessments, fines, reinstatement fees, and similar payments, nor dues or initiation fees for any month other than the month of deduction), in fixed authorized amounts uniformly required for membership, will be deducted from payroll checks payable to employees the first Friday in each month. The amount to be deducted for initiation fees in any month shall not exceed twenty-five dollars (\$25.00). Deductions for an initiation fee of more than twenty-five dollars (\$25.00) will continue each succeeding month until the full amount is paid. "Payroll checks" as used herein shall not include,

and no deductions shall be made from, accident or sickness benefit checks, nor payments other than for work performed. The Company will send to the Union within ten (10) working days following the deductions made the first Friday of the month a check or checks covering said deduction, together with a list (showing name, Company clock number and amount deducted) of employees for whom membership dues and initiation fees were deducted. Membership dues and initiation fees shall be deducted in accordance with the employee's authorization in a form prescribed by the Company. A deduction authorization will be effective from the first day of the month occurring not less than thirty-one (31) days after its execution and delivery to the Company by the employee. It is the responsibility of the Union to collect directly from the employee: (i) dues or initiation fee payments owed after cancellation of a deduction authorization, or (ii) dues or initiation fee payments owed before the time the deduction authorization becomes effective, and (iii) dues or initiation fee payments missed (whether because of insufficient earnings, accidental error or any other reason), provided that it is understood and agreed that if because of insufficient earnings of an employee paid the first Friday of the month the full amount due for such month is not deducted, the Company will attempt successive deductions on the second, third and fourth Friday of the month until the amount to be deducted for said month shall have been deducted. In no event shall there be any carry over from one calendar month to the next nor beyond the fourth Friday in a single calendar month, except membership dues missed as a result of an employee's disability for which accident or disability benefit checks have been paid may be collected by deduction from the payroll check payable to the employee on the first Friday of the first full calendar month following the employee's return to work from accident or sickness disability. The Company will send to the Union within ten (10) working days after the end of each calendar month during which this Agreement is in effect a check or checks covering deductions made by it from payroll checks payable to employees the second, third, or fourth Friday of such calendar month together with (i) a list (showing name, Company clock number and amount deducted) of employees from whom membership dues and initiation fees were deducted from payroll checks payable to employees on the second, third, or fourth Friday of such calendar month, and (ii) a list (showing name and Company clock number) of employees who had in effect current authorizations for dues and initiation fee deductions on the first Friday of that month, but with respect to whom no membership dues or initiation fee payment was deducted on the four (4) deduction dates of the calendar month. The Union agrees that it will only request clarification from the Company regarding any list, deduction, failure to deduct, deduction authorization or employee status after the Union has taken the matter up with the individual employee. Any request for clarification from the Company shall be in writing signed by the Business Representative of the Union and addressed to the Employee Relations Manager, Supply. A deduction authorization

shall be subject to cancellation by: (i) written order of the employee to the Manager, Employee Relations - Supply, (ii) transfer or promotion of the employee out of the unit, (iii) leave of absence of thirty (30) calendar days or more, layoff, resignation, retirement or termination, and (iv) change in legal requirement of valid deduction authorizations. A new deduction authorization shall be required to again commence deduction of membership dues or initiation fee payments for an employee whose authorization has been canceled as a result of any of the said causes. If any of said causes for cancellation of a deduction authorization shall occur within fifteen (15) days prior to a scheduled deduction date, the cancellation of the deduction authorization will be deemed effective on the first day of the month following such scheduled deduction date, and the question of whether such dues or initiation fee payment were owed by the employee to the Union shall be settled directly between the employee and the Union. Deductions required by law, amounts payable to the Company, stock or bond purchase payments, deductions for insurance and deductions pursuant to valid assignment authorizations, shall take precedence over deduction of membership dues and initiation fee payments if the payroll check is insufficient to cover all thereof.

- 2.6-2 The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of this Article, or in reliance of any notice, authorization or assignment furnished under any of such provisions. The Union agrees to advise the Employer promptly in writing if at any time it has any knowledge or belief that it may not represent a majority of the employees covered by this Agreement.

ARTICLE 3

3. RETAINED RIGHTS

- 3.1 In order to operate its business the Employer retains and shall have the following exclusive rights:
- 3.1-1 To cease operations at the Facility any time;
 - 3.1-2 To decide on work to be done, the quality, methods, processes and materials to be used in connection with such work, and the conduct of its business;
 - 3.1-3 To determine the work performance levels and standards of performance of all of the employees;
 - 3.1-4 To terminate, reassign, or demote employees as the result of the exercise of any of the rights enumerated in subparagraphs (1)

through (3) above or as a result of the exercise of any of the rights of the Employer not limited by the clear and explicit language of a clause of this Agreement; and

3.1-5 To establish and change the work week, to establish, schedule and change shifts and to schedule rest periods.

3.2 All other rights of management are also expressly reserved to the Employer even though not enumerated above, unless they are limited by the clear and explicit language of some other provision of this Agreement.

ARTICLE 4

4. DISCIPLINE

4.1 Nothing in this agreement shall restrict the right of the Company to discipline or discharge an employee for just cause. It is agreed that the Company will notify a Chief Union Steward, or higher, of employee suspensions and discharges. A maximum of **four (4)** working days following such notification will be permitted in which to grieve such actions. Any grievances not so presented within the specified **four (4)** days shall not thereafter be considered.

ARTICLE 5

5. GRIEVANCE PROCEDURE

5.1 A grievance is a complaint by an employee or group of employees involving an alleged violation and/or interpretation of any provision under and during the term of this Agreement.

5.2 Any grievance submitted in writing shall contain a clear concise statement of the alleged violation including sufficient detail so dates, times, occurrences and the nature of the circumstances can be readily identified. It shall also refer to the contract article and section allegedly violated.

5.3 Nothing shall prevent the presentation of grievances not falling under the above said definition except grievances of this nature shall not be subject to arbitration.

5.4 Grievances shall be settled in the following manner:

Step 1 – A grievance shall be presented in writing within **thirty (30)** working days after the event out of which such grievance shall have arisen, by the appropriate Union Representative, to the immediate supervisor. **Grievances arising as a result of discharge or suspension must be filed within four (4) working days following notification as provided under Article 4, section 1.**

The Company and the Union agree to meet within ten (10) workdays after return of grievance form to the Union to explore solutions to the

problems.

The immediate supervisor will provide a written response to the grievance within (3) working days thereafter.

Step 2 - Grievances that cannot be settled at the first step may be appealed by the Union Representative to the Labor Relations Manager within seven (7) working days of the response received at Step 1.

The Manager or his/her designee will schedule a meeting within seven (7) working days of the appeal. The Company shall provide the authorized Union Representative a written answer within seven (7) working days of this meeting.

5.5 Time limits as specified in the grievance and arbitration procedures may be waived by written mutual agreement.

5.6 When representatives of the Union attend grievance meetings with representatives of the Company, they shall suffer no loss of pay at the straight time rate for time spent in actual meetings.

5.6-1 Pay shall be allowed only if such meetings are held during such employee's scheduled working hours and only if such employee would have worked had they not attended such meeting.

5.6-2 Pay shall be allowed for not more than two (2) employees released to attend the grievance meetings.

ARTICLE 6

6. ARBITRATION

6.1 Grievances as defined in Article 5, which the parties are unable to settle by use of the prescribed Grievance Procedure, may be submitted to arbitration within sixty (60) working days, after the meeting at final step, by processing the appropriate paperwork with a letter of intent to the American Arbitration Association.

6.2 As soon as possible but no later than ten (10) workdays after the list of arbitrators is received by the parties, the Union will initiate a request to proceed with the striking of arbitrators. Failure to comply with the time frames agreed to in Sections 1 and 2 of this Article will result in the arbitration request being declared untimely.

The arbitrator shall be selected by alternate striking of names. The person whose name is not stricken from the panel shall be arbitrator. The party who strikes the first name will be alternated between the Company and the Union on a case by case basis.

The Company shall thereupon notify the arbitrator of his selection and seek

his agreement to serve, and determine his available dates for hearing. The Company and the Union will then agree upon the date, time, and place of the hearing, and the Company shall notify the arbitrator.

If the arbitrator is not available, another arbitrator from the remaining members of the panel will be selected and notified in the same manner as described above.

- 6.3 Each party shall bear the expense of preparing and presenting its own case and equally share the cost of the arbitrator and the incidental expenses of the arbitration proceeding mutually agreed to in advance.
- 6.4 More than one grievance of a similar nature shall not be handled by the same arbitrator except by mutual agreement in writing between the parties.
- 6.5 The arbitrator's decision shall be final and binding upon the parties, and the Union, its members and the Company agree to abide thereby.
- 6.6 The arbitrator shall not have authority to add to, subtract from, or modify any provisions of these Agreements, nor to rule on any question(s) except the ones submitted for arbitration. Any award of back pay shall be limited to a "make whole" concept. No authority shall rest with the arbitrator to assess damage or punitive payments against either party to the other.
- 6.7 Grievances arising during the period between the termination of the present contract and the effective date of its successor shall not be subject to the Grievance Procedures and Arbitration provisions (Article 5 and 6) of this Agreement.

ARTICLE 7

7. HOLIDAYS

- 7.1 The following holidays shall be recognized:

New Year's Day

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Day after Thanksgiving Day

Christmas Day

*Six (6) Personal Floating Holidays

***Effective 1/1/2009, Seven (7) Personal Holidays**

- 7.1-1 An employee hired after June 1st of any year shall only be entitled to three (3) personal floating holidays during the first calendar year of employment.

- 7.2 If a holiday falls on a Sunday, it shall be observed on the following Monday.

A holiday that falls on a Saturday shall be observed as a floating holiday for the year in question.

7.3 A regular employee shall be paid eight (8) hours at his/her regular straight-time rate of pay, excluding any shift differentials for each of the foregoing named holidays when not worked.

7.4 All work performed on a full holiday shall be paid at two and one-half (2 ½) times the straight-time rate.

7.5 All regular full-time employees shall be entitled to holiday pay only after they have:

7.5-1 Completed ninety (90) days of service;

7.5-2 Worked at least one (1) full scheduled day before and after the holiday unless excused by management.

7.6 A regular employee may select any day within the calendar year except Saturday and Sunday (unless scheduled workday) to observe his/her Personal Floating Holidays.

7.6-1 The employee gives the supervisor at least thirty (30) calendar days written notice of the day or days he/she is requesting as a holiday;

7.6-2 Thirty (30) days prior to the requested day, the supervisor will inform the employee whether or not the day off is approved after considering all requests in at that time. If the day is not approved, the employee selects another day;

7.6-3 If two or more employees in the same work group select the same day for a Personal Floating Holiday and that number of employees cannot be allowed off at the same time because of work requirements, the employees will choose alternate available days in order of seniority;

7.6-4 The supervisor will not give an employee approval to be off in advance of thirty (30) days prior to the requested holiday. This is to allow any employee wishing the same day off the same chance to request, by seniority, the holiday;

7.6-5 Once an employee or employees have requested a holiday and received approval from their supervisor to be off, and the request and approval is given thirty (30) days in advance, no other more senior employee can pre-empt that employee's requested holiday time at a later date by requesting to have the same day off;

7.6-6 Employees asking for holiday time off with less than thirty (30) days advance notice of the requested day may receive approval at

management's discretion. At this point requests will be approved by the supervisor on a "first come - first served" basis rather than by seniority; and

7.6-7 If it becomes necessary to require an employee to work on his/her approved holiday, he/she will received holiday pay the same as he she would for working on any other holiday or may schedule another day off under the procedures as defined in sections 7.6-1 through 7.6-6.

7.6-8 Personal Floating Holidays may be granted in two hour increments or multiples thereof for a total of forty (40) hours per year in order to take care of "personal needs." Increments of Personal Floating Holidays should be requested by Monday of the preceding week. This requirement may be waived by management.

7.6-9 If Personal Floating Holiday time is not scheduled, by October 15, management will designate available time which must be scheduled prior to October 31.

ARTICLE 8

8. WAGES

8.1 Wage rates and job classifications shall be as set forth in Exhibit I and II, of this Agreement.

8.1-1 Employees shall progress through wage steps as indicated in Exhibit I and II based on accredited service.

8.2 New experienced employees may be employed at a rate commensurate with the employee's ability and experience in the position being considered, at the sole discretion of management.

8.3 Employees transferred into this contract from other employee units in the Company shall be paid pursuant to the rates in Exhibit I and II based on the amount of their length of continuous service, unless the Employer, in its sole judgement, decides to pay them above said rate upon transfer to the Facility.

