

Table Of Contents

THE 2006 AGREEMENT..... 1

ARTICLE 1 - RECOGNITION..... 1

ARTICLE 2 - COLLECTIVE BARGAINING..... 2

ARTICLE 3 - DEFINITIONS 2

ARTICLE 4 - AUTHORIZED UNION REPRESENTATIVES 8

ARTICLE 5 - UNION REPRESENTATION..... 10

ARTICLE 6 – UNION ACTIVITIES 10

ARTICLE 7 – AGENCY SHOP AND COLLECTION OF DUES 12

ARTICLE 8 - DISCRIMINATION..... 14

ARTICLE 9 - GRIEVANCE PROCEDURE..... 15

ARTICLE 10 - ARBITRATION 18

ARTICLE 11- MEDIATION 23

ARTICLE 12 - DISCIPLINE 24

ARTICLE 13 - PERSONNEL RECORDS 25

ARTICLE 14 - SAFETY 25

ARTICLE 15 - TITLES AND WAGES 27

ARTICLE 16 - TRANSFERS, TRAVEL ALLOWANCES, AND MOVING
EXPENSES 32

ARTICLE 17 - NEW JOB TITLES AND JOB CLASSIFICATIONS 37

ARTICLE 18 - CLASSIFICATION AND TREATMENT OF PART-TIME
EMPLOYEES 39

ARTICLE 19 - BENEFIT PLAN CHANGES 41

ARTICLE 20 – ABSENCE 43

ARTICLE 21 - EXCUSED WORK DAYS..... 46

ARTICLE 22 - VACATIONS 49

ARTICLE 23 - HOLIDAYS..... 53

ARTICLE 24 - FORCE ADJUSTMENT - LAYOFF, PART-TIMING,
AND RECALL 55

ARTICLE 25 - TERMINATION PAYMENTS 58

ARTICLE 26 - REASSIGNMENT PAY PROTECTION PLAN..... 61

ARTICLE 27 - SENIORITY 62

ARTICLE 28 - CONTRACTING OF WORK 62

ARTICLE 29 - EMPLOYEES IN MILITARY SERVICE OR ACTIVE DUTY
FOR TRAINING 66

ARTICLE 30 - MATERIAL LOGISTICS 69

ARTICLE 31 - SUPPORT 76

ARTICLE 32 - COMMUNICATIONS EQUIPMENT 83

ARTICLE 33 - TELESALLES 95

Table Of Contents

EXHIBITS

PAYROLL DEDUCTION AUTHORIZATION 105

APPENDICES

APPENDIX 1 AVAYA BUSINESS GROUPS AND ORGANIZATIONS 107
APPENDIX 2 SPECIAL CITY ALLOWANCE..... 108
APPENDIX 3 WAGE SCHEDULES 109
 SECTION 1 RECOGNITION..... 110
 SECTION 2 TITLES 122
 SECTION 3 LOCALITIES AND WAGE AREAS..... 123
 SECTION 4 WAGE SCHEDULE TABLES 130

NATIONAL MEMORANDUM

PREAMBLE 153

COMPENSATION

GENERAL WAGE INCREASES 157
ESCALATION ADJUSTMENT 160
WAGE PROGRESSION SCHEDULES 161
AVAYA AWARD FOR REPRESENTED EMPLOYEES..... 162
WAGE & COMPENSATION PRACTICES 166
NEW RECOGNITION AWARD PROGRAMS 167

PENSIONS

PENSION BAND INCREASES 168
AVAYA INC. PENSION PLAN

HEALTH BENEFITS - ACTIVE EMPLOYEES

MEDICAL AND DENTAL BENEFITS 172
JOINT HEALTH CARE COMMITTEE 174

HEALTH BENEFITS - RETIREE

POSTRETIREMENT MEDICAL AND DENTAL BENEFITS 178
RETIREE BENEFITS ISSUES 183

SAVINGS PLAN

AVAYA INC. SAVINGS PLAN..... 184
EMPLOYEE STOCK PURCHASE PLAN..... 185

Table Of Contents

OTHER BENEFITS

BENEFIT PLANS AND PROGRAMS 186
DOMESTIC PARTNER BENEFIT COVERAGE 187
EMPLOYEE ASSISTANCE PROGRAM (EAP) 189
WORK AND FAMILY PROGRAMS 190
AVAYA INC. LIFE INSURANCE PLAN..... 192

EDUCATION AND TRAINING

THE ALLIANCE 193
LEAD 21 197
ACADEMIC AWARDS 198
TUITION ASSISTANCE..... 199

CAREER TRANSITION PROGRAMS

AVAYA TRANSFER PROGRAM (ATP) 200
 PROGRAM DETAILS 201
 LEG TIME-IN-TITLE/GRADE AND TIME-IN-LOCATION 214
AVAYA CAREER TRANSITION OPTION PROGRAM (ACTOP) 215
 EXTENDED COMPENSATION PARTICIPANT IN ALLIANCE 222
EMPLOYEE RESOURCE CENTERS 223
 ERC/ATP COORDINATORS AND MANAGED CARE PROGRAM
 COORDINATORS 226
 OPERATIONS ERC/ATP COORDINATOR 228
 MANAGED CARE PROGRAMCOORDINATOR 230

UNION MANAGEMENT RELATIONS

EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS 231
NEUTRALITY AND CONSENT ELECTION..... 232
TRIAL MAIL BALLOT 238
UNION MANAGEMENT RELATIONS 239
EMPLOYEES ON UNION LEAVE OF ABSENCE – BENEFITS 241
UNION DUES PORTABILITY 242
COPE PAC DEDUCTIONS - CWA 243

Table Of Contents

OTHER LETTERS

DRUG TESTING	245
STANDING JOINT SUBCOMMITTEE ON TESTING	246
TECHNOLOGY CHANGE COMMITTEE.....	248
CONSTRUCTIVE RELATIONSHIP	251
CERTIFICATION PROGRAM	253
LABOR ADVISORY FORUM.....	257
SALES REFERRAL PROGRAM	258
JOB SECURITY	259

