

Highlights of VCSI Tentative Settlement

1. Significant wage increase- 3.75, 3.75, 3.75
2. Establishes several pathways for VCS members to move to core company – at least 150 VCS techs will be moved to Core
3. Preferential hiring status – no external vacancies for Svc tech will be filled before qualified vcs tech (see scope)
4. Establishes safety committee
5. Improved arbitration language -150 days to submit (from 120)
6. Improved forced overtime language – 10hr limit for 7 months of year and 15 for 5 months- Co must notify union of the designated months in advance
7. Improved sickness absence policy- service requirements for eligibility shortened
8. Inclusion in ACFC/TABEC (family care programs)
9. Greater flexibility for employees to take personal and vacation days in half-day increments – employees will be allowed to take day at a time vacation and personal holiday in half day increments

MEMORANDUM OF UNDERSTANDING

BETWEEN

VERIZON CONNECTED SOLUTIONS INC.

AND

COMMUNICATIONS WORKERS OF AMERICA

AFL-CIO

August 10, 2008

FINAL MOU

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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter "MOU" or "Memorandum") dated August 10, 2008 (hereinafter "the Date of this Memorandum") and effective as of August 3, 2008 (hereinafter "the Effective Date of this Memorandum"), by and between Verizon Connected Solutions Inc. (hereinafter, "the Company"), and Communications Workers of America, AFL-CIO (District 2 and the Delaware unit of District 13) (hereinafter, "CWA" or "the Union"), sets forth the changed terms of the agreement between the Company and the CWA.

As used in this agreement, the terms "employee," "employees," "technician" and "technicians" refers to those employees of the Company who are in the bargaining unit represented by CWA.

This Memorandum binds the Company and the CWA to incorporate the terms hereinafter set forth into the collective bargaining agreement (hereinafter "the Agreement" or "Agreement") between the Company and the CWA.

This Memorandum shall become effective if, and only if, ratified by the results of the voting in the bargaining unit in the Company represented by the CWA on or before 11:59 p.m. ~~twenty-one (21)~~ ³⁸ ~~days~~ ^{TSS} following the date of this MOU.

The Company and CWA Agreement shall terminate unless extended by mutual agreement, at 11:59 p.m. on August 6, 2011.

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WAGES AND BASIS OF COMPENSATION

Article 4, Section 1 of the Agreement shall be modified as follows:

The basic hourly wage rates and schedules for employees in the titles of Multi-Media Services Technician (MMST) and Senior Multi-Media Services Technician (SMMST) are contained in **Exhibit A.**

HOURLY WAGE INCREASE

Multi-Media Services Technician:

Effective Sunday, August 3, 2008, all steps on the basic hourly wage schedules for Multi-Media Services Technician shall be increased by **3.75%**.

Effective Sunday, August 2, 2009, all steps on the basic hourly wage schedules for Multi-Media Services Technician shall be increased by **3.75%**.

Effective Sunday, August 1, 2010, all steps on the basic hourly wage schedules for Multi-Media Services Technician shall be increased by **3.75%**.

Senior Multi-Media Services Technician:

Effective Sunday, August 3, 2008, all steps on the basic hourly wage schedules for Senior Multi-Media Services Technician shall be increased by **3.75%**.

Effective Sunday, August 2, 2009, all steps on the basic hourly wage schedules for Senior Multi-Media Services Technician shall be increased by **3.75%**.

Effective Sunday, August 1, 2010, all steps on the basic hourly wage schedules for Senior Multi-Media Services Technician shall be increased by **3.75%**.

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ILLNESS ABSENCES

Article 4, Section 8 (c) shall be modified as follows:

(c) Illness Absences - Employees with **twenty-four (24) months** service or more will be paid for days of absence due to their own illness up to a maximum of four (4) days per year. Employees with **eighteen (18) months** but less than **twenty-four (24) months** service will be allowed up to three (3) such paid sick days per year. Employees with **twelve (12) months** but less than **eighteen (18) months** service will be allowed up to two (2) such paid sick days per year. **Employees with six (6) months but less than twelve (12) months service will be allowed one (1) such paid sick day per year.** Additional sick time may be excused without pay, but regular attendance will be a condition of employment. Effective January 1, 2004, in the event (i) no illness absence paid days have been used by an employee within the calendar year, and (ii) if, thereafter, an employee exhausts his paid sick days as a result of an absence which transitions into a Disability as that term is defined in Article 12, Section 6 (b)(2), then, in that event, the employee will be allowed one additional illness absence paid day for that calendar year for that absence.