8.4 An employee transferred to another job on a higher wage schedule shall have his/her wage rate adjusted to the next higher rate on the new schedule.

8.5 An employee temporarily assigned to another job classification for one (1) day or more shall have his/her rate adjusted to the next higher wage rate on the new schedule.

8.6 There shall be no compounding of daily or weekly overtime or pyramiding of overtime and premium rates.

ARTICLE 9

9. FRINGE BENEFITS

- 9.1 During the term of this Agreement, the plans for employees' Pensions, Life Insurance, Dental, Basic Hospital and extraordinary expense will remain in full force and effect as amended. The Company agrees to negotiate with the Union any changes in such plans which would decrease the benefits therein. Employees will become eligible for Medical, Dental, Life Insurance and the Flexible Reimbursement Plan after ninety (90) days of **employment**.
- 9.2 The selection of the insurance carrier and administration of the Benefit Plan shall be the responsibility of the Company. In the event of a dispute concerning an employee's eligibility for coverage under any benefit plan matters, it will be handled in accordance with Article 5 and 6 in this Agreement.
- 9.3 The following premium payments for Group Health Plan and Dental Insurance will apply for all regular, full time employees who have at least ninety (90) days of **employment** and who are enrolled in the health insurance plan:
- 9.3-1 The Company will pay the total premiums for single and family health insurance and dental insurance for full time employees. **Effective January 1, 2007, the Company will pay the total premium for employee dental insurance and eighty (80) percent of the premium for dependent dental insurance for full time employees.**
- 9.3-2 The amount being paid by the employee will not be increased during the life of this contract regardless of any increase in the premium.
- 9.4 Eligible employees may participate in the Verizon Supply Chain Services, Inc. Pension Plan for Union-represented employees. Participation is subject to necessary government approvals.
- 9.5 The Administration of these plans, as provided for by the Company, shall not be subject to Article 5 of this Agreement.

ARTICLE 10

10. SICKNESS AND ACCIDENT BENEFITS

- 10.1 Active employees who during their active employment, are forced to be absent from work because of their own illness or their own injury, will receive the benefits described in the following paragraphs. Employees whose service with the Company is terminated for any reason whatsoever

shall have no claim against the Company or any benefits provided in the following paragraphs and the accumulated sick leave described hereinafter shall not be considered to constitute any liability on the part of the Company, to such employees, provided, however, that this rule will not be used to discriminate against employees to the extent that they might be dismissed at a time when they might be eligible to apply for such benefits.

10.1-1 The term "benefits" shall mean seventy-five percent of the employees stated wage in all cases where the employee does not receive compensation as defined in Subsection 10.2 below and shall mean one-hundred percent of the employee's net pay after application of taxes in all cases where he/she does receive compensation, as defined in said Subsection 10.2.

10.1-1.1 At such time an employee is eligible for State Disability Insurance benefits and sickness and accident benefits, his/her compensation for Company provided benefits will be computed at seventy-five percent of his/her stated wage after deducting his/her State Disability Insurance benefits from the gross wage payable had he/she worked.

In no event, after application of taxes and State Disability Insurance benefits, will an employee's combined benefits exceed or be less than the net amount payable had he/she worked.

10.1-1.2 In no event during an absence due to occupational injury will an employee's combined benefits be greater than the net amount which would have been payable had the employee worked. Additionally, if the employee is otherwise eligible, the net amount payable will not be less than the net amount payable had such employee worked.

10.2 "Compensation" shall mean the payments made to an employee from any source under the provisions of the Workers' Compensation Insurance and Safety Act, or any other Federal or State law or regulation now in effect or hereinafter enacted, provided, however, that if any such law or regulation shall require the collection of taxes or contributions from the employee and the Company, only that portion of such payments as is represented by the Company's tax or contribution will be considered as compensation.

10.2-1 "Injury" shall mean an injury not arising out of and during the course of an employee's occupation.

10.2-2 "Occupational injury" shall mean an injury arising out of and during the course of an employee's occupation.

10.2-3 In the event an employee shall experience an injury or an

occupational injury on which the employee makes a recovery from a third party (other than the compensation insurance carrier of the Company) for damages resulting from the injury, it is agreed that the employee will reimburse the Company to the extent of the amount of such recovery of any sick benefit payments received from the Company in connection with such injury and an appropriate restoration of time shall be made to the employee's sick leave entitlement.

10.3 Employees will accumulate sick leave at the rate of one and one-half workdays for each month of credited service up to a maximum of two hundred and seventy (270) workdays, provided, however, that after fifteen (15) years of credited service such portions of this sick leave as may have been expended by absences for which benefits have been paid, will be restored at the rate of one and one-half workdays for each additional month of credited service until the maximum of two hundred and seventy (270) workdays is accumulated again.

10.3-1 After they have completed twelve months of credited service, regular employees will be eligible for sick leave with benefits as provided hereinafter if they are forced to be absent from work because of illness or injury. Employees will be eligible for sick leave with benefits as provided in Subsection 4-1 of this Article 10 when they are forced to be absent from work because of occupational injury.

10.3-2 Each workday for which benefits are paid because of absences due to illness or injury will be deducted from the accumulated sick leave; however, absences because of occupational injury will not be deducted from their sick leave accumulation.

10.4 Regular employees who are eligible and apply for benefits due to illness or injury will be subject to a two-day waiting period. The two-day waiting period will be waived for:

- A. Those regular employees with an accumulated balance of 90 or less days of sick leave at the start of their absence who have received no benefits due to illness or injury during their last twelve months of credited service.
- B. Those regular employees with an accumulated balance of 91 to 179 days of sick leave at the start of their absence who have received no benefits due to illness or injury during their last six months of credited service.
- C. Those regular employees who at the start of their absence have an accumulated balance of 180 days of sick leave.

Lost time due to occupational injury will not be considered in determining a waiting period for subsequent absences due to illness.

A second period of two workdays absence will not be required if a regular employee is again forced because of illness or injury to leave work on or before his tenth normal workday following the end of a prior absence for which benefits were paid.

- 10.4-1 All regular employees will be eligible to receive the excess of benefits over compensation for each workday absent because of occupational injury, beginning with the first workday of absence, to the extent of their accumulated sick leave, or for the first five workdays of absence, whichever is the greater.
- 10.5 Employees who are required to be absent from work or who find it necessary to leave their work and who contemplate applying for sickness and accident benefits will be required to report to their immediate supervisors at the beginning of such absence. Benefits will not be granted to employees after they have commenced a vacation or a leave of absence and for this purpose a vacation or a leave of absence will be considered to have commenced immediately after the close of business on the last day actually worked, or immediately after the end of the last shift actually worked. An employee who has returned to active employment after a leave of absence or who has returned to work after a vacation will not be permitted to apply for benefits for an illness or injury occurring during such leave of absence or during such vacation, except that an employee who is unable to return to work because of an illness or an injury suffered during his/her vacation will be eligible to apply for benefits beginning after his/her vacation, subject to the two-day waiting period described above.
 - 10.5-1 If an employee who is eligible to receive benefits and has worked all of the first session is required to leave work because of illness or injury prior to completion of the greater portion of the employee's second session, he/she will be eligible to receive benefits after observance of the two-day waiting period described above. If an employee has worked the greater portion of his/her second session and is required to leave work because of illness or injury, he/she will receive the regular wage which he/she would have received had he/she worked his/her entire shift, and will be eligible to receive benefits after observance of the two-day waiting period described above. If an employee is required to leave work because of occupational injury, he/she will be paid the excess of benefits over compensation in accordance with the foregoing except that the two-day waiting period will be waived.
 - 10.5-2 Employees will not be permitted to exchange days for which they would be eligible to receive benefits for days when they are scheduled to be absent from work.
 - 10.5-3 Management will reserve the right to investigate any case of disability due to illness, injury or other cause, for which benefits are requested, and in its sole discretion may require an opinion

from a physician other than the one in regular attendance, or a statement from the physician in regular attendance and the payment of benefits will be governed by such investigation and opinion. Benefits will not be paid in cases of absence caused by nervous disorders unless a physician, selected and paid by the Company, shall deliver to the Company a statement in writing to the effect that such nervous disorder is sufficiently serious to make it essential that the employee be relieved from work for a definite period of time.

In any event the determination of the payment of benefits shall rest solely with Management which fairly shall consider, but shall not necessarily be bound by, doctor's reports and all other pertinent information.

- 10.6 Employees who are found to be guilty of abusing the foregoing provisions for sickness and accident benefits may be subject to dismissal or to forfeiture of any privileges relating thereto.

ARTICLE 11

11. BEREAVEMENT LEAVE

- 11.1 In the event of a death in the immediate family of an employee who has one or more years of continuous service with his Employer, he/she shall, upon request, be granted such time off with pay as necessary, not to exceed three (3) regularly scheduled working days. However, when lengthy travel is required an employee shall be granted additional time off with pay as is necessary not to exceed two (2) days.

11.1-1 This provision does not apply if the death occurs while the employee is on leave of absence, layoff, or sick leave.

11.1-2 For the purpose of this provision, the immediate family shall be defined as the **parents, stepparents, adoptive parents, children,** stepchildren, **adopted children,** brothers, **stepbrothers,** sisters, **stepsisters,** **husband, wife,** grandparents, **great grandparents, step-grandparents,** grandchildren, mother-in-law, father-in-law, and guardian (with justification).

- 11.2 At the request of the Employer the employee shall furnish a death certificate and proof of relationship. **Bereavement** leave is not applicable for other purposes such as settling the estate of the deceased.

- 11.3 **Employees who can justify such need may be permitted to take vacation, personal holiday time or excused time for deaths of family members which are not stated in subsection 11 1-2.**

ARTICLE 12

12. SENIORITY

12.1 Seniority shall be computed in the same manner as accredited service.

12.1-1 Seniority for employees hired on the same day will be determined in alphabetical order beginning with the first letter of the last name.

12.2 At the employee's request, accredited service with respect to former employees of the Company will include recognition of all prior periods of active employment after the employee has completed six (6) months of active employment following the employee's reemployment, except that periods of prior active employment of less than six (6) months duration will not be recognized. Such recognition will include active employment with any of the predecessors and/or affiliates of the Company. Accredited service will be rounded to the nearest month.

12.3 If an employee is laid off and he/she is recalled as a result of an offer of recall made pursuant to Article 18, he/she will be given full recognition, upon date of reemployment for such accredited service as existed with respect to him/her on the date of his/her layoff.

12.4 Tour assignments, subject to service requirements, shall be determined on the basis of seniority.

ARTICLE 13

13. TRANSFER

13.1 Seniority shall be given first consideration in a transfer to a different job or location only when the individuals being considered have substantially the same qualifications to efficiently and effectively perform the work in the new classification.

13.1-1 At no time will the qualifications for any particular job be designed to fit any one particular individual. Qualifications and requirements shall be based upon the agreed to job titles. The Company may use tests to assist in the determination of the employee's qualifications.

13.1-2 When qualifications, ability and physical fitness are substantially the same, the amount of seniority shall govern.

13.1-3 Active employees within the bargaining unit will be given preference for job vacancies within this bargaining unit that will be posted for six (6) working days.

13.1-3.1 An employee requesting return to a classification or work location previously held prior to a force adjustment effective in the prior three (3) years, **with a priority transfer application on file as outlined in Article 16, Section 4**, will be returned to the job without posting the vacancy and will be placed at the next higher rate on the new schedule or the same step as when they left, whichever is higher.

13.2 An employee is required to work in his/her new job for a period of time noted below, before consideration will be given to reclassify, unless otherwise waived by management.

Wage Schedule	Time in Position
A	9 months
B-E	12 months
F-J	18 months

13.3 In the case of a Company initiated transfer from one headquarter location to another, to meet Company requirements, the Company will take into consideration the qualifications of the job to be filled and after such consideration will request volunteers. If there are insufficient qualified volunteers, the employee of the least seniority shall be the first selected for transfer.

13.4 The Company will notify the appropriate Union representatives of any employee or employees of more seniority than the employee chosen and the reasons why such employee or employees were bypassed.

ARTICLE 14

14. HOURS-OF-WORK, OVERTIME

14.1 Hours-of-work. The normal work week shall consist of forty (40) hours/scheduled between Monday and Friday.

14.2 All Holidays not worked shall be considered as time worked for the purpose of computing overtime.

A. Holiday time scheduled on a non-scheduled day will not contribute toward overtime.

14.3 Overtime. One and one-half (1½) times the basic straight-time rate of pay shall be paid for all hours worked:

A. in excess of eight (8) hours in any one day; or in excess of ten (10) hours in any one day when a (4/10) work week is scheduled.