OTHER AGREEMENTS

ELIMINATION OF CERTAIN ARTICLES AND TITLES	261
ELIMINATION OF CERTAIN ARTICLES AND TITLES (2003).....	262
ELIMINATION OF CERTAIN ARTICLES AND TITLES (1998).....	263
CONVERSION OF TERM EMPLOYEES IN GCCC TO PERMANENT REGULAR EMPLOYEE STATUS (2006)	266
DOCTOR'S NOTE PROCESS (2006)	266
OPTIONAL FOUR-DAY/TEN-HOUR WORK WEEK (2006)	266
MILEAGE REIMBURSEMENT	267
ACCESS TO UNION WEBSITES (2006)	268
CONSOLIDATION OF THE CWA REPAIR, DISTRIBUTION AND SERVICE AND SUPPORT NO. 2 (RDS&S) AGREEMENT	268
NEW WORK OPPORTUNITIES.....	268
RESOLUTION OF MEDICAL DISAGREEMENTS	269
SUBCONTRACTING SUBCOMMITTEE STRUCTURE AND GUIDELINES	270
SUBCONTRACTING - CWA OPERATIONS.....	272
DISTRIBUTION TECHNICIAN CAREER PATH ENHANCEMENT	274
MVUP TRIAL - SOFTWARE ASSOCIATES	276
AGENCY TEMPORARIES	277
ELECTRONIC MONITORING	277
ALTERNATE WORK SCHEDULES	278
APPEARANCE GUIDELINES	281
ARTICLE 16 TRANSFERS AND RECLASSIFICATIONS TO PART-TIME DURING SURPLUS	281
COMPENSATORY TIME	282
DESIGNATED HOLIDAYS.....	284
EMPLOYEE TRAINING	284
EVENING MEAL ALLOWANCE AND EXPENSES	285
EXTENDED VACATIONS	287

Table Of Contents

SCHEDULING	289
1992 LETTERS EXTENDED	291
LOCAL AGREEMENTS	291
INDEMNIFICATION.....	291
OVERTIME EQUALIZATION.....	291
SCHEDULE CHANGE - PART-TIME EMPLOYEES	292
WAGE PROTECTION.....	292
1989 PROVISION - GROUPS	293
NIGHT TOUR	293
CALIFORNIA RELEASE TIME	294
15% DIFFERENTIAL, NEW YORK	295
LAST WORK DAY BEFORE CHRISTMAS, NEW JERS EY	296
OVERTIME WORK, MICHIGAN.....	297
NEW YORK VACATION SCHEDULE	298
VACATION SCHEDULING	302
1989 PROVISIONS - INDIVIDUAL.....	303
VOLUNTARY OVERTIME, OHIO AND C&P	304
OVERTIME PAYMENT PROVISIONS	305
OVERTIME LIMITATIONS	306
ABSENCE CONTROL, NEW YORK.....	308
ABSENCE CONTROL, NEW YORK.....	309
ABSENCE CONTROL, NEW YORK	310
VOLUNTARY OVERTIME, PNB.....	311
DURATION OF AGREEMENT	313
INDEX	315

THE 2006 AGREEMENT

The 2006 Agreement shall consist of Articles 1 through 33. The Agreement is made and entered into effective the 28th day of May, 2006, by and between the Business Groups of Avaya Inc. listed in Appendix 1 (hereinafter collectively referred to as the Company) and the Communications Workers of America (hereinafter referred to as the Union).

ARTICLE 1 - RECOGNITION

1 Certification of Membership

The Union hereby certifies that it represents the majority of the employees to whom the Agreement applies, and the Union is the acknowledged, designated and selected collective bargaining representative of such members.

2 Recognition

- (a) The Company recognizes the Union as the exclusive representative of those employees whose current job titles appear in Articles of this Agreement, and those whose job titles are created pursuant to the new titles provisions of the Agreement, and whose permanent reporting location is in a State within which that job title is listed in and who are not represented by another Union.
- (b) If during the term of this Agreement, the Union is certified by the National Labor Relations Board or is recognized by the Company as the collective bargaining representative of employees not previously so represented, who occupy job titles or occupations in which other employees are represented by the Union and are covered by this Agreement, such employees shall be included within and be covered by this Agreement upon the conclusion of any negotiations on any necessary amendments thereto.

3 Federal and State Laws

In the event that any provision of this Agreement should be modified or deleted to conform to any federal or state law or regulations, or any order, determination or ruling or regulations of a federal or state administrative agency or court, the Company shall notify the Union in writing. Negotiations shall then take place if requested by the Union. In the event of such negotiations, the changes proposed by the Company shall not be implemented until (a) agreement is reached, or (b) the Company determines that timely action is required by the law, regulation, order, determination or ruling, which ever occurs sooner.

Article 2

ARTICLE 2 - COLLECTIVE BARGAINING

- 1 The parties hereto agree that collective bargaining shall be carried on between the authorized representative(s) of the Company and the Union, and that no Agreement shall be effective and binding upon the Company or the Union unless and until it is reduced to writing and signed by the authorized representative(s) at the Headquarters level of the Company and the National level of the Union.
- 2 This Agreement constitutes the entire agreement between the parties, and no waiver or modification shall be effective unless signed by the parties hereto, and no such writing, applicable to any particular instance or instances shall be construed as any general waiver or modification, but shall be strictly limited to the extent and occasion specified herein.

3 MUTUAL RESPECT

The Company and the Union recognize that it is in the best interest of both parties, the employees, and the public that all dealings between them continue to be characterized by mutual 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 this Contract fairly in accord with its intent and meaning, and consistent with the Union's status as the exclusive bargaining representative of all employees in the unit. Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and of the measures they have agreed upon to insure adherence to this purpose.

ARTICLE 3 - DEFINITIONS

The following definitions are applicable within this Agreement:

1 Definitions Relating to Hours of Work

(a) **Calendar Year**

A Calendar Year is the period beginning January 1 and ending December 31.

(b) **Calendar Week**

A calendar week is the period of seven (7) consecutive days commencing on Sunday.