TELEPHONY OPERATIONS

Article 4, Section 9 (c) shall be modified as follows:

(c) Telephony Operations - An employee in Telephony Operations will be required to work no more than a total of **ten (10) overtime hours** in any payroll week **during seven (7) calendar months in each of the years 2009, 2010, and 2011, and no more than a total of fifteen (15) overtime hours in any payroll week during the remaining five (5) calendar months in those years,** except in case of emergency, long-term service difficulties or if the employee consents to work additional overtime beyond the **ten (10) hours or the fifteen (15) hours as may be applicable.** The Company shall specify the months in which each of the above overtime limitations will apply. The Company will give to the Union, twice a year, on or about the first day of January and July, notification of the following six months in which each of the above overtime limitations will apply. No provision of this Section shall constitute a guaranty as to the minimum or maximum number of hours of work per week which may be required on the part of any employee. An "emergency" is defined as an event of national importance, fire, explosion, or other catastrophe, severe weather conditions, major cable and equipment failures, or an act of God. The parties recognize that service difficulties for an extended period may develop from time to time during which suspension of the above overtime limitations would be appropriate. In the event such service difficulties develop, the Company and the Union will meet to discuss the problem and determine how to best deal with the situation. Management will first attempt to use volunteers to meet overtime needs. When there are not enough volunteers and overtime is assigned, management will review an employee's

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request to be excused if timely presented, and will accept excuses that are reasonable after considering the circumstances of the employee and the needs of the business. If requested by the Union, the Company will provide a list which depicts the number of overtime hours worked by employees.

HOLIDAYS

Article 5, Sec. 1 (a) shall be modified as follows:

(a) Specified Holidays shall be:

- New Year's Day
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday Immediately After Thanksgiving Day (effective January 1, 2004)
- Christmas Day
- Personal Holiday (may be scheduled half-day at a time)

VACATIONS

Article 5, Section 2 (c) shall be modified as follows:

(c) No more than one (1) week of vacation may be scheduled day-at-a-time or a half-day at a time or any combination thereof.

ARBITRATION

Article 7, Section 1 shall be modified as follows:

Only those matters made subject to arbitration in Article 6 Section 4 shall be subject to arbitration. No demand for arbitration shall be made more than **one hundred and fifty (150)** days after the grievance was first presented to the Company for adjustment in accordance with Article 6, unless extended by written agreement of the parties. The arbitration shall be conducted before and a decision rendered by a single arbitrator who shall be bound by the provisions of this Agreement and shall not have the power to add to, subtract from, or modify any provision of this Agreement.

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August 10, 2008
FINAL MOU

DURATION OF AGREEMENT

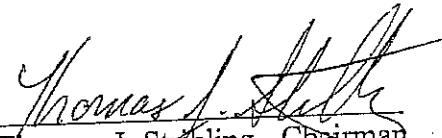
Article 22, Section 1 shall be modified as follows:

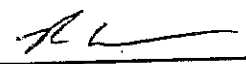
This Agreement shall be effective as of August 3, 2008 and shall continue in full force and effect until its termination at 11:59 p.m. on August 6, 2011.

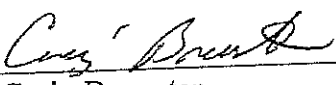
SIGNATURES

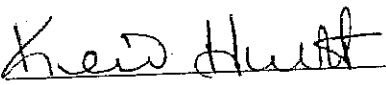
FOR THE COMPANY:

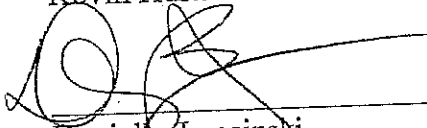
FOR THE CWA:



Thomas J. Stabling - Chairman

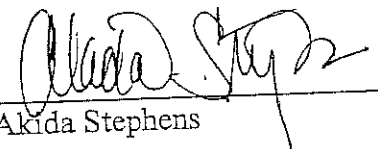

Richard Verlander - Chairman


Craig Brewster


Kevin Hurtt


Danielle Jarosinski


Brian Palmer


Akida Stephens

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EXHIBIT A

BASIC HOURLY WAGE SCHEDULES

Effective August 3, 2008

Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$13.10
6 Month	\$14.51
12 Month	\$15.95
18 Month	\$17.35
24 Month	\$18.78
30 Month	\$19.46
36 Month	\$20.46
42 Month	\$21.49
48 Month	\$22.49