- B. in excess of forty (40) hours in any one week.
 - C. for all work performed on Sunday.
- 14.4 Doubletime. Two (2) times the basic straight-time rate of pay for all hours worked in one week in excess of 56 hours.

ARTICLE 15

15. VACATIONS

- 15.1 Vacations will be granted to regular full-time employees in accordance with the following schedule, to be taken during the year under consideration. An employee who terminates without reaching his/her vacation earned date shall have the newly earned week of his/her vacation prorated.

Length of Continuous Service	Vacation
Less than 12 months	0 weeks
1 year up to 5 years	2 weeks
5 years up to 15 years	3 weeks
15 years up to 25 years	4 weeks
25 years or more	5 weeks

- 15.2 All vacation time must be scheduled prior to January 1 of the year in question. Subject to service requirements, seniority shall be the governing factor in the choice of vacation time for employees in each workgroup and headquarters location.
- 15.3 Up to three weeks of vacation may be granted on a day-at-time basis to regular full time employees, provided the employee notifies his/her supervisor by 8:00 a.m., Monday of the preceding week in which the employee requests the day(s) off.
- 15.4 Employees who qualify for up to three (3) weeks or more of vacation may carry over up to five (5) days of vacation into the next year. Vacation days can only be carried over on an eight (8) hour basis. A notification of intent to carry over vacation must be submitted in writing by the employee to his/her supervisor no later than November 15 of each year.

15.4-1 Carry over vacation must be taken all at one time by June 30 of each year.

ARTICLE 16

16. FORCE ADJUSTMENT

- 16.1 Should the Company determine that a reduction in work time is necessary due to adverse economic conditions or other reasons, it shall make

effective such reduction among employees within the same job classification and subject to the following conditions:

- 16.1-1 The Company and the Union shall meet to discuss any unique circumstances relating to the pending force adjustment.
- 16.1-2 Contract and temporary employees in the same job classification to be reduced will be terminated. Notice will be sent to the Union in advance of the effective date.
- 16.1-3 If, after making the adjustments required in 16.1-2, conditions require a further reduction in force, the Company will provide the Union with a fifteen (15) day notice of the number of employees by job classification and Headquarter location to be reduced. The layoff will proceed as follows:
 - 16.1-3.1 Affected employees will be offered, by seniority, any vacancy for which he/she can qualify under Article 13.
 - 16.1-3.2 Layoff will be in inverse order of seniority by job classification.
 - 16.1-3.3 An employee who is to be laid off shall have the right to claim the job of the least senior employee in the same job classification or in a job classification previously held or, may bump another employee according to section 16.1-3.4.
 - 16.1-3.4 An employee whose job classification is listed in the job families below, who is to be laid off shall have the right to claim a job in a lower job classification according to the following job families, as long as the employee is capable of performing the job with minimal refamiliarization and the employee to be bumped has the least seniority.

Senior Electronic Technician
Electronic Technician
Repair Technician
Assembler

Senior Data Solutions Technician
Data Solutions Technician
Repair Technician
Assembler

Senior Metrology Technician
Metrology Technician
Electronic Technician - Metrology
Repair Technician

Assembler

Material Handler

Material Processor

Assembler

16.1-3.4-1 No more than fifteen (15) percent of the Material Processors will be displaced during any single layoff, as a result of bumping except that employees who are bumping that have previously held the title of Material/Equipment Processor will not be counted in the 15%.

16.1-3.5 If the affected employee does not exercise their options under 16.1-3.3 or 16.1-3.4, for positions beyond 50 miles of their current reporting location, the employee will be laid off and receive layoff allowance.

16.1-4 Employees who bump under 16.1-3.3 and 16.1-3.4 who are not able to immediately perform the job with minimal refamiliarization will be laid off with recall rights to the job the employee held when the layoff occurred.

16.2 An employee who has not been declared surplus may volunteer to replace an employee with less seniority identified for layoff within the same job classification. The senior volunteer will be laid off and receive the junior employee's layoff allowance under Article 17.

16.3 After all bumping and layoffs have occurred the Company may reassign employees to a new headquarters location to meet the needs of the business.

16.3-1 An employee who refuses reassignment to a location further than 50 miles from their current location will be laid off and the remote location will be filled according to Article 13.

16.4 Employees who have been affected by a force adjustment may have a priority transfer application on file to return to their previously held classification prior to the force adjustment that is not in response to a posted vacancy. The employee must submit the priority transfer application within three (3) months after the date of force adjustment and move at their own expense.

ARTICLE 17

17. LAYOFF ALLOWANCE

17.1 Regular employees with one or more years of accredited service who suffer loss of immediate employment through layoff due to force surplus,

will be paid a layoff allowance based on accredited service and basic wage rate at the time of layoff. Computation of layoff allowance will be on the basis of one week (40 hours) for each full year of accredited service; from one (1) year to ten (10) years; two (2) weeks for eleven (11) years plus, up to a maximum of forty (40) weeks' pay.

17.1-1 Layoff allowance will be paid on a weekly basis for the hours equivalent to the employee's regular work week, excluding premiums and differentials, to the extent of the total allowance granted.

17.1-1.1 Layoff payments made will be exclusive of earned vacation payments to which the employee may not be entitled.

17.1-1.2 No layoff allowance shall be due any eligible employee who fails to accept an available position within the bargaining unit, "within a reasonable commutable distance not to exceed fifty (50) miles one way."

17.1-1.3 Layoff allowance will immediately cease upon reemployment with Verizon Supply Chain Services, Inc. or any affiliated or subsidiary companies within the Verizon Corporation.

17.1-1.4 In the event that an employee is rehired and subsequently laid off, the layoff allowance in the case of the second layoff or any subsequent layoff shall be based upon the length of continuous service since the date of last reemployment, plus any portion of the prior layoff allowance which has been refunded to the Company.

ARTICLE 18

18. RECALL RIGHTS

18.1 Employees who are laid off will be recalled in the same jobs or in other jobs which they are qualified to perform in order of seniority.

18.1-1 The Company shall not hire any new employees until it has offered recall, by registered letter mailed to the last mailing address (known to the Company), to all employees laid off during the prior **24** months in the same job classification provided that in the judgement of management, the laid-off employees have sufficient qualifications to fill the jobs the Company has available and provided they have incurred no physical impairment that would prevent their performing the work.

18.1-2 A laid off employee will have three days after receipt of the letter

to indicate acceptance of the job and be willing to report no more than two weeks after receipt of the letter.

- 18.1-3 If an employee does not accept a job offered, the Company will consider that the employee has voluntarily resigned and the Company will have no further obligation to the employee.

ARTICLE 19

19. PROBATIONARY EMPLOYEES

- 19.1 New employees shall be probationary employees for the first One hundred eighty (180) days of their employment. It shall be solely within the discretion of the Employer to decide whether or not a probationary employee is to be retained and grievances may not be presented in connection with discharge or layoff or discipline of probationary employees.

ARTICLE 20

20. UNION REPRESENTATIVES, SHOP STEWARD

- 20.1 The Business Representative or qualified representative of the Union, and the Shop Steward so designated by the Union, shall be permitted to talk with employees to assist in adjusting grievances. However, the Union agrees that the right to talk to employees on Company time will not be abused and that such discussions will be kept to a minimum.

Union Officers or representatives shall suffer no loss of basic pay for time spent with representatives of management to discuss grievances or complaints.

- 20.2 Employees of the Company who are officers or designated representatives of the Union may be excused without pay for not more than forty (40) days in any one (1) calendar year to conduct official Union business. Time spent in bargaining does not contribute to the forty (40) days. The Company and the Union agree that orderly scheduling of work and obtaining qualified replacements require full cooperation; thus, such excused absences under this provision will be granted with Management's approval and forty-eight (48) hours prior notice to the employee's immediate supervisor. It is understood and agreed that in those cases where the Union representative has knowledge of the need to be off in advance of forty-eight (48) hours, it is incumbent upon such representative to give the immediate supervisor as much notice as possible.
- 20.3 Employees elected or selected to full-time positions in the Local or the International Union, or national, state or local AFL-CIO bodies which take them away from their employment with the Company, shall, upon written request to the Company, be granted a leave of absence for up to nine (9) years of active employment with Management's approval. An employee

who is granted a leave of absence under this provision shall have an absolute right to reemployment and he/she shall continue to accrue accredited service for such periods of full-time leaves of one (1) year or more up to the maximum of nine (9) years of active employment.

20.3-1 An employee who commences a leave of absence under Section 20.3 will for wage progression purposes remain in his/her then current classification and wage step during the period of his/her leave of absence. Changes in the basic hourly rate for his/her wage step will be recognized for the purpose of pension calculations.

20.3-2 The Company will pay to the employee at the beginning of his/her leave of absence the computed pay for any accrued vacation for which he/she is eligible.

20.3-3 An employee will give thirty (30) days written notice that he/she plans to return to work at the expiration of a period of leave.

ARTICLE 21

21. POSTING OF NOTICES

21.1 The Union shall have the privilege to post on one of the Employer's bulletin boards, in the space provided for Union matters, notices of Union meetings, elections, results of elections, and any other matters acceptable to the Employer pertaining to Union business.

ARTICLE 22

22. LEAVES OF ABSENCE

22.1 For good and sufficient reasons, and subject to service requirements, the Company may grant a leave of absence on application by a regular employee. Action by the Company on applications for leaves of absence shall be at the discretion of the Company, subject to review by the Company at the request of the Union.

22.2 The first thirty (30) days of any leave of absence is considered an informal leave during which all benefits and accredited service continues to accrue.

22.2-1 An informal leave may be granted by a supervisor without a formal leave application.

22.3 Regular employees may be granted a leave of absence without pay or benefits, for a period up to six (6) calendar months.

22.3-1 A regular employee must use all unused, earned floating holidays and vacation prior to the effective date of the leave.

- 22.3-2 A regular employee who has been granted a leave of absence and can demonstrate compelling need at the end of the leave of absence may have an additional leave of absence not to exceed six (6) months
- 22.3-3 A leave of absence in no way guarantees reinstatement to active employment; however, employees may return to a vacancy for which they qualify before new employees are hired, provided that they return prior to the expiration date of the approved leave.
- 22.4 **An employee on leave of absence will be considered to have terminated his employment under the following conditions:**
 - 22.4-1 Acceptance of other employment while on leave of absence (unless otherwise expressly provided in the leave of absence authorization).
 - 22.4-2 Failure to return to work at the expiration of a period of leave of absence.
 - 22.4-3 **Applying for unemployment insurance benefits.**

ARTICLE 23

23. JURY DUTY AND WITNESS PAY

- 23.1 An employee with one (1) year or more of continuous service who makes application and presents to the Company a jury duty summons as soon as it is received and who performs such jury duty will be compensated by the Company for the difference between payment received for such jury duty and his average hourly earnings (excluding overtime) for the straight-time hours he otherwise would have worked and was thereby required to lose from his regular work schedule, but not to exceed five (5) eight (8) hour days each week, Monday through Friday inclusive.
 - 23.1-1 An employee temporarily excused from court during his regular scheduled working hours shall report for work provided that at least four (4) hours of his shift can be worked, and no payment under this provision will be made for such worked hours.
 - 23.1-2 Due to the usual delay in receipt of pay for jury service which might work a hardship on the employee, the Company will pay the employee his average hourly earnings at the usual time, provided the employee has assigned his jury duty payments prior to his service as a juror and has agreed to deliver such jury duty payments to the Company upon their receipt.
- 23.2 An employee with one (1) year or more of continuous service shall suffer no loss of pay for reasonable absence from work when the employee is

subpoenaed as a witness in a criminal case involving a felony and the employee is not a defendant in the case.

23.2-1 The employee must notify his immediate supervisor as soon as possible to make necessary changes in the work schedule. If the employee is temporarily excused from court attendance, he/she must return to work during his regularly scheduled hours.

23.2-2 If witness pay is received by the employee, the Company will compensate the employee the difference between the witness fee and his/her regular base pay for the time he/she is required to appear.

ARTICLE 24

24. PREMIUM PAYMENTS

24.1 Night Premium

24.1-1 A premium of \$.80 per hour shall be paid for any scheduled hour or portion thereof between 8:00 p.m. and 5:59 a.m.

24.2 On-Call

24.2-1 In those cases where the Company deems it advisable to have personnel readily available, management will solicit qualified volunteers. In the absence of qualified volunteers, management will designate qualified employees to be "on-call" in inverse order of seniority. Management will attempt to rotate such designated "on-call" assignments among qualified employees.

24.2-2 An employee placed "on-call" shall leave a telephone number with the designated supervisor, and if the employee changes locations, the supervisor shall be notified where the employee can be reached.