(c) **Normal Work Week**

A normal work week consists of five (5) normal tours or their equivalent during a calendar week.

(d) **Scheduled Weekly Tour**

The portion of the work week comprised of Scheduled Daily Tours, but excluding Non-Scheduled Days.

- (e) **Day:**
 - (1) **Calendar Day**
The twenty-four (24) hour period beginning at midnight.
 - (2) **Weekday**
One (1) of the six (6) days, Monday through Saturday, inclusive.
 - (3) **Scheduled Day**
A calendar day on which an employee is scheduled to work.
 - (4) **Non-Scheduled Day**
A calendar day on which an employee is not scheduled to work.
- (f) **Meal Period**
A meal period is an unpaid period not longer than one (1) hour during which an employee is excused for a meal.
- (g) **Relief Period**
A relief period is a rest period of fifteen (15) minutes which shall be considered as work time.
- (h) **Work Time**
Work time consists of all time spent on the job in the performance of Company duties. Work time excludes meal periods.
- (i) **Tours:**
 - (1) **Tour**
A tour is a period of work time, whether scheduled or not, which begins and ends at a specified time, exclusive of any meal period. The starting time of a tour determines the day on which the tour occurs.
 - (2) **Scheduled Daily Tour**
The hours of work scheduled for an individual employee for a particular day, beginning and ending at a specified time, exclusive of unpaid meal periods and overtime.
 - (3) **Normal Tour**
A normal tour is the number of hours of work (exclusive of meal period) which constitutes a full day's work for a full-time employee.
 - (4) **Half Tour**
A half tour is one-half (1/2) the length of a normal tour.
 - (5) **Time of Day**
Where time of the day is specified herein, it shall be local time.

Article 3

(6) **Night Tours:**

A night tour is a Scheduled Daily Tour which falls wholly or partially within the time frames outlined below:

1. Material Logistics employees covered in Article 30: 6PM - 6AM.
2. Support Employees covered in Article 31: 7PM - 7AM.
3. Communications Equipment Employees covered in Article 32: 6PM - 6AM.
4. Telesales Employees covered in Article 33: 7PM – 7AM.

(7) **Day Tour:**

A day tour is a Scheduled Daily Tour which falls wholly within the time frames outlined below:

1. Material Logistics Employees covered in Article 30: 6A M - 6PM.
2. Support Employees covered in Article 31: 7A M -7PM.
3. Communications Equipment Employees covered in Article 32: 6AM - 6PM.
4. Telesales Employees covered in Article 33: 7AM - 7PM.

2 **Definitions Relating to Wage Rates**

(a) **Standard Rate**

The Standard Rate is the rate of pay assigned to an employee based on the employee's job title.

(b) **Adjusted Rate**

An employee's total rate, resulting from the sum of his or her Standard Rate and any applicable Wage Protection Allowance. Such Adjusted Rate shall be used to calculate overtime payments, percentage payments for tour bonuses, paid absences, termination payments, and basic pay for group insurance and Savings and Security Plan allotments.

(c) **Daily Adjusted Rate**

The Daily Adjusted Rate is the rate determined by dividing the Adjusted Rate by five (5).

(d) **Hourly Adjusted Rate**

The Hourly Adjusted Rate is the rate determined by dividing the Adjusted Rate by the number of hours in a full-time employee's normal work week.

(e) **Hourly Overtime Base Rate**

The Hourly Overtime Base Rate is the Employee's Hourly Adjusted Rate plus:

- (1) In any week during which the employee is entitled to a weekly night differential, the amount obtained by dividing the employee's weekly night differential by the number of hours in her or his normal work week.
- (2) In any week during which the employee is entitled to a daily evening or night differential, the amount obtained by dividing the employee's daily evening or night differential payment by the number of hours corresponding to the employee's normal tour for that day.

(f) **Overtime Rates:**

(1) **Time and One-Half**

Pay at one hundred and fifty percent (150%) of an employee's Hourly Overtime Base Rate. Pay at Time and One-Half shall apply:

- (i) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more. (Excluding those Operations employees who are currently paid overtime for hours worked outside their Scheduled Daily Tours).
- (ii) For hours worked in excess of forty (40) regularly scheduled hours during the work week. (Excluding those Operations employees who are currently paid overtime for hours worked outside their Scheduled Daily Tours).
- (iii) On a Non-Scheduled Day other than a holiday.

(2) **Double Time**

Pay at two hundred percent (200%) of an employee's Hourly Overtime Base Rate. Pay at Double Time shall apply for overtime hours paid at Time and One-Half in excess of eight (8) in the work week including payments for call-ins and call-ups paid at Time and One-Half.

(3) **Double Time and One-Half**

Pay at two hundred and fifty percent (250%) of an employee's Hourly Overtime Base Rate. Pay at Double Time and One-Half shall apply to authorized time worked on the day on which a holiday is observed.

Article 3

(4) **Overtime Adjustment:**

When an employee receives one or more of the following daily or weekly allowances for performing certain work, an Overtime Adjustment shall be made as described in Paragraph 2(f)(5) below:

1. Changed Schedule Payments
2. Customer Premise Differential
3. Fifteen percent (15%) Saturday Differential
4. Management Relief Differential
5. Material Administrator Allowance
6. Minimum Interval Differential
7. On-Call Allowance
8. Shifted Tour Differential
9. Special City Allowance
10. Temporary Assignment to Higher Occupational Job Classification
11. Tool Cartage Fee Allowance

(5) **An Overtime Adjustment is made as follows:**

$$\frac{\text{SUM OF ALLOWANCES PAID FOR WEEK}}{\begin{array}{l} \text{divided by} \\ \text{(# of hours in Scheduled Weekly Tour + Overtime Hours Worked in Week)} \\ \text{times} \\ \text{Total Overtime Hours Worked in Week} \\ \text{times} \\ \text{.5 plus .009} \end{array}}$$

(g) **Wage Protection Allowance**

The Wage Protection Allowance (WPA) consists of all forms of existing wage protection, including Green Circle, Red Line, Reassignment Pay Protection (RPPP), ATP Wage Protection Allowance and any other forms of wage protection which result in a "protected" wage rate.