Senior Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$21.64
6 Month	\$22.07
12 Month	\$23.17
18 Month	\$23.88
24 Month	\$24.24
30 Month	\$24.91
36 Month	\$25.60
42 Month	\$26.26
48 Month	\$26.93

Effective August 2, 2009

Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$13.59
6 Month	\$15.05
12 Month	\$16.55
18 Month	\$18.00
24 Month	\$19.48
30 Month	\$20.19
36 Month	\$21.23
42 Month	\$22.30
48 Month	\$23.33

Senior Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$22.45
6 Month	\$22.90
12 Month	\$24.04
18 Month	\$24.78
24 Month	\$25.15
30 Month	\$25.84
36 Month	\$26.56
42 Month	\$27.24
48 Month	\$27.94

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Effective August 1, 2010

Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$14.10
6 Month	\$15.61
12 Month	\$17.17
18 Month	\$18.68
24 Month	\$20.21
30 Month	\$20.95
36 Month	\$22.03
42 Month	\$23.14
48 Month	\$24.20

Senior Multi-Media
Services Technician (3.75% Increase)

Wage Step	Hourly Rate
Minimum Start	\$23.29
6 Month	\$23.76
12 Month	\$24.94
18 Month	\$25.71
24 Month	\$26.09
30 Month	\$26.81
36 Month	\$27.56
42 Month	\$28.26
48 Month	\$28.99

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ATTACHMENT A

Letter of Understanding

Safety Advisory Committee

The Company and the Union mutually recognize the need for a work environment in which safe operations can be achieved in accomplishing all phases of work, and the need to promote better understanding and acceptance of the principles of safety on the part of all employees to provide for their own safety and that of their fellow employees, customers and the general public.

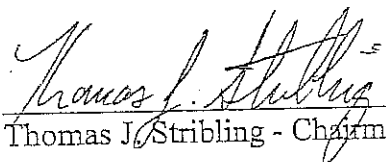
To achieve the above principles, the Company and the Union have established a Safety Advisory Committee. The Committee shall consist of not more than three (3) representatives each from the Company and the Union (to be appointed by the Company and the Union respectively).


The Committee shall only address safety issues that potentially affect employees, customers, and/or the public throughout the bargaining unit (Delaware & Potomac). The Committee shall not address local issues, which should be addressed with local management. The Committee shall meet two times per year. Meetings shall be by teleconference. Additional meetings (teleconference, face-to-face, or otherwise) may be held from time to time by mutual agreement.

The Company agrees to reimburse only for time spent by active employees for attendance at Safety Advisory Committee meetings during the employee's scheduled tour at his regular straight-time rate of pay.

FOR THE COMPANY:

FOR THE CWA:


Thomas J. Stribling - Chairman


Richard Verlander - Chairman

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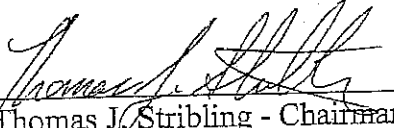
ATTACHMENT B

Letter of Understanding


Advisory Council on Family Care (ACFC) & Training Advisory Board Executive Council (TABEC)

This letter will confirm the understanding reached between Verizon Connected Solutions Inc. and CWA District 2 & 13 (Delaware) during 2008 bargaining. Within 90 days of ratification of the 2008 collective bargaining agreement, the Company agrees to initiate discussions with representatives of the CWA concerning access to the Advisory Council on Family Care (ACFC) & Training Advisory Board Executive Council (TABEC) programs for Verizon Connected Solutions Inc. technicians in Potomac/Delaware. Furthermore, the parties agree there will be no funding of ACFC and/or TABEC for VCS technicians, VCS will not have paid or unpaid ACFC/TABEC advocates and participation in ACFC/TABEC will be voluntary and on the technician's own time outside of working hours.

FOR THE COMPANY:


Thomas J. Stribling - Chairman

FOR THE CWA:


Richard Verlander - Chairman

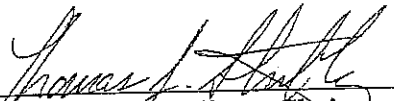
ATTACHMENT C

Letter of Understanding

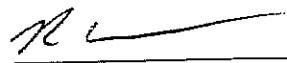
Extension of Letters of Agreement

All letters of agreement in the parties' 2003 collective bargaining agreement that contain an expiration date of August 3, 2008 will be changed to reflect an expiration date of August 6, 2011 unless the parties have expressly agreed that such letters will not remain in effect.

FOR THE COMPANY:


Thomas J. Stribling - Chairman

FOR THE CWA:


Richard Verlander - Chairman