24.2-3 All employees placed "on-call" shall receive **\$10.00** pay for each twenty-four (24) hour period, Monday through Friday, and \$20.00 pay for each Saturday, Sunday, or authorized holiday.

24.3 Call-out

24.3-1 An employee called out after having left the job at the completion of a normal tour of duty and before the beginning of the next scheduled tour of duty shall be paid a minimum of two (2) hours pay at the premium rate of one (1) and one-half ($\frac{1}{2}$) times their basic straight-time rate of pay or for hours actually worked whichever is greater. Such payment shall not extend beyond the start of the next scheduled tour.

- 24.3-2 If an employee is called out for emergency work and he/she reports to work four (4) hours or more prior to his/her next regularly assigned shift, he/she will receive the overtime rate of pay for all hours actually worked, until he/she has been relieved of duty for four (4) consecutive hours.

ARTICLE 25

25. WORK AWAY FROM HEADQUARTERS

- 25.1 Employees will be subject to work assignments at other than their normally assigned locations. If there are no volunteers, the selection of employees for such assignments shall be in inverse order of seniority among qualified employees in the affected job classification. Those selected must be capable of meeting all job requirements and job assignments will be for no more than four weeks at a time.

- 25.1-1 An employee assigned to work and remain overnight, away from his/her normal location will be allowed to travel on Company time and expense on the first trip to and the last trip from the assignment and be paid per diem as follows:

Per diem \$90 per day to include all meals and lodging,

OR

Per diem \$28 per day for meals, plus clean comfortable lodging provided by the Company.

The last day of the assignment will be considered a partial day and **meals will be** paid accordingly.

- 25.1-1.1 Breakfast will not be paid on the first day out nor dinner on the last day back of any overnight assignment.

Meals will be reimbursed as follows for partial days:

Breakfast	\$ 6.00
Lunch	\$ 7.00
Dinner	\$15.00

One of the above options shall be selected prior to the start of each assignment and used for the duration of the assignment.

- 25.2 By consent of the supervisor, an employee may use his/her personal vehicle in lieu of a company vehicle when assigned to work or attend training at a work location other than his/her normal location. Round trip mileage will be paid at the Verizon Company policy rate of not less than **\$.325** per mile and will be paid between the normal location and the

temporary location for any travel during the normal tour of duty.

25.2-1 When travel is provided in a Company vehicle, such mileage does not apply.

25.3 An employee who is assigned to work away from their normal headquarters and stay overnight may, at employee request, be returned to his/her headquarters/home on Company time and expense once each three weeks for personal time at home.

25.3-1 Whenever normal work can be completed within a fourth week, the work circumstances shall be controlling except that the period away from headquarters shall not exceed four (4) weeks except in service emergencies.

25.3-2 Wherever there exists an employee emergency, the four (4) week period will not operate to limit the Company in taking actions appropriate to the circumstances. In such events, the return to headquarters/home will be as expeditious as circumstances then existing will permit.

25.3-3 With supervisory approval, an employee may elect to use a Company vehicle to return to his/her home on weekends and other non-work days on his/her own time and expense. An employee will not receive expense allowances or per diem for time spent at his/her residence.

25.4 When an employee is given twenty-four (24) hour notice, to work at a location 30 miles or less from his/her normal location to fill in for the absence of another employee, he/she must report to the location at the start of the tour and return home at the end of the tour and will not be reimbursed for mileage, meals or per diem. Such assignments shall not last longer than fourteen (14) calendar days.

25.5 Under no circumstances will an employee qualify for per diem or mileage allowances by being temporarily assigned to a location which is closer to his/her residence than the normal reporting location.

ARTICLE 26

26. WAGE DIFFERENTIAL FOR MANAGEMENT SUPERVISORY WORK

26.1 Employees assigned by management to perform supervisory duties will receive a \$.85/hr. wage differential for time spent in such relief. This differential will only be applicable for periods of relief of eight (8) continuous hours or more.

ARTICLE 27

27. VOTING TIME

- 27.1 Employees will be granted time off with pay, if necessary, to vote in any general, national, state or county election. Time off with pay is granted only when the employee cannot reasonably be expected to vote on the employee's own time, and in no case will paid time off exceed one hour.

Permission for such absences will be granted only with advance request, presented to the employee's immediate supervisor, who will designate the period of such absence.

ARTICLE 28

28. CONTRACTING WORK

- 28.1 The Company recognizes and acknowledges the rights of its employees to perform its work and agrees not to contract work out, that is not customarily contracted out, in such a way as to currently and directly cause layoffs of present employees. The Company will notify the Union of any contract or temporary employee who remains on the property more than seven days

ARTICLE 29

29. STRIKES & WORK STOPPAGES

- 29.1 The Company and the Union agree that during the term of this Agreement, neither the Union nor its agents, nor its members covered by this Agreement will authorize, instigate, aid condone, or engage in work stoppages, slow downs, refusals to work, strikes, or sympathetic strikes. The parties further agree that during the term of this Agreement there shall be no lockouts.

ARTICLE 30

30. RESPONSIBLE UNION - COMPANY RELATIONSHIP

- 30.1 The Company and the Union recognize that it is in the best interest of both parties, the employees, and the public that all relationships between them continue to be characterized by mutual responsibility and respect. To insure that this relationship continues and improves, the Company and the Union, and their respective representatives at all levels, will apply the terms of the Agreement fairly in accord with its intent and meaning.
- 30.2 With sincere effort by both parties to resolve any disputes or misunderstandings, or at least to clearly understand the position of the other, both the Union and the Company can look forward to a mutually

beneficial association, with increasing responsiveness from both parties to the needs of the employees.

- 30.3 The Company will advise all new employees, who are covered by this Agreement, that there is a collective bargaining agreement in existence and will furnish each such employee with a copy of the Agreement.

ARTICLE 31

31. TERMS OF AGREEMENT

- 31.1 This Agreement shall remain in full force and effect from the 25th day of June, 2006 until either (a) the employer ceases to operate the facility or (b) until 12:00 a.m. on June 18, 2011, whichever is sooner and shall continue in full force from year-to-year thereafter unless either party gives written notice to the other at least sixty (60) days prior to any termination date of intent to terminate or modify the Agreement. In the event such a notice is given, the parties shall promptly begin the negotiation of a new contract. Unless a contract is entered into prior thereto, the Agreement shall terminate at the end of the sixty (60) day period.

ARTICLE 32

32. SAFETY

- 32.1 The Company shall provide safe tools, materials and equipment, and safe working conditions for all employees. The Company shall provide training to its employees in safe methods of performing their work. In compliance with State and Federal laws, a safety committee composed of an equal number of Union-designated representatives and management representatives shall meet quarterly on Company time to review, discuss, and resolve safety problems that arise in the work place.

ARTICLE 33

33. TEMPORARY EMPLOYEES

- 33.1 The Company may employ temporary employees in connection with a special project, an external customer bid of limited duration, to meet fluctuating or peak service requirements and as needed to fill in for the absence of regular employees. Temporary employees shall not be employed to adversely affect the employment of regular employees and will not be employed for a period to exceed twelve (12) months.
- 33.2 An employee returning from layoff to temporary employee status will be immediately eligible to receive medical coverage and the holiday pay (excluding floating holidays) as designated in Article 7.
- 33.2-1 At the completion of the temporary assignment, the employee will be returned to layoff status and will resume eligibility for any

remaining layoff allowance and recall rights.

- 33.3 Temporary employees will be subject to Article 2 of this Agreement.
- 33.4 Employment of temporary employees will terminate at the completion of the project or fulfillment of the need.
 - 33.4-1 An employee who is reclassified from temporary to regular status without a break in service will receive accredited service from their date of employment.

ARTICLE 34

34. SCHEDULE CHANGE

- 34.1 Work schedules shall be bid and posted every thirteen (13) weeks.
- 34.2 An employee may request changes in a previously assigned schedule to attend to matters of a personal nature provided (1) supervisor approval is obtained before the day on which the change is desired; and (2) overtime is not created by the change. At management's discretion employees may occasionally utilize schedule change procedures for unforeseen circumstances. When such time is made up during the same work week, such time off will not be considered an occurrence of absence and the overtime premium for such time will be waived.
 - 34.2-1 With supervisor approval, if an employee elects to make up time during what would normally be Saturday, Sunday or night premium time, the employee may do so; however, the applicable Saturday, Sunday or night premium would be waived.
- 34.3 When a schedule change is initiated by management, the following apply:
 - 34.3-1 Regular full-time employees who are given less than twenty-four (24) hours notice that their schedule is changed shall be paid a premium of one and one-half their basic straight-time rate of pay for hours worked in the rescheduled tour that falls either before or after their previously scheduled tour.
 - 34.3-2 Regular full-time employees who are given less than twenty-four (24) hours notice that they are scheduled to work on a scheduled day off shall be paid a premium of one and one-half their basic straight-time rate of pay for such day.
 - 34.3-3 Notice must be given to the regular full-time employee twenty-four (24) hours prior to the start of the originally scheduled tour or twenty-four (24) hours prior to the start of the new work schedule, whichever is earlier.

ARTICLE 35

35. MILITARY LEAVE OF ABSENCE

35.1 Regular employees, with more than twelve (12) months service, who are members of a reserve component of the Armed Forces of the United States, shall be excused for a period not to exceed ten (10) work days in any calendar year to attend military training. The Company will pay the difference, if any, between the total pay received from the government and his/her basis straight time rate of pay less any deductions authorized by him/her or required by law, provided military pay is the lower of the two.

35.1-1 In lieu of reimbursement from the Company, the employee may elect to use vacation time for the period of reserve training.

ARTICLE 36

36. PRODUCTIVE WORK BY MANAGEMENT

The Company agrees that it will not, as a matter of policy, use supervisory employees who are excluded from the bargaining unit on work performed by members of the bargaining unit. The Union understands, however, that management employees shall have the right to do productive work on a limited and highly unusual basis as follows:

36.1 Under conditions of operating emergencies.

36.2 Work incidental to the training of employees.

36.3 Work during or to avert a safety emergency.

36.4 When a qualified employee is not available or cannot be reached with reasonable dispatch.

ARTICLE 37

37. DEFINITIONS

37.1 Accredited Service - The aggregate of the years, months and days of active employment in the service of the Company, its predecessors, its associated companies or companies affiliated with the Corporation that are recognized for service purposes. It shall include time for which the employee actually receives wages, workers compensation benefits, sick benefits, military leaves of absence, and any approved excused absent time up to thirty (30) days in a single calendar year.

37.2 Authorized Union Representative - Those employees who are designed by the Union as certified Union Representatives.

- 37.3 Basic Straight Time Rate - The hourly rate of pay for job classifications as set forth in the wage schedules.
- 37.4 Calendar Week - A consecutive period of seven (7) days commencing at 12:01 a.m. on Sunday and ending at midnight on the following Saturday.
- 37.5 Differential Pay - An additional payment given for certain responsibilities temporarily assigned by management.
- 37.6 Employment Date - The most recent date of hire with Verizon Supply Chain Services, Inc.
- 37.7 Full-time Employee - Regular and temporary employees whose normal assignment of work is forty (40) hours per week.
- 37.8 Headquarters - A location designated by the Company as being the place where an employee normally begins and ends their assigned duties.
- 37.9 Holiday Work - Any work that begins on an authorized holiday.
- 37.10 Layoff - The termination of an employee from active employment by reason of lack of work.
- 37.11 Premium Pay - A payment in addition to the basic straight time rate for working certain hours or days.
- 37.12 Probationary Employee - A person who has not accumulated one hundred eighty (180) days prior to assignment as a regular employee.
- 37.13 Reclassification - A change of an employee from one job classification to another.
- 37.14 Regular Employee - A person who has completed the one hundred eighty (180) day probationary period and has satisfactorily met the Company's standards for employment in a regular status
- 37.15 Service Requirements - Requirements as determined by the Company that are necessary to provide adequate and satisfactory service or business directly or indirectly related to the Company's responsibilities.
- 37.16 Temporary Employee - A person who is employed for a continuous work period, not to exceed twelve (12) months when additional work of any nature requires a temporarily augmented force, or when replacements are required for regular employees who are absent.
- 37.17 Tour - A scheduled period of time during which an employee performs assigned duties. A normal tour shall consist of not more than eight (8) hours in twenty-four (24) hours.
- 37.18 Transfer - A change of an employee from one location to another location within or between Verizon Supply Chain Services, Inc. units.