3 Definitions Relating to Types of Employees

(a) **Employees**

The term "employee(s)", for the purpose of the terms of this Agreement, shall refer only to employees of the Company included within the bargaining unit as defined in Article 1 (Recognition).

(b) **Regular Employees**

Regular employees are those whose employment is reasonably expected to continue for longer than twelve (12) months. A regular employee may be either full-time or part-time.

(c) **Temporary Employees**

A temporary employee is one who is engaged for a specific project or for a limited period with a definite understanding that employment will terminate upon completion of the project or at the end of the period. Temporary employment is expected to continue for not more than twelve (12) months. A temporary employee may be either full-time or part-time.

(d) **Term Employee**

A term employee is a regular employee who is engaged for a specific project or for a limited period of normally not less than one (1) year nor more than three (3) years with a definite understanding that employment may terminate on or before completion of the project or at the end of the period.

Term employees shall be treated the same as regular employees except that:

- (1) They are not eligible to participate in Tuition Assistance and,
- (2) The provisions of the following Articles shall not apply to term employees:
 - (i) Article 25 (Termination Payments)
 - (ii) Article 26 (Reassignment Pay Protection Plan)
 - (iii) Article 29 (Employees in Military Service)

(e) **Full-Time Employees**

Full-time employees are those who are employed for not fewer than the number of hours per week called for in the normal work week applicable to their work locations.

(f) **Part-Time Employees**

Part-time employees are those who are employed and normally scheduled to work fewer hours per average month than comparable full-time employees in the same job title, classification, or work group working the same normal daily tour.

4 Definitions - Other

(a) **Net Credited Service**

Net credited service shall mean "term of employment" as set forth in the pension plan applicable to employees covered by this Agreement.

Article 3

(b) **Seniority**

Seniority shall be determined by the net credited service of the employees affected. In force adjustment situations, when the affected employees have the same net credited service, seniority shall be determined by using the last four (4) digits of the employees' social security numbers, 0000 being the lowest seniority, and 9999 being the highest seniority.

(c) **Temporary Assignment to Higher Job Classification**

Temporary assignments to higher occupational job classifications shall not exceed twelve continuous months without consultation with the Union.

ARTICLE 4 - AUTHORIZED UNION REPRESENTATIVES

1 Notices Regarding Union Organization

The Union agrees that its President or a person duly empowered to act in the President's behalf shall keep the Labor Relations Vice President or his designate, currently advised, in writing, of the representatives of the National Union who are authorized to deal with the Company regarding employees in the bargaining unit and regarding such matters as designating the Locals which have been established, designating the officers or other authorized representatives of such Locals and indicating the jurisdiction of such Locals and their representatives. The Union agrees further that such notifications and authorizations shall designate the Union representative or representatives to whom notices, information, certifications and services by Company representatives, as are provided for in this Agreement, shall be directed or furnished.

2 Promotion, Transfer Assignment of Union Officers

(a) The Company shall not promote or transfer any employee who is serving as a duly elected Officer or Executive Board Representative or Chief Steward (or their equivalent) to a position that would affect the employee's status as a Union Officer, Executive Board Representative or Chief Steward (or their equivalent) without first obtaining the consent of the Union. The foregoing consent of the Union will not be required if the transfer is to be accomplished pursuant to the provisions of Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall). The Company shall give the president of the local union written notice at least fourteen (14) calendar days prior to the effective date of the promotion or transfer, and the Union shall conclusively be presumed to have consented to such promotion or transfer unless within two (2) weeks after the Union receives such notification, it advises the Company in writing that it does not consent.

- (b) The Company shall give the union office notice at least one (1) week prior to the effective date of the promotion or transfer of a duly elected or appointed steward of the Union when the promotion or transfer affects the employee's status as a representative of the Union.

3 Absence for Union Activities

- (a) Operational requirements of the Company permitting, employees who are authorized representatives of the Union will be excused without pay, except as specified in Article 9 (Grievance Procedure), and in Article 6 (Union Activities) of this Agreement, at the request of an authorized representative of the Union to attend to the business of the Union. The Union shall make all requests for excused absences as far in advance as possible.
- (b) If an employee's total excused unpaid time off for Union business exceeds one hundred fifty (150) work days in a calendar year, or exceeds thirty (30) consecutive calendar days, the employee shall take a formal leave of absence. Time spent in joint meetings with management held at the Company's request shall not be included in computing an employee's total excused unpaid time off for Union business. Meetings with management shall be considered as breaking a continuous period of absence.

4 Leave of Absence for Union Activities

- (a) Requests for leaves of absence without pay while on business pertaining to the Union shall be made to the Company by the Union on the employee's behalf.
- (b) The requests shall be in writing and shall contain the reasons for such leaves of absence.
- (c) The leave of absence without pay granted by the Company for Union business shall be for an initial period of not less than thirty (30) calendar days and not to exceed one (1) year.
- (d) Additional leaves of absence for initial periods of thirty (30) days and not to exceed one (1) year, shall be granted, all of which shall be with service credit.
- (e) For such leaves of absence, an employee shall:
 - (1) receive full service credit for all purposes except wage progression;
 - (2) be eligible for death benefits;
 - (3) be eligible for the Medical Expense Plan, Dental Plan, Vision Care Plan, Life Insurance, Supplementary Life Insurance and Group Legal Plan with premiums to be paid as follows: Dental Care, Vision Care, Group Legal and Supplementary Life Insurance - employee pays; and MEP and Life Insurance - Company pays.

Article 4

- (4) shall be eligible to participate in the Avaya Service Anniversary Award on the same terms and conditions as active employees.
- (f) Meetings with Management during a period of leave of absence shall not be considered as breaking a continuous period of leave of absence and shall be included in the period of such leave.
- (g) Upon application for reinstatement at or prior to expiration of leave of absence, employee(s) shall be returned to a job of like status and pay.