37.19 Work Group - A group of employees who are assigned to similar/associated work functions and who normally report to the same supervisor.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

ADOPTION ASSISTANCE

1. Effective January 1, 2004, 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 June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA**

BUMPING RIGHTS

Verizon Supply Chain Services, Inc. and Communications Workers of America agree that employees who held the titles listed below under Previously Held Titles, may exercise bumping rights according to 16.1-3.3 and 16.1-3.4 and be considered eligible to claim the corresponding Equivalent Title. Where two equivalent titles are listed, the bumping employee may only bump the least senior employee in the Equivalent Titles.

Previously Held Title(s)

Equivalent Title(s)

Administrative Clerk
Data Base Maintainer
Data Control Clerk
Data Clerk
Departmental Clerk
Departmental Clerk II

Material Support Clerk

Equipment Service Representative
Inventory Control Clerk

Customer Service Representative

Equipment Processor

Material Processor

This Memorandum of Agreement is effective June 25, 2006 and shall remain in effect until June 18, 2011.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

DENTAL PLAN

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to the provisions of the Dental Plan set forth in this Memorandum of Agreement.
2. For a summary of details refer to the appropriate Dental benefits Summary Plan Description (SPD). The annual deductible will be \$25.00 per individual for all regular full time and part time employees. The annual \$25.00 per individual deductible will be waived when an employee and/or his/her enrolled dependents use a Preferred Dental Provider (PDP).
3. For all regular full time employees, coverage under the Plan begins after ninety (90) days from date of hire or the date which the employee enrolls, whichever is later. Effective January 1, 2007, this provision will also apply to part time employees.
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 9 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 June 25, 2006 and shall expire on June 18, 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 June 18, 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 LOGISITCS
and
COMMUNICATIONS WORKERS OF AMERICA

EXCUSED ABSENCE (FAMILY LEAVE)

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree that employees who have exhausted their allowable time off as permitted by the Family Medical Leave Memorandum of Agreement and who still need additional time off related to the serious health condition of an immediate family member may request such additional time through Human Resources. When such absence is for the same condition and supported by appropriate documentation the Company will grant additional time off without pay not to exceed 30 calendar days. This 30 days shall be treated as an informal leave of absence.

This Memorandum of Agreement shall become effective June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of this Memorandum of Agreement unless agreed by the parties in writing.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

1. Verizon Supply Chain Services, Inc. and Communications Workers of America 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, a biological or adoptive parent, or person who has acted in role as parent with day-to-day responsibility, or a child (biological, adopted, foster or stepchild or legal ward or child for whom the employee has day-to-day parental responsibility) 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 any 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) workweeks 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 and Medical Leave of Absence under the Family and 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 less than fifty (50) employees within seventy-five (75) miles of the employee's work site. 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 Department 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 an employee to transfer temporarily to an available alternative, equivalent position that better accommodates recurring periods of leave than the employee's regular position.
 - 8. The Company may elect to replace any employees on leave with temporary employees or contract workers for the duration of the leave without affecting or being affected by Article 28 (Contracting Work) of the Collective Bargaining Agreement.
 - 9. Employees shall be required to present, to the satisfaction of the Company's Human Resources Department, documentation concerning the basis for the requested leave-of-absence.

10. Employees shall provide the Company with at least thirty (30) days advance notice of intent to take leave when foreseeable.
11. 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.
12. While on FMLA leave, eligible employees are entitled to maintain company-paid basic life insurance, medical and dental benefits to the extent provided to active employees.
13. 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.
14. Subject to item 15 below, at the end of the approved leave (or each segment of the leave, as applicable), employees shall be guaranteed reinstatement to the same or equivalent job.
15. 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.
16. Employees who wish to change their projected return date, may request the change, in advance, and the Company will endeavor to accommodate such requests.
17. 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.
18. The provisions of this 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
19. All terms herein shall be defined as set forth in the Department of Labor Regulations, 29 CFR 825.
20. The Company has the right to act in accordance with Family and Medical Leave Act of 1993 and to comply with the regulations provided by the Department of Labor.

21. This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

FLEXIBLE REIMBURSEMENT PLAN (FRP)

1. Verizon Supply Chain Services, Inc. agrees to continue the Flexible Reimbursement Plan (FRP).
2. 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. Effective January 1, 2007, this provision will also apply to part time employees.
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 June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

HEARING AID BENEFIT

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree to implement a Hearing Aid Benefit as set forth in this Memorandum of Agreement. The effective date will be January 1, 2004.

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, 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 on June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

HOURLY JOB SELECTION PROCESS

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree to administer the staffing process in a fair and equitable manner according to Article #13 of the Bargaining Agreement.

All vacancies will be made visible to employees by posting on the Verizon National Staffing Web Site.

Prior to posting a vacancy qualifications and requirements for jobs shall be established by management based on agreed to job titles.

Employees will be allowed six (6) days to express their interest in a posted vacancy. To express interest, an employee must submit all required documents to the National Staffing Department within the required time frames.

Employees who have received formal discipline within the prior six (6) months do not meet minimal qualifications for consideration of a new job.

Employees who express interest in a vacancy, and meet minimal qualifications, will be tested and/or interviewed, based on seniority, to determine qualifications as required by the job posting. Employees who are not selected for a vacancy, for which they have expressed interest, will be notified by Human Resources or the Supervisor.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

INCOME SECURITY PLAN (ISP)

1. Verizon Supply Chain Services, Inc. and Communications Workers of America 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 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 16 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 June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

JOINT HEALTHCARE COST CONTAINMENT COMMITTEE

1. Verizon Supply Chain Services, Inc. and Communications Workers of America hereby agree to continue a joint Healthcare Cost Containment Committee (JHCCC) due to a strong concern about the quality and rising cost of health care services utilized by employees and their dependents.
2. The purpose of the Joint Health Care Cost Containment Committee is to evaluate the major factors which impact the quality and cost of health care services and submit non-binding recommendations and long-term strategies and plans to management on ways to: (a) help contain the rising cost of medical care; and (b) to improve the quality of health care for employees and their dependents.
3. The JHCCC will submit reports to the Union and the Company regarding its efforts, recommendations, evaluations, and activities. Activities may include:
 - * Promotion of employee awareness and utilization of preventive health care, fitness, and substance abuse programs.
 - * Development of information on the efficient use of the current medical plan and the ability of employees and their dependents to influence the cost of their own health care.
 - * Preparation and dissemination of employee communication and education materials.
 - * Cooperation with hospital review/utilization programs.
 - * Encouragement of employee use of HMO's, other alternative cost effective providers of quality health care, and cost containment measures (i.e., Preferred Provider Organization, Patient Advocate, Employee Assistance Program, second surgical opinions, routine pap tests and mammogram tests).

- * Visitation of participating health care facilities to discuss issues of mutual concern.
 - * Assessment of private, state or federal programs and facilities which address and assist employees and their dependents in preventive care, fitness and substance abuse.
4. The JHCCC will be composed of no more than four Union representatives. When deemed necessary, working committees may be established on an adhoc basis as determined by the JHCCC.
 5. The JHCCC meetings will be held during normal working hours on Company property and members will be paid basic straight time wages for their attendance.
 6. This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that 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.

MEMORANDUM OF AGREEMENT
between
VERIZON LOGISITCS
and
COMMUNICATIONS WORKERS OF AMERICA

LAYOFF ALLOWANCE

Verizon Supply Chain Services, Inc. and Communications Workers of America agree to grandfather the layoff allowance for employees currently covered by the California Addendum with five (5) years or more of accredited service. These employees will retain the number of weeks of layoff allowance for which they qualify as of June 8, 1997. Employees will be grandfathered as follows:

- (a) The employees with five (5) years but less than fifteen (15) years will retain their current number of weeks accrued and will continue to accrue additional weeks based on the accumulation language in Article 17, Layoff Allowance.
- (b) Employees with fifteen (15) years of accredited service or more will retain the number of weeks of layoff allowance for which they qualify. These employees will cease to accrue additional layoff allowance until the maximum benefits covered under Article 17 of the Bargaining Agreement exceed the grandfathered allowance.

The allowance will be payable at the employee's basic rate of pay at the time of layoff (excluding all differentials).

This Agreement shall become effective June 25, 2006, and shall expire June 18, 2011.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

LEAVE OF ABSENCE

An employee who has terminated following a failure to return from a formal leave of absence and wishes to return to employment with the Company, shall be responsible for informing the Union. Subsequently, the Union will advance to Human Resources the names of qualified former employees who wish to be considered for a vacancy. The identified former employee(s) shall receive the following:

1. Priority consideration for opportunities in the classification from which they terminated, for the life of the Agreement.
2. Consideration for other opportunities for which they qualify, for the same period.

The Company shall have the right to assess the employee's qualifications, abilities, and physical fitness to ensure they are consistent with the job requirements.

This Memorandum of Agreement will be effective June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

LONG TERM CARE PLAN

1. Effective January 1, 2007, Verizon Supply Chain 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 June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES
And
COMMUNICATIONS WORKERS OF AMERICA**

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 Supply Chain Services, Inc. and Communications Workers of America agree to continue 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:
 - Coverage under the Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later.
 - Enrollment during the first ninety (90) days of employment (new hires).
 - Enrollment during the initial Company-designated enrollment period (incumbents with ninety (90) days of continuous employment).
 - Enrollment during periods not mentioned and/or when opting up or increasing the LTD benefit level additionally requires regular full-time employees to submit evidence of good health at their expense and subject to 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 90 days before the date LTD coverage began. Coverage for Pre-existing Conditions begins twelve (12) months after the coverage effective date.

- The contributions are continuously paid following enrollment.
2. The cost of the LTD plan coverage will be paid by the employee. Contributions for coverage may change from time to time. Should this occur, the Company agrees to notify the Union in writing, within fifteen (15) calendar days prior to the date of modification, specifying the cause for any change in the contribution rate.
 3. The LTD plan shall pay monthly benefits as follows:
 - A Up to 50% of the employee's basic monthly earnings, up to a maximum of \$3,000 per month, or
 - B 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 twenty-six (26) weeks of absence during a period of fifty-two (52) consecutive weeks and the eligible employees have been under care of a physician.

Monthly benefits will be paid for twelve (12) months, if the disability prevents eligible employees from performing their regular work or an alternative occupation with similar earnings potential.

Monthly benefits will be paid following this twelve (12) month period, if the disability prevents eligible employees from performing any work for which they are otherwise qualified to perform.

If eligible employees become disabled prior to age sixty (60), benefits will be paid up to their sixty-fifth (65th) birthday.

If eligible employees become disabled on or after age sixty (60), benefits

will be paid according to the following schedule:

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

Disabilities as a result of a mental health disorder, alcoholism or drug addiction, will generally result in monthly LTD benefits for no longer than twelve (12) months.

5. During the period LTD benefits are paid, eligible employees will continue to receive life, medical, and dental insurance coverage in accordance with the Collective Bargaining Agreement between Verizon Supply Chain Services, Inc. and Communications Workers of America. Accredited Service will be applied toward eligible employees' pension calculations until the disability benefits end or the eligible employee retires, quits or dies.
6. The amount and availability of benefits under the LTD Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the LTD Plan, selection of the insurance carrier, eligibility for the benefits, cost of coverage, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.
7. This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

LUMP SUM IN LIEU OF WAGES

1. Verizon Supply Chain Services and the Communications Workers of America 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 June 25, 2006 and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

LUMP SUM PAYMENT OPTION

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to continue the Plan for Hourly Employees' Pensions (hereinafter referred to as the Plan).
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 June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

MAIL ORDER PRESCRIPTION PLAN (MOPP)

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to implement the provisions of the Mail Order Prescription Plan (MOPP), effective January 1, 2007, 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 June 25, 2006 and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES
and
COMMUNICATION WORKERS OF AMERICA

MEDICAL PLAN

1. Verizon Supply Chain Services, Inc. and Communications Workers of America 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. 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.
5. 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.
6. This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 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

COVERAGE ITEM	IN NETWORK	OUT-OF-NETWORK	OUT-OF-AREA
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
Ambulance	No Charge if medically necessary	75% of R&C if medically necessary after deductible	80% of R&C if medically necessary after deductible

COVERAGE ITEM	IN NETWORK	OUT-OF-NETWORK	OUT-OF-AREA
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	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	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
Routine Pap Test – Annual	\$15 per visit	75% of R&C for covered services	100% of R&C for covered services

COVERAGE ITEM	IN NETWORK	OUT-OF-NETWORK	OUT-OF-AREA
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.			
	IN NETWORK	OUT-OF-NETWORK	OUT-OF-AREA
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			
COVERAGE ITEM	IN NETWORK	OUT-OF-NETWORK	OUT-OF-AREA
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 SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

NEW-HIRE ORIENTATION

Verizon Supply Chain Services, Inc. and Communications Workers of America agree to apply the following guidelines for newly-hired bargaining unit employees:

During the new-hire orientation process for new employees, the Company shall provide up to thirty (30) minutes per session to the Communication Workers of America. A Union representative will have the opportunity to meet with newly-hired employees for the purpose of furnishing such employees with information about the Union and answering Union-related questions. The Union's segment of this process will be considered work time.