ARTICLE 5 - UNION REPRESENTATION

- 1 At any meeting between a representative of the Company and an employee in which discipline (including warnings which are to be recorded in the personnel file, suspension, demotion or discharge for cause) is to be announced, a Union representative may be present if the employee so requests.
- 2 At any investigatory interview between a representative of the Company and an employee, wherein the employee reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed employee, a Union representative may be present if the employee so requests.

ARTICLE 6 – UNION ACTIVITIES

1 BULLETIN BOARDS

The Company agrees that it will furnish and mount bulletin boards to be used exclusively by the Union at each office or facility location, except at locations in buildings not owned by the Company where the landlord or owner objects. The location, number, size and construction of such bulletin boards shall be subject to the approval of the Company. The use of such bulletin boards shall be considered proper when confined to factual notices and announcements of the Union.

Material to be posted shall not contain anything of a controversial nature, anything derogatory to the Company or employees, or anything that will detrimentally affect Company operations. If the Company objects to any posted material, the Union shall remove the objectionable material immediately.

2 UNION ACTIVITY ON COMPANY PREMISES

- (a) The Union, or employees acting as its officers or agents, may conduct Union activities, including solicitation of members and distribution of Union literature, on Company premises with notification to local management. Solicitation shall be permitted on Company premises when both the employees performing the solicitation and the employees to whom the solicitation is directed are on non-work time (such as lunch periods, relief periods and before or after an employee's work time). Distribution of Union literature may take place only in areas where no work is performed and on the employee's non-work time. Union activities shall not be conducted in a manner which will interfere with the operations of the business or with Company facilities.
- (b) Union representatives or members who are not employees may enter upon Company premises after obtaining approval from a management representative of the Company. To avoid the need to obtain such approval each time a Union representative or member who is not an employee of the Company wishes to enter upon any Company premises, the Company's Labor Relations Vice President may, upon application by the Union, grant approval for all Company locations designated in the approval for a stated period of time.

3 UNION ORIENTATION FOR NEW EMPLOYEES

The Company and the Union agree that the Union will have the opportunity to meet with newly hired employees as part of the overall orientation process for the purpose of furnishing them with information about the Union. The Union's segment of this process will be limited to a maximum of sixty (60) minutes. Time spent during the basic scheduled work period for each employee will be paid as time worked.

In addition, the Company also agrees to introduce employees transferring into a different work group to the local Union representative assigned to that area. Further, the Company agrees to allow the Union Representative a thirty (30) minute orientation for these members if this transfer results in an assignment to a new Union Local.

Article 6

4 PAYMENT FOR JOINT UNION - MANAGEMENT ACTIVITIES

Employees who are involved in joint Union-Management business may request that their reasonable time and expenses while participating in such activities be paid by the Company. If approved in advance, these employees will be paid for time lost while participating in such activities during their Scheduled Weekly Tour. This includes any associated travel time during the employee's Scheduled Weekly Tour. Hours paid while engaged in such joint activities will be considered as time worked.

In addition, such employees will be reimbursed for reasonable travel and board and lodging expenses which are directly related to their participating in these activities.

ARTICLE 7 – AGENCY SHOP AND COLLECTION OF DUES

1 AGENCY SHOP

- (a) Each employee who is a member of the Union or who is obligated to tender to the Union amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all employees entering into the bargaining unit on or after the effective date of this Agreement shall, as a condition of employment, pay or tender to the Union amounts equal to the periodic dues applicable to members, for the period from such effective date, or, in the case of employees entering into the bargaining unit after the effective date, on or after the thirtieth (30th) day of such entrance, whichever of these dates is later, until the termination of this Agreement.
- (b) For the purpose of this section, "employee" shall mean any person entering into the bargaining unit.
- (c) Each employee who is a member of the bargaining unit on or before the effective date of this Agreement and who on the effective date of this Agreement was not required as a condition of employment to pay or tender to the Union amounts equal to the periodic dues applicable to members, shall, as a condition of employment pay or tender to the Union amounts equal to the periodic dues applicable to members for the period beginning thirty (30) days after the effective date of this Agreement, until the termination of this Agreement.
- (d) The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee but shall re-apply to such employee on the thirtieth (30th) day following his or her return to the bargaining unit. For purposes of this Paragraph, the term "formal separation" shall include transfers out of the bargaining unit, removal from the payroll of the Company and leaves of absence of more than one (1) month duration.
- (e) The Company may inform employees and applicants for employment of their rights and obligations under the provisions of this Section.
- (f) This Section shall only apply to those states where permitted by law.

2 COLLECTION OF DUES

- (a) Upon receipt of a "Payroll Deduction Authorization" from an employee, in the form attached hereto as Exhibit I, Avaya will initiate deductions for amounts equal to Union Dues (and, if authorized, an Initiation Fee) from such employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments.
 - (1) Deduction shall be made from the employee's salary or wages, sickness or disability payments, or other benefit payments or vacation payments as follows:

Employees Paid	Deductions
Weekly	installments in the first 4 weeks each month

- (2) Deductions shall begin during the first (1st) payroll period in the month following receipt of a newly executed "Payroll Deduction Authorization" by the Avaya Payroll Office, and provided there is sufficient pay available to cover the amount authorized after the following deductions have been made:
 - (i) those required by law, and,
 - (ii) those authorized for Group Life Insurance and Medical Expense Plan premiums.
- (3) If the scheduled deduction for amounts equal to Union dues cannot be made in the period(s) specified above, such deduction(s) will be made during the consecutive payroll periods ending no later than the last payroll period in the following month.
- (b) "Payroll Deduction Authorizations" shall be suspended when an employee:
 - is transferred to a job that is not represented by the CWA,
 - 1. goes on a Leave of Absence of more than one (1) month, or
 - 2. is removed from the payroll of Avaya.
- (c) "Payroll Deduction Authorizations" suspended in accordance with the above provisions shall be reactivated on the first (1st) payroll period following the return of an employee to a job that is represented by the Union.
- (d) Except as provided in Paragraph 2(b) "Payroll Deduction Authorizations" shall remain in effect when an individual is employed by Avaya unless canceled by such employee. Such cancellation must be individually sent to the Avaya Payroll Office and to the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent collective bargaining agreement.