This agreement shall become effective June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that 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.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

NON-STANDARD WORK WEEK

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree that, subject to business needs and mutual agreement of the supervisor and the employee, non-standard work weeks may be scheduled.

Management shall determine the structure of the non-standard work week. However, serious consideration will also be given to employee suggestions that meet both customer and employee needs. Schedules will be subject to the following:

1. The structure may vary from one work group to another based on business needs and will be offered by qualifications and seniority if more employees seek the schedule than can be accommodated.
2. The non-standard work week will consist of any number of scheduled days totaling forty (40) hours per week.

3. All hours worked in excess of forty (40) in one week or worked in excess of the scheduled daily hours shall be paid at the overtime rate of one and one half times the straight time rate of pay.
4. An employee who volunteers to work a non-standard schedule that includes Sunday, waives payment of applicable Sunday premium(s).
5. Sickness/disability benefits will be paid based on the number of hours in the scheduled non-standard day. In no case will payment exceed forty (40) hours per week.
6. Personal Floating Holidays will be paid on the basis of eight (8) hours. Partial day personal floating holidays may be used to supplement the eight (8) hours to equal the number of normally scheduled hours. For the purpose of combining hours on non-standard work days only, personal floating holidays may be taken in one (1) hour increments.
7. When a recognized holiday occurs during the week, management at their discretion may change the non-standard schedule back to a five (5) day/eight (8) hour work week. Employees whose schedules are not changed will receive holiday pay for the number of hours they would have normally been scheduled to work.
8. If an employee elects to take day-at-a-time vacation, they will be paid on the basis of their normally scheduled hours. The employee will have these hours deducted from his/her accumulated vacation hours for each day-at-a-time vacation taken.

This Agreement shall become effective June 25, 2006, and shall remain in full force and effect until June 18, 2011, unless canceled by either party by thirty (30) days written notice to the other party.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

OVERTIME ADMINISTRATION

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree that overtime opportunities will be offered to all regular employees who normally perform the work and are currently available at the facility before offering the overtime to temporary and contract employees.

This agreement shall become effective June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall not survive the expiration of this Memorandum of Agreement unless agreed by the parties in writing.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

PART-TIME EMPLOYEES

During the term of the Agreement the Company and Union agree to trial the use of part time employees in Verizon Supply Chain Services, Inc. Part-time employees will normally be expected to work twenty (20) hours or less per week except under unusual service emergencies. Part-time positions will initially be staffed at the supply points. Any further use of part-time employees will be discussed with the Union prior to implementation

Benefits for part-time employees will be administered as follows:

1. Vacation – Vacation will be granted based on continuous service and paid at 50% of the straight time rate.
2. Holidays – Holidays will be granted in accordance with the provisions for full-time employees and paid at 50% of the straight time rate.
3. Health and Dental Insurance – Through December 31, 2006, the Company will pay 100% of the premium for employees' only coverage. The employee will pay 50% of any family coverage. Benefits will be effective after 90 days of accredited service.

Effective January 1, 2007, part-time employees will be eligible for medical and dental coverage after 90 days from date of hire, subject to the following schedules:

Medical		Dental		
Hours Scheduled Per Week	Company Contribution	Hours Scheduled Per Week	Company Contribution	
			EE	EE+1/Family
0 –less than 17 hours	0%	0 –less than 17 hours	0%	0%
17-less than 25 hours	50%	17-less than 25 hours	50%	50%
25 + hours	100%	25 + hours	100%	80%

All other benefits will be granted to part-time employees unless specifically stated otherwise in the applicable MOA and will become effective after 90 days from date of hire.

4. Lay Off Procedures – Part-time employees will be laid off prior to making any full-time reductions in the same job classification.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN – PENSION MINIMUMS

1. Verizon Supply Chain Services and Communications Workers of America agree to the provisions of the Plan for Hourly Employees' Pensions.
2. The following provisions continue to be in place:

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>
40 or more years	\$12,200
35 but less than 40 years	\$10,700
30 but less than 35 years	\$ 9,300
25 but less than 30 years	\$ 7,800
20 but less than 25 years	\$ 6,300
15 but less than 20 years	\$ 4,900

3. For employees who retire on or after January 1, 2007, the present Plan for Hourly Employees' Pensions will be modified to effect the following:

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

4. This Agreement shall become effective as of June 25, 2006, and shall remain in effect until midnight, June 18, 2011, and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with the following procedure:

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

5. 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.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
And
COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN SURVIVOR BENEFITS

1. Verizon Supply Chain Services, Inc. and Communications Workers Of America 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 June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on June 18, 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 SUPPLY CHAIN SERVICES, INC.
And
COMMUNICATIONS WORKERS OF AMERICA

PERSONAL LINES OF INSURANCE

1. Verizon Supply Chain Services, Inc. agrees to continue, without endorsement, the opportunity for regular full-time 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 June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

PRESCRIPTION IDENTIFICATION CARD (PIC)

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to implement the Prescription Identification Card, effective January 1, 2007, 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 June 25, 2006 and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES, INC.
And
COMMUNICATIONS WORKERS OF AMERICA

RETIREE LIFE INSURANCE

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to make available to employees who retire on or after June 15, 2003, with a service or disability pension under the 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 the Pension Plan, a \$10,000 retiree life insurance benefit.
6. This Memorandum of Agreement is effective on June 25, 2006 and shall expire on June 18, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement, including the Retiree Life Insurance benefit, shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

SAFE WORKING ENVIRONMENT

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree to work together to emphasize a safe working environment. Through joint communication and the local Verizon Supply Chain Services, Inc. Safety Committee, management and employees will place a strong emphasis on maintaining a safe working environment as the result of safety procedures being consistently followed.

Current safety results will be reviewed quarterly in the Common Interest Forum meetings. This Memorandum of Agreement shall be effective June 25, 2006, and shall expire on June 18, 2011.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

SAFETY SHOES

The Company has performed a complete review of hazards in the work place and existing policies related to our safety standards. This included our current policy regarding protective footwear. It was determined that for the added safety of our employees protective footwear will continue to be required for employees working in Supply warehouses and other facilities as determined by the Company.

To assist the employee in meeting this requirement, the Company will provide a subsidy of forty (40) Dollars every year.

The employee must purchase shoes which are ANSI certified (printed on shoe) at a class 75 test standard which meets the Company hard toe shoe impact and compression requirements.

This requirement will apply to job classifications as determined by the Company

This Agreement will become effective June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that 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.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

SR. METROLOGY TECHNICIAN
METROLOGY TECHNICIAN
MOBILE REPAIR TECHNICIAN

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree to the following:

1. Change current employees in the Senior Metrology Technician job classification to Metrology Technician job title while retaining Wage Schedule J.
2. Change current employees in the Metrology Technician job classification to Mobile Repair Technician job title. Grandfather current employees in the Metrology Technician job, Wage Schedule I.
3. Future Metrology Technician vacancies will be staffed in Wage Schedule J.
4. Future Mobile Repair Technician vacancies will be staffed in Wage Schedule D.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

SUPPLEMENTAL TERM LIFE INSURANCE

1. Effective July 1, 2005, Verizon Supply Chain 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 June 25, 2006, and shall expire on June 18, 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 June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

TEAM PERFORMANCE AWARD

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to implement the Team Performance Award set forth in this Memorandum of Agreement. The implementation date of this plan will be June 15, 2003.
2. For a summary of details, refer to the attachment entitled Team Performance Award.
3. This Memorandum of Agreement is effective on June 25, 2006, and shall expire June 18, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on June 18, 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 Supply Chain Services, Inc. and Communications Workers of America 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., National 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:

Each annual target award is 4%, payable in April of the following year. The range is 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.

Level of Performance	Percentage of Target Award
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.
12. **TERMINATION OF THE TEAM PERFORMANCE PLAN**
The suspension or termination must be by mutual agreement of the parties.

**MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA**

TEN-HOUR, FOUR-DAY WORK WEEK

Verizon Supply Chain Services, Inc. and the Communications Workers of America (hereinafter "the Parties") agree to establish a ten (10) hour day four (4) day work week. The terms of this agreement shall take precedence over the principal agreement between the parties.

1. The Company shall select the employees and locations that are subject to the ten (10) hour, four (4) day work week.
2. The tour will not be subject to overtime for the hours worked in excess of eight (8) in any one day. Hours worked in excess of ten (10) in any one day or forty (40) hours per week shall be paid at the overtime rate.
3. Payment for sickness disability benefits will be based on up to ten (10) hours per day but in no case will result in payment of more than forty (40) hours per week.
4. Employees will be paid up to ten (10) hours for each day-at-a-time vacation. The employee will have up to ten (10) hours deducted from his/her accumulated vacation hours for each day-at-a-time vacation taken.
5. When a recognized holiday occurs during the work week management at their discretion may change the scheduled hours back to a five (5) day eight (8) hour work week. Employees whose schedules are not changed will receive ten hours of holiday pay.
6. Personal Floating Holidays will be paid on the basis of eight (8) hours. Partial day Personal Floating Holidays may be used to supplement the eight (8) to equal ten (10) hours.

7. The parties jointly agree to review, as part of the Common Interest Forum, any problems that may arise in the administration of this Memorandum of Agreement.

This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on June 18, 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 SUPPLY CHAIN SERVICES
And
COMMUNICATIONS WORKERS OF AMERICA

TERM EMPLOYEE

Verizon Supply Chain Services, Inc. and Communications Workers of America agree to the following definition of a Term Employee:

One whose employment is intended to last longer than six (6) months but no longer than thirty-six (36) months, has been reclassified from probationary employment as identified in Article 37, section 14, accumulates net credited service, and is entitled to all benefits provided to regular full-time employees with the exception of the Income Security Plan (MOA) and Termination Allowance. Term employees are hired with the understanding that they will remain in the same occupational title for the duration of their term of employment and are not eligible for the provisions outlined in Article 16 and Article 17. Term employees will be used for work requirements that are expected to last no longer than six (6) to thirty-six (36) months.

This Memorandum of Agreement is effective on June 25, 2006, and shall expire on June 18, 2011. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on June 18, 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 SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

TRAINING AND EDUCATION

Verizon Supply Chain Services, Inc. and Communications Workers of America agree that providing training, either formally or on-the-job, is important to remain

competitive in the marketplace. Verizon Supply Chain Services, Inc. has developed an innovative approach to training through the Verizon Supply Chain Services, Inc. University Program. This program provides a useful structure to assist employees in developing an annual training plan. Prior to the beginning of each year, management will work with each employee to create a training plan for the year.

Various training may be offered to employees currently working in an area requiring training, but may also be offered to other employees when class space, funding and manpower requirements can all be met.

Additionally employees are encouraged to continue their educational advancement by use of 100% prepaid tuition assistance for college courses as referenced in the National Educational Initiative.

This Memorandum of Agreement is effective June 25, 2006, and shall expire on June 18, 2011.

**MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA**

TRANSFER OF WORK

Verizon Supply Chain Services, Inc. and the Communications Workers of America agree that when the Company decides to transfer work to another Verizon Supply Chain Services, Inc. operation located outside of the jurisdictional boundaries covered by this agreement the parties will address the needs of the employees by meeting to discuss the following:

- Transfer opportunities for employees affected by the transfer of work. Available opportunities will be offered to qualified, affected employees by seniority when qualifications are equal. Such offers are subject to the provisions of the receiving CBA. Affected employees will have priority over new hires.
- Possible Company provided relocation benefits for employees selected by the Company to fill these transfer opportunities.
- Providing outplacement services in conjunction with the State EDD for affected employees.

This Memorandum of Agreement shall become effective June 25, 2006, and remain in effect until June 18, 2011.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

TRANSFER PRIORITY

Within the Collective Bargaining Agreement between Verizon Supply Chain Services, Inc. and Communications Workers of America (hereinafter referred to as "the parties") are Articles which set forth the criteria for filling vacancies within the bargaining unit. This letter establishes mutual understanding of the parties of the order in which qualified candidates will be considered for vacancies.

The parties agree that there are certain situations from which employees have absolute return rights, i.e., Informal Leave, Military Leave, Family Medical Leave, Union Leave, which do not require an open job requisition. In addition, the need to reassign an employee or the desire of an employee to be reassigned will be given consideration prior to posting a vacancy. Based on the needs of the business, reassignment may not be possible in all instances when requested by the employee.

The parties may mutually agree to waive posting certain vacancies which could be filled by rearranging duties within the existing work groups.

Following is the order in which candidates will be considered for approved job vacancies:

1. Employees affected by a force adjustment, who within three months of the force adjustment, have submitted a priority transfer to return to their previous classification (as outlined in Article 16, section 4 of the CBA).
2. Reassignment to the same or lower classification, due to health reasons when accompanied by written medical evidence including diagnosis and prognosis from the attending physician and a specialist in the field, subject to concurrence by Company physician.
3. Active employees in good standing who respond to posted vacancies.
4. Employees with recall rights.
5. Employees on Leaves of Absence who notify the Company of their desire to return to active duty and employees who qualify under the Memorandum of Agreement - Leave of Absence.

If the position is not filled through the above methods the Company will then consider candidates from Inter/Intra Company Transfer Applications or other external sources.

This Memorandum of Agreement is effective June 25, 2006, and shall expire June 18, 2011.

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

VISION PLAN

1. Verizon Supply Chain Services, Inc. and the Communications Workers of America agree to implement the provisions of the Vision Plan set forth in this Memorandum of Agreement. The effective date of the Vision Plan will be January 1, 2004.
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 June 25, 2006, and shall expire on June 18, 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 June 18, 2011, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VISION PLAN HIGHLIGHTS

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

Additional Provisions

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

Out-of-Area Provisions

Steps to find an Out-of-Area Provider:

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

Professional Provider Services

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

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

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

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

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon Supply Chain Services (hereinafter referred to as the Company) and Communications Workers of America (hereinafter referred to as the Union), hereby mutually agree to the establishment of an Internal Revenue Code Section 501(c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between January 1, 1993 and June 18, 2011, with a service or disability pension under the Hourly Employees 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.
2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs described below or for any other purpose permitted by law.
3. Effective January 1, 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/Amount"), subject to Section 5 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentages/Amount will be based on the following contribution schedule:

- A. For eligible employees who retire (d) between January 1, 1993, or December 31, 2003.

Coverage Category	Company Contribution Percentage	Retiree Contribution Contribution Percentage
Retiree only (primary)	50%	50%
Retiree + one dependent	50%	50%
Family coverage	50%	50%

Medicare covered retiree (Per eligible life)	75%	25%
---	-----	-----

- B. For eligible employees who retire between January 1, 2004 and June 18, 2011:

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

5. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 1996.
- (b) When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option under 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 June 18, 2011, the Company Contribution Amount shall be capped and the Company shall make no additional contributions towards Retiree Medical Benefits Premiums.

Coverage Category	Capped Retiree Medical Benefits Premium	
	Through December 31, 2006	As of January 1, 2007
Retiree only (primary coverage)	\$ 6,314	\$11,500
Retiree plus one dependant coverage	\$12,628	\$23,000
Family coverage	\$14,144	\$26,000
Medicare covered Retiree (per eligible life)	\$ 1,642	\$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 June 18, 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 June 18, 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, 2006, through June 18, 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 June 18, 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 June 18, 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 recession. 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. The Memorandum of Agreement is effective on June 25, 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 June 18, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

****The following MOA applies ONLY to those specific employees involved in the 1997 transition from the GTE California Inc. Collective Bargaining Agreement into the GTE Supply Collective Bargaining Agreement.**

**MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA**

****VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)****

Verizon Supply Chain Services (hereinafter referred to as the Company) and Communications Workers of America (hereinafter referred to as the Union) hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between July 31, 1991, and June 18, 2011, with a service or disability pension under the Hourly Employees 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.

2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs described below or for any other purpose permitted by law.
3. Effective January 1, 1997, 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 July 31, 1991, and December 31, 2003:

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

B. For eligible employees who retire between January 1, 2004, and June 18, 2011

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

5. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 1997.
- (b) When the Retiree Medical Benefits Premiums for the \$350 deductible coverage option under 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 June 18, 2011, the Company Contribution Amount shall be capped and the Company shall make no additional contributions towards Retiree Medical Benefits Premiums.

Coverage Category	Capped Retiree Medical Benefits Premium	
	Through December 31, 2006	As of January 1, 2007
Retiree only (primary coverage)	\$ 6,314	\$11,500
Retiree plus one dependant coverage	\$12,628	\$23,000
Family coverage	\$14,144	\$26,000
Medicare covered Retiree (per eligible life)	\$ 1,642	\$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 June 18, 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 June 18, 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, 2006, through June 18, 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 June 18, 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 June 18, 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 recession. 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. The Memorandum of Agreement is effective on June 25, 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 June 18, 2011, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

NATIONAL MEMORANDUM OF AGREEMENT
DOMESTIC PARTNER BENEFITS

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

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

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

partners for health and welfare benefits shall be based on the following conditions:

- A. An eligible domestic partner is the natural parent, adoptive parent or legal guardian of the child.
 - B. The child is unmarried and either under the age of nineteen (19), or under the age of twenty-five (25) attending an accredited secondary school, college, university or nursing school, and are dependent on the domestic partner for care and support.
5. An employee may elect coverage of a domestic partner and any children of a domestic partner for the following benefits. The amount and availability of benefits are governed by the provisions of the applicable plan and are subject to the Internal Revenue Code and related regulations.
- A. Medical
 - B. Dental
 - C. Health care continuation coverage
 - D. Flexible Reimbursement Plan Healthcare Reimbursement Account (for IRS Tax Dependents)
 - E. Dependent Care Reimbursement Account (for IRS Tax Dependents)
 - F. Retiree Medical (limited to Domestic Partner and children of Domestic Partner who are covered by medical plan at time of employee's retirement)
 - G. Group Universal Life or Supplemental Term 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.

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

NATIONAL MEMORANDUM OF AGREEMENT EDUCATION AND LIFE-LONG LEARNING

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

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

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

- The level of employee awareness of the Verizon Communications, Inc. tuition assistance program.
- The role of education assistance in the attraction and retention of bargaining unit employees.
- The identification of certain non-degreed programs, which enhance or certify job knowledge.

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

**NATIONAL MEMORANDUM OF AGREEMENT
HOURLY SAVINGS PLAN**

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

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

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

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

**NATIONAL MEMORANDUM OF AGREEMENT
HOURLY SAVINGS PLAN (HSP)**

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

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

1. The Company and the Union will make the Hourly Savings Plan (HSP)

available to regular full or part-time hourly employees of the Company who are covered by a Collective Bargaining Agreement.

2. The Company reserves the right at any time, and from time to time, by action of the Board of Directors, to modify or amend in whole or part, any or all of the provisions of the HSP, but no such amendment or modification shall have the effect of reducing the accrued benefits of members, retired members, former members or their beneficiaries or of diverting any part of the Trust Fund to any purpose other than for the exclusive benefit of members, former members, or their beneficiaries and the payment of reasonable HSP administration expenses.
3. The Company reserves the right, by action of the Board of Directors, to terminate or partially terminate the HSP at any time. Upon termination or partial termination of the HSP or upon the complete discontinuance of contributions under the HSP, the member accounts of the members affected by the termination, partial termination, or complete discontinuance of contributions as the case may be shall be nonforfeitable.
4. The HSP may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan; provided, however, that no such merger, consolidation, or transfer shall be consummated unless each member and beneficiary under the HSP would receive a benefit immediately after the merger, consolidation, or transfer, if the transferee plan then terminated, that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation or transfer, if the HSP had then terminated.
5. The Company and the Union agree that every provision heretofore contained in this Agreement is contingent upon the Company's receipt of a favorable determination that the HSP, as amended, continues to be qualified under Section 401(a) et. seq., of the Internal Revenue Code. In the event any recession in the HSP is necessary to obtain or maintain a favorable determination from the Internal Revenue Service, the Company will make the revisions, adhering as closely as possible to the level of benefits contained in the HSP.
6. In the event any portion of this Agreement is determined by a court or government agency to be in violation of existing law or is voided by a change in existing laws, the Company retains the unilateral right to make whatever modifications it deems necessary and appropriate to comply with the law, including the right to rescind the Agreement, if it deems no such modification is feasible. The Company shall have no obligation to bargain or negotiate with the Union in the event that this Agreement is modified or eliminated or in the event the Company does not implement any or all of the provisions of this Agreement because it does not receive Internal Revenue Service approval, any or all of these plans are deemed not qualified, or because of a change in existing laws.
7. The HSP will be administered solely in accordance with its provisions and no

matter concerning the HSP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement but rather shall be governed by the terms and conditions of the HSP and the interpretation of the HSP Committee.

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

NATIONAL MEMORANDUM OF AGREEMENT **NEUTRALITY AND CONSENT ELECTION**

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

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

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

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

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

1. Employee Choice

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

2. Neutrality

The Company and the Union agree that an organizing drive will be met by a neutral position by the Company. This statement is consistent with and reinforces the previously established principle of employee choice. It should follow that an environment intended to foster employee choice would be a neutral environment and that information communicated by either party would be fact based and not misleading, distorted or disparaging. Neutrality means the following:

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

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

3. Rules

The procedures to be followed are listed below:

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

4. Time Bound

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

5. Informed Decision

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

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

6. Free from Coercion

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

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

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

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

7. Access Agreement

As soon as reasonably practicable after a request by the CWA for access, Verizon Labor Relations Staff, in conjunction with local management and CWA representatives, will meet to discuss the details related to reasonable access to the unit by the CWA representatives. The Union will be allowed reasonable opportunities for access to Verizon facilities. It is the intent and commitment of Verizon and the CWA that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of Verizon generally, and specifically, the selected unit. Access agreed upon will be in non-working areas and during employee non-working times. Agreements as to eventful access, such as access to conference rooms, will be reasonable in length and there will be reasonable periods between requests for eventful access. However, an uneventful access, such as a prearranged meeting with an individual employee, will not be affected.

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

8. Dispute Resolution

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

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

- (d) If the dispute involves the appropriateness of the bargaining unit the Union seeks to organize and the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to TPN and a hearing shall be conducted consistent with the rules of the American Arbitration Association. The TPN shall be confined

solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act and the decisions of the NLRB and Appellate reviews of such Board decisions.

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

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

- (f) The parties agree that the process set forth herein shall be the exclusive means for resolving disputes covered by this dispute resolution process, and neither party will utilize any other forum (e.g. NLRB, federal court, etc.) to address issue subject to resolution pursuant to this process.

- (g) All expenses, resulting from the use of the TPN process, shall be split equally by Verizon and CWA.

9. Acquisitions and Ventures

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

NATIONAL MEMORANDUM OF AGREEMENT **SERVICE AND SENIORITY RECOGNITION**

WHEREAS the Communications Workers of America, AFL-CIO (hereafter "CWA" or "the Union") and Verizon Communications companies, which were subsidiaries of the former GTE Corporation (hereafter the "Verizon/GTE

Companies” or “the Companies” or “the Company”), have collective bargaining relationships throughout the United States;

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

SERVICE RECOGNITION

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

SENIORITY RECOGNITION

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

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

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

NATIONAL MEMORANDUM OF AGREEMENT **UNION LEAVE OF ABSENCE**

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

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

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

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

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

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

NATIONAL MEMORANDUM OF AGREEMENT
VACATION CARRY FORWARD (BANKING)

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

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

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

These provisions shall be effective on August 1, 2005. The parties specifically agree that the terms and conditions set forth shall terminate on July 31, 2009, or as otherwise extended and agreed in writing by the parties. If, however, the parties do not reach agreement on successors they shall renew for one year.