Article 7

- (e) The Company will send copies of dues revocation letters and associated envelopes to the Union on a daily basis, as soon as possible following the Company's receipt thereof.
- (f) In the event an employee who cancels a "Payroll Deduction Authorization," in accordance with the above paragraph, wishes to resume deductions for amounts equal to Union Dues, such employee shall be obligated to complete a new "Payroll Deduction Authorization".
- (g) By written certification, the Union shall keep Avaya currently informed of the amount of regular monthly dues lawfully in effect in each Local having jurisdiction over any employees in the bargaining unit. Such amount or formula shall be uniform for all employees represented by the Local.
- (h) Certifications which change the amounts equal to Union dues for any Local will be accepted by the Company no more than three (3) times in any calendar year.
- (i) Amounts deducted in accordance with the above provisions shall be remitted to the Union no later than the end of the second (2nd) week following the months during which the deductions were made.
- (j) It is recognized that the suspension, reactivation and cancellation procedures for "Payroll Deduction Authorizations" contained herein shall be observed for all employees in the bargaining unit on the effective date of this collective bargaining agreement.
- (k) It is understood that Avaya assumes no responsibility for the consequences of any failure to make such deduction or mistakes in connection therewith and that neither Avaya nor any of its officers, agents or employees shall in any way be held liable or responsible for any loss.

ARTICLE 8 - DISCRIMINATION

- 1 In a desire to restate their respective policies, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, national origin, sex, age, handicap, sexual orientation, marital status, or status as a special disabled veteran or veteran of the Vietnam Era, including creed, disability, and citizenship.
- 2 The use of the masculine or feminine gender or any titles which connote gender in this Agreement shall be construed as including both genders and not as sex limitations unless the Agreement clearly requires a different construction.

- 3 It is mutually agreed that no discrimination shall be practiced by the Company or the Union against any employee because of membership or non-membership in the Union, or by the Company against any member or officer of the Union because of lawful activities on behalf of the Union.

ARTICLE 9 - GRIEVANCE PROCEDURE

The Company and the Union recognize and confirm that the grievance procedures set forth in Article 9, and, where applicable, Article 10 (Arbitration) and Article 11 (Mediation), provide the mutually agreed upon and exclusive forums for resolution and settlement of employee disputes during the term of this Agreement. A grievance is a complaint involving the interpretation or application of any of the provisions of this Agreement, or a complaint that an employee(s) has in any manner been unfairly treated. Neither the Company, nor the Union, its locals or representatives will attempt by means other than the grievance, arbitration, and/or mediation procedures to bring about the resolution of any issue which is properly a subject for disposition through such procedures. It shall be the objective of both the Company and the Union to settle the grievance promptly and at the lowest step of the grievance procedure.

1 THE GRIEVANCE PROCEDURE SHALL CONSIST OF:

STEP 1:

Shall involve the Union representative of the Local which has been designated pursuant to Article 4 (Authorized Union Representatives) and the duly designated representative of the Company, normally the first or second level of supervision of the aggrieved employee(s). Any adjustment or settlement of a grievance at Step 1 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

No grievance shall be considered, nor shall any appeal thereof be handled as a formal grievance, unless a meeting regarding the grievance is requested in writing within sixty (60) calendar days of the action or failure to act which is the subject of the grievance. The written request shall be sent to the duly designated representative of the Company, normally the first or second level of supervision of the aggrieved employee(s), and shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought and shall be delivered to the Company representative prior to the Step 1 meeting.

A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after receipt by the Company of the grievance or the notice of the appeal. The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting.

Article 9

STEP 2:

Shall involve an officer of the Local Union or his/her designee and the Company's designated representative, normally at the third level of supervision or that individual's designated representative. The spokesperson for the Company and the Union at Step 2 should normally be different from the Company and Union spokesperson at Step 1.

Notice of the grievance appeal shall be in writing and delivered by the Union to the third level supervisor, or that supervisor's designated representative, of the aggrieved employee(s) not later than fourteen (14) calendar days after the Company notifies the Union of its decision at Step 1.

The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, the remedy sought, and shall outline the reasons for the Union's grievance. Any adjustment or settlement of a grievance at Step 2 shall be binding for the particular grievance involved, but shall not be used as precedent by either party.

A meeting to discuss the grievance shall be held promptly, but not later than fourteen (14) calendar days after the notice of appeal. The decision of Management shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting, and shall outline the reasons for the Company's decision.

STEP 3:

Shall involve the Vice President of the Union or his or her duly authorized representative and the Company's Labor Relations Vice President or his or her designated representative. Notice of the grievance appeal shall be in writing and delivered to the Labor Relations Vice President or his or her designated representative not later than thirty (30) calendar days after the Company notifies the Union of its decision at Step 2. The written appeal shall state the name(s) of the grievant(s), the issue being grieved, the contract provisions alleged to have been violated, if any, and the remedy sought. Discussions shall be conducted at such locations mutually agreed upon between the Company's Labor Relations Vice President and the Union's Vice President.

Article 9

A meeting to discuss the grievance shall be held promptly, but not later than thirty (30) calendar days after receipt by the Company of the grievance or the notice of appeal. The decision of the Company at Step 3 of the grievance procedure shall be confirmed in writing within fourteen (14) calendar days of the close of the grievance meeting(s) or not later than a mutually agreed upon date. In the event the Company fails to provide the Union with a written response concerning the grievance within 14 days of the close of the Step 3 meeting or by the mutually agreed upon date, the grievance will be deemed to be denied and the Union may pursue the matter to arbitration pursuant to Article 10 (Arbitration).

- 2 On an individual grievance basis and by mutual agreement in writing, the parties who are to hear the grievance at the next higher step may agree to waive either Step 1 or Step 2 (but not both) in the grievance procedure, but, in no event shall Step 3 be omitted or bypassed.
- 3 All notices required pursuant to this Article shall be hand delivered or postmarked by the United States Postal Service within the time periods set forth herein.
- 4 The Company and the Union desire to process grievances in an expeditious manner. Accordingly neither party will recess a grievance at Steps 1 or 2 in excess of sixty (60) calendar days. If the grievance meeting is not reconvened within sixty (60) calendar days from the initial recess date, the grievance shall be considered denied. The Union may then appeal the grievance in accordance with the time limits set forth herein.
- 5 The Company and the Union may mutually agree to extend the time limits specified in the grievance procedure, provided such agreement is specified in writing, is limited to a specific grievance, and a new date is established.

6 NUMBER OF UNION REPRESENTATIVES AND PAY TREATMENT

Other than Management representatives, the number of employees (including the aggrieved employee(s) and the designated representatives of the Union) shall be limited to five (5) at all steps of the grievance procedure. Three (3) representatives who are Avaya employees, designated by the Union, shall be paid for scheduled time consumed during the grievance meetings. In addition, each of these three (3) employees shall be paid for all time spent traveling in connection with grievance meetings during a Scheduled Daily Tour up to a maximum of two (2) hours for each employee at Step 1 and up to a maximum of four (4) hours for each employee at Step 2. At Step 3, at least one (1) of the Union representatives will be a fully authorized representative of the National Union.

Article 9

7 DISCUSSION OR SETTLEMENT OF GRIEVANCE

Any individual employee(s) shall have the right to present grievances directly to the Company and to have such grievances adjusted, without the intervention of the Union, so long as the adjustment is not inconsistent with the terms of this Agreement, and provided that the Union has been given an opportunity to be present at such adjustments. After an employee(s) has referred a grievance to the Union and the Union representative has informed the Company that the Union represents that employee(s), the Company will not discuss (except in the course of any investigation conducted by the Company) or adjust such grievance directly with said employee(s).

ARTICLE 10 - ARBITRATION

1 GENERAL

If, at any time, a difference arises between the Company and the Union regarding the true intent and meaning of a provision under this Agreement, or a question as to the performance of any obligation hereunder, the grievance procedures set forth in Article 9 (Grievance Procedure) shall be employed in an effort to settle said differences. If the grievance procedures do not result in settlement of the differences, the Union may institute proceedings pursuant to this Article to resolve the dispute in question; it being understood that the right to require arbitration extends only to matters expressly set forth in this Article and which are not otherwise expressly excluded from arbitration.

(a) If, at any time, a dispute arises between the Company and the Union as to whether an employee was dismissed, demoted or suspended for just cause, the grievance procedures set forth in Article 9 (Grievance Procedure) shall be employed in an effort to settle the dispute. If the grievance procedures do not result in settlement of the dispute and the employee has nine (9) months or more of net credited service, the Union may institute proceedings pursuant to this Article to resolve the dispute in question.

2 ELECTION TO ARBITRATE

Within sixty (60) calendar days after completion of the formal grievance procedure set forth in Article 9 (Grievance Procedure), the Union may elect to submit a grievance, which is otherwise subject to arbitration under the terms of this Agreement, to arbitration for final decision in accordance with the procedures herein set forth. Such election shall be by written notice to the Company Labor Relations Vice President. The written notice shall state the specific grievance and issue to be arbitrated and the contractual provision(s) involved, if any, as well as the remedy sought. For purposes of calculating the above sixty (60) day time period, the formal grievance procedure shall be deemed completed as of the date of the Company's written decision at Step 3. If within sixty (60) calendar days following the date of the Company's receipt of the notice of election to arbitrate, no arbitrator has been mutually agreed upon according to the procedures set forth herein, and within one hundred twenty (120) calendar days following the notice of election to arbitrate no application has been made to the American Arbitration Association as provided in Paragraph 3(b), then, absent a mutual extension of time agreement signed by the Union and the Company, such grievance and the election to arbitrate will be considered closed and the grievance shall not be arbitrable.

3 SELECTION OF AN ARBITRATOR

- (a) Any matter submitted to arbitration shall be heard and determined by a single impartial arbitrator mutually selected by the Union and the Company. The parties shall agree to a master list composed of fifty (50) arbitrators from which panels shall be arranged and arbitrators selected. Arbitrators may be removed from the master list by written notice from either party to the other. Replacement of an arbitrator removed from the master list (either by death of the arbitrator or in accordance with this subparagraph) shall be by mutual agreement of the parties.
- (b) If no arbitrator has been mutually agreed upon within sixty (60) days following the date of the Company's receipt of the notice of election to arbitrate and no extension of time has been mutually agreed upon, the Union may, within the following sixty (60) day period, apply to the American Arbitration Association to obtain a list of three (3) arbitrators (all of whom will be members of the National Academy of Arbitrators). One (1) of the three (3) arbitrators on this list will be selected by the parties. If this selection cannot be made, the American Arbitration Association will appoint one (1) of the three (3) arbitrators from the list referenced above to hear the case.
- (c) The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives and witnesses.

Article 10

4 CONDUCT OF HEARING AND DECISION OF ARBITRATOR

- (a) The parties agree to commence hearings as expeditiously as possible, but in no event later than one hundred eighty (180) calendar days after the selection of an arbitrator.
- (b) The arbitrator shall be confined to the issues submitted for decision and shall not, as a part of any decision, impose upon the parties thereto any obligation to arbitrate on a subject which is not arbitrable pursuant to the terms of this Agreement as a subject for arbitration.
- (c) The arbitrator shall not have authority or jurisdiction: (1) to add to, subtract from, modify, or disregard any provision of this Agreement; (2) to establish or determine any new wage rate, job classification or job differential; or (3) to deal with any grievance unless it involves a specific instance of action or failure to act with respect to an employee or group of employees.
- (d) In disciplinary cases, the arbitrator shall determine whether the discipline was for just cause.
 - (1) In the case of dismissal, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. In no event, however, shall any retroactive pay treatment extend beyond six (6) months prior to the date of the filing of the appeal to arbitration. Any retroactive pay accorded shall be based on the employee's Adjusted Rate plus evening or night differential, if applicable, less any amount, other than wages, received from the Company, and any amount paid to or receivable by the employee as wages in other employment, and as unemployment benefits under any present or future provision of law for the period of the retroactive pay treatment.
 - (2) Should the arbitrator provide for reinstatement of any discharged employee, calculation of interim earnings to be deducted from a back pay award will not include amounts earned by the grievant in other employment to the extent that the other employment was held while the grievant was employed by the Company and to the extent such other employment is at a comparable level in terms of number of hours worked.
 - (3) In case of suspension, the arbitrator shall have authority to mitigate or modify the discipline imposed and determine what, if any, remedy is appropriate. If the arbitrator awards back pay, the employee shall receive pay for time lost at the employee's Adjusted Rate plus any tour differentials to which the employee would have been entitled if not suspended.
 - (4) In the case of demotion, the employee shall be compensated for all loss of wages due to the difference in the Adjusted Rates.
 - (5) Employees reinstated pursuant to this Article who have previously submitted an authorization for payroll deduction of union dues or union dues equivalency shall have such amount deducted from any back pay award.