VERIZON SUPPLY CHAIN SERVICES

Wage Schedule: A

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$719.00	Start	\$8.73	\$8.90	\$9.12	\$9.35	\$9.58
\$780.00	6 Mo.	\$9.46	\$9.65	\$9.89	\$10.14	\$10.39
\$845.00	12 Mo.	\$10.26	\$10.47	\$10.73	\$11.00	\$11.28
\$917.00	18 Mo.	\$11.13	\$11.35	\$11.63	\$11.92	\$12.22
\$996.00	Top	\$12.09	\$12.33	\$12.64	\$12.96	\$13.28

Job Titles: ASSEMBLER

Wage Schedule: B

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$735.00	Start	\$8.93	\$9.11	\$9.34	\$9.57	\$9.81
\$790.00	6 Mo.	\$9.58	\$9.77	\$10.01	\$10.26	\$10.52
\$924.00	12 Mo.	\$11.22	\$11.44	\$11.73	\$12.02	\$12.32
\$1,040.00	18 Mo.	\$12.62	\$12.87	\$13.19	\$13.52	\$13.86
\$1,125.00	24 Mo.	\$13.66	\$13.93	\$14.28	\$14.64	\$15.01
\$1,264.00	30 Mo.	\$15.34	\$15.65	\$16.04	\$16.44	\$16.85
\$1,367.00	Top	\$16.59	\$16.92	\$17.34	\$17.77	\$18.21

Job Titles: FIXTURE ASSEMBLER , MATERIAL PROCESSOR , REPAIR TECHNICIAN

Wage Schedule: C

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$904.00	Start	\$10.98	\$11.20	\$11.48	\$11.77	\$12.06
\$972.00	6 Mo.	\$11.80	\$12.04	\$12.34	\$12.65	\$12.97
\$1,047.00	12 Mo.	\$12.71	\$12.96	\$13.28	\$13.61	\$13.95
\$1,125.00	18 Mo.	\$13.66	\$13.93	\$14.28	\$14.64	\$15.01
\$1,208.00	24 Mo.	\$14.67	\$14.96	\$15.33	\$15.71	\$16.10
\$1,301.00	30 Mo.	\$15.80	\$16.12	\$16.52	\$16.93	\$17.35
\$1,376.00	36 Mo.	\$16.71	\$17.04	\$17.47	\$17.91	\$18.36
\$1,505.00	42 Mo.	\$18.27	\$18.64	\$19.11	\$19.59	\$20.08
\$1,619.00	48 Mo.	\$19.65	\$20.04	\$20.54	\$21.05	\$21.58
\$1,755.00	Top	\$21.30	\$21.73	\$22.27	\$22.83	\$23.40

Job Titles: MATERIAL SUPPORT CLERK , SERVICE ASSOCIATE

Wage Schedule: D

4% Lump Sum		GWI 1%	GWI 2%	GWI 2.5%	GWI 2.5%	GWI 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$958.00	Start	\$11.63	\$11.86	\$12.16	\$12.46	\$12.77
\$1,039.00	6 Mo.	\$12.61	\$12.86	\$13.18	\$13.51	\$13.85
\$1,105.00	12 Mo.	\$13.41	\$13.68	\$14.02	\$14.37	\$14.73
\$1,191.00	18 Mo.	\$14.46	\$14.75	\$15.12	\$15.50	\$15.89
\$1,281.00	24 Mo.	\$15.55	\$15.86	\$16.26	\$16.67	\$17.09
\$1,374.00	30 Mo.	\$16.69	\$17.02	\$17.45	\$17.89	\$18.34
\$1,469.00	36 Mo.	\$17.84	\$18.20	\$18.65	\$19.12	\$19.60
\$1,569.00	42 Mo.	\$19.05	\$19.43	\$19.92	\$20.42	\$20.93
\$1,666.00	48 Mo.	\$20.23	\$20.63	\$21.15	\$21.68	\$22.22
\$1,755.00	Top	\$21.30	\$21.73	\$22.27	\$22.83	\$23.40

Job Titles: DATA SOLUTIONS TECHNICIAN , ELECTRONIC TECHNICIAN , ELECTRONIC
TECHNICIAN-METROLOGY , **MOBILE REPAIR TECHNICIAN

*New Job Classification

Wage Schedule: E

4% Lump Sum		GWI 1%	GWI 2%	GWI 2.5%	GWI 2.5%	GWI 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$920.00	Start	\$11.17	\$11.39	\$11.67	\$11.96	\$12.26
\$946.00	6 Mo.	\$11.48	\$11.71	\$12.00	\$12.30	\$12.61
\$1,023.00	12 Mo.	\$12.41	\$12.66	\$12.98	\$13.30	\$13.63
\$1,109.00	18 Mo.	\$13.46	\$13.73	\$14.07	\$14.42	\$14.78
\$1,199.00	24 Mo.	\$14.55	\$14.84	\$15.21	\$15.59	\$15.98
\$1,297.00	30 Mo.	\$15.75	\$16.06	\$16.46	\$16.87	\$17.29
\$1,403.00	36 Mo.	\$17.03	\$17.37	\$17.80	\$18.24	\$18.70
\$1,518.00	42 Mo.	\$18.43	\$18.80	\$19.27	\$19.75	\$20.24
\$1,643.00	48 Mo.	\$19.95	\$20.35	\$20.86	\$21.38	\$21.91
\$1,777.00	54 Mo.	\$21.57	\$22.00	\$22.55	\$23.11	\$23.69
\$1,948.00	Top	\$23.64	\$24.11	\$24.71	\$25.33	\$25.96

Job Titles: MATERIAL HANDLER , TRUCK DRIVER - LIGHT

Wage Schedule: EX II

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$863.00	Start	\$10.47	\$10.68	\$10.95	\$11.22	\$11.50
\$924.00	6 Mo.	\$11.22	\$11.44	\$11.73	\$12.02	\$12.32
\$991.00	12 Mo.	\$12.03	\$12.27	\$12.58	\$12.89	\$13.21
\$1,062.00	18 Mo.	\$12.90	\$13.16	\$13.49	\$13.83	\$14.18
\$1,138.00	24 Mo.	\$13.82	\$14.10	\$14.45	\$14.81	\$15.18
\$1,221.00	30 Mo.	\$14.82	\$15.12	\$15.50	\$15.89	\$16.29
\$1,309.00	36 Mo.	\$15.89	\$16.21	\$16.62	\$17.04	\$17.47
\$1,402.00	42 Mo.	\$17.02	\$17.36	\$17.79	\$18.23	\$18.69
\$1,502.00	48 Mo.	\$18.23	\$18.59	\$19.05	\$19.53	\$20.02
\$1,610.00	54 Mo.	\$19.54	\$19.93	\$20.43	\$20.94	\$21.46
\$1,725.00	Top	\$20.94	\$21.36	\$21.89	\$22.44	\$23.00

Job Titles: MATERIAL HANDLER

Wage Schedule: F

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$1,058.00	Start	\$12.85	\$13.11	\$13.44	\$13.78	\$14.12
\$1,138.00	6 Mo.	\$13.82	\$14.10	\$14.45	\$14.81	\$15.18
\$1,226.00	12 Mo.	\$14.89	\$15.19	\$15.57	\$15.96	\$16.36
\$1,318.00	18 Mo.	\$16.00	\$16.32	\$16.73	\$17.15	\$17.58
\$1,408.00	24 Mo.	\$17.09	\$17.43	\$17.87	\$18.32	\$18.78
\$1,524.00	30 Mo.	\$18.50	\$18.87	\$19.34	\$19.82	\$20.32
\$1,643.00	36 Mo.	\$19.95	\$20.35	\$20.86	\$21.38	\$21.91
\$1,769.00	42 Mo.	\$21.47	\$21.90	\$22.45	\$23.01	\$23.59
\$1,904.00	48 Mo.	\$23.11	\$23.57	\$24.16	\$24.76	\$25.38
\$1,978.00	54 Mo.	\$24.01	\$24.49	\$25.10	\$25.73	\$26.37
\$2,061.00	Top	\$25.02	\$25.52	\$26.16	\$26.81	\$27.48

Job Titles: CUSTOMER SERVICE REPRESENTATIVE, MATERIAL CONTROL CLERK

Wage Schedule: G

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$1,210.00	Start	\$14.69	\$14.98	\$15.35	\$15.73	\$16.12
\$1,287.00	6 Mo.	\$15.62	\$15.93	\$16.33	\$16.74	\$17.16
\$1,364.00	12 Mo.	\$16.55	\$16.88	\$17.30	\$17.73	\$18.17
\$1,446.00	18 Mo.	\$17.55	\$17.90	\$18.35	\$18.81	\$19.28
\$1,533.00	24 Mo.	\$18.61	\$18.98	\$19.45	\$19.94	\$20.44
\$1,627.00	30 Mo.	\$19.76	\$20.16	\$20.66	\$21.18	\$21.71
\$1,725.00	36 Mo.	\$20.94	\$21.36	\$21.89	\$22.44	\$23.00
\$1,831.00	42 Mo.	\$22.23	\$22.67	\$23.24	\$23.82	\$24.42
\$1,943.00	48 Mo.	\$23.58	\$24.05	\$24.65	\$25.27	\$25.90
\$2,061.00	54 Mo.	\$25.02	\$25.52	\$26.16	\$26.81	\$27.48
\$2,202.00	Top	\$26.73	\$27.26	\$27.94	\$28.64	\$29.36

Job Titles: TRUCK DRIVER-HEAVY

Wage Schedule: H

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$1,285.00	Start	\$15.59	\$15.90	\$16.30	\$16.71	\$17.13
\$1,371.00	6 Mo.	\$16.64	\$16.97	\$17.39	\$17.82	\$18.27
\$1,466.00	12 Mo.	\$17.80	\$18.16	\$18.61	\$19.08	\$19.56
\$1,567.00	18 Mo.	\$19.03	\$19.41	\$19.90	\$20.40	\$20.91
\$1,688.00	24 Mo.	\$20.49	\$20.90	\$21.42	\$21.96	\$22.51
\$1,729.00	30 Mo.	\$20.99	\$21.41	\$21.95	\$22.50	\$23.06
\$1,770.00	36 Mo.	\$21.49	\$21.92	\$22.47	\$23.03	\$23.61
\$1,913.00	42 Mo.	\$23.22	\$23.68	\$24.27	\$24.88	\$25.50
\$2,045.00	48 Mo.	\$24.83	\$25.33	\$25.96	\$26.61	\$27.28
\$2,187.00	54 Mo.	\$26.55	\$27.08	\$27.76	\$28.45	\$29.16
\$2,350.00	Top	\$28.53	\$29.10	\$29.83	\$30.58	\$31.34

Job Titles: COMPUTER-AIDED FIXTURING , FIXTURE MACHINIST

Wage Schedule: I

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$1,486.00	Start	\$18.04	\$18.40	\$18.86	\$19.33	\$19.81
\$1,563.00	6 Mo.	\$18.98	\$19.36	\$19.84	\$20.34	\$20.85
\$1,644.00	12 Mo.	\$19.96	\$20.36	\$20.87	\$21.39	\$21.92
\$1,727.00	18 Mo.	\$20.97	\$21.39	\$21.92	\$22.47	\$23.03
\$1,820.00	24 Mo.	\$22.10	\$22.54	\$23.10	\$23.68	\$24.27
\$1,914.00	30 Mo.	\$23.24	\$23.70	\$24.29	\$24.90	\$25.52
\$2,014.00	36 Mo.	\$24.45	\$24.94	\$25.56	\$26.20	\$26.86
\$2,119.00	42 Mo.	\$25.72	\$26.23	\$26.89	\$27.56	\$28.25
\$2,228.00	48 Mo.	\$27.05	\$27.59	\$28.28	\$28.99	\$29.71
\$2,345.00	54 Mo.	\$28.46	\$29.03	\$29.76	\$30.50	\$31.26
\$2,470.00	Top	\$29.99	\$30.59	\$31.35	\$32.13	\$32.93

Job Titles: SENIOR DATA SOLUTIONS TECHNICIAN , SENIOR ELECTRONICS TECHNICIAN

Wage Schedule: J

4% Lump Sum		GW1 1%	GW1 2%	GW1 2.5%	GW1 2.5%	GW1 2.5%
6/25/2006		6/25/2006	6/24/2007	6/22/2008	6/21/2009	6/20/2010
\$1,695.00	Start	\$20.57	\$20.98	\$21.50	\$22.04	\$22.59
\$1,765.00	6 Mo.	\$21.42	\$21.85	\$22.40	\$22.96	\$23.53
\$1,840.00	12 Mo.	\$22.33	\$22.78	\$23.35	\$23.93	\$24.53
\$1,918.00	18 Mo.	\$23.28	\$23.75	\$24.34	\$24.95	\$25.57
\$1,998.00	24 Mo.	\$24.26	\$24.75	\$25.37	\$26.00	\$26.65
\$2,083.00	30 Mo.	\$25.29	\$25.80	\$26.44	\$27.10	\$27.78
\$2,169.00	36 Mo.	\$26.33	\$26.86	\$27.53	\$28.22	\$28.93
\$2,261.00	42 Mo.	\$27.45	\$28.00	\$28.70	\$29.42	\$30.16
\$2,356.00	48 Mo.	\$28.60	\$29.17	\$29.90	\$30.65	\$31.42
\$2,444.00	54 Mo.	\$29.66	\$30.25	\$31.01	\$31.79	\$32.58
\$2,493.00	Top	\$30.26	\$30.87	\$31.64	\$32.43	\$33.24

Job Titles: METROLOGY TECHNICIAN** Effective 6/25/2006