- (e) The arbitrator shall render a decision within thirty (30) calendar days after the hearing is closed (if the parties mutually agree to waive briefs) or thirty (30) days after briefs are filed and the record in the case is closed, unless the parties thereto mutually agree to an extension of such time for a decision.
- (f) In the event the arbitrator sustains a grievance and awards a remedy in accordance with either paragraphs (d)(1), (d)(3) or (d)(4) above, the Company shall pay the award within thirty (30) days following receipt from the Union of all documentation necessary to compute the payment.
- (g) The decision of the arbitrator on any matter submitted and decided in accordance herewith shall be in writing and shall be final and binding on the parties thereto as to the particular case submitted, subject to law.

5 EXPEDITED ARBITRATION

- (a) In lieu of the procedures specified in Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, any grievance involving the suspension of an individual employee, except those which also involve an issue of arbitrability, contract interpretation, or work stoppage (strike) activity and those which are also the subject of an administrative charge or court action shall be submitted to arbitration under the expedited arbitration procedure hereinafter provided within fifteen (15) calendar days after the filing of a request for arbitration. In all other grievances involving disciplinary action which are specifically subject to arbitration under Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) of this Article, both parties may, within fifteen (15) calendar days after the filing of the request for arbitration, elect to use the expedited arbitration procedure hereinafter provided. The election shall be in writing and, when signed by authorized representatives of the parties, shall be irrevocable. If no such election is made within the foregoing time period, the arbitration procedure in Paragraphs 1 (General) through 4 (Conduct of Hearing and Decision of Arbitrator) shall be followed.
- (b) As soon as possible after this Agreement becomes final and binding, a panel of at least three (3) arbitrators shall be selected by the parties. Each arbitrator shall serve until the termination of this Agreement unless his or her services are terminated earlier by written notice from either party to the other. The arbitrator shall be notified of his or her termination by a joint letter from the parties. The arbitrator shall conclude his or her service by settling any grievance previously heard. A successor arbitrator shall be selected by the parties. Arbitrators shall be assigned cases in rotating order designated by the parties. If an arbitrator is not available for a hearing within ten (10) working days after receiving an assignment, the case will be passed to the next arbitrator. If no one can hear the case within ten (10) working days, the case will be assigned to the arbitrator who can hear the case on the earliest date.

Article 10

- (c) The procedure for expedited arbitration shall be as follows:
- (1) The parties shall notify the arbitrator in writing on the day of agreement or date of arbitration demands in suspension cases to settle a grievance by expedited arbitration. The arbitrator shall notify the parties in writing of the hearing date.
 - (2) The parties may submit to the arbitrator prior to the hearing a written stipulation of all facts not in dispute.
 - (3) The hearing shall be informal without formal rules of evidence and without a transcript. However, the arbitrator shall be satisfied himself or herself that the evidence submitted is of a type on which he or she can rely, that the hearing is in all respects a fair one, and that all facts necessary to a fair settlement and reasonably obtainable are brought before the arbitrator.
 - (4) Within five (5) working days after the hearing, each party may submit a brief written summary of the issues raised at the hearing and arguments supporting its position. The arbitrator shall give his or her settlement within five (5) working days after receiving the briefs. He or she shall provide the parties a brief written statement of the reasons supporting his or her settlement.
 - (5) The arbitrator's settlement shall apply only to the instant grievance which shall be settled thereby. It shall not constitute a precedent for other cases or grievances and may not be cited or used as a precedent in other arbitration matters between the parties unless the settlement or modification thereof is adopted by the written concurrence of the representatives of each party at the last step of the grievance procedure.
 - (6) The time limits in (1) and (4) of this Section may be extended by agreement of the parties or at the arbitrator's request, in either case, only in emergency situations. Such extensions shall not circumvent the purpose of this procedure.
 - (7) In all suspension or dismissal grievances submitted to arbitration under the expedited procedures set forth herein, the arbitrator shall determine whether the discipline was for just cause. In any grievance arbitrated under the expedited procedures, the Company shall under no circumstances be liable for back pay for more than six (6) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the disciplinary action. Delays requested by the Union in which the Company concurs shall not be included in such additional time.
 - (8) The arbitrator shall have no authority to add to, subtract from or modify any provisions of this Agreement.

- (9) The decision of the arbitrator will settle the grievance, and the Company and the Union agree to abide by such decision. The compensation and expenses of the arbitrator and the general expenses of the arbitration shall be borne by the Company and the Union in equal parts. Each party shall bear the expense of its representatives and witnesses.
- (10) The time limit for requesting arbitration under this provision shall be the same as in existing procedures.

ARTICLE 11- MEDIATION

- 1 Upon mutual agreement between the Company's Labor Relations Vice President or his or her designated representative and the Union's Vice President or his or her designated representative, grievances appealed to arbitration may be mediated, with the exception of those involving contract interpretation.
- 2 Within fifteen (15) calendar days of the mutual agreement to mediate, the parties will schedule a Mediation Conference to be held at the earliest available date. Normally, the Mediation Conference will be held in the city in which the grievant is located, and will be conducted in either a Company or Union facility.
- 3 The spokesperson for the Company will be the Senior Manager - Labor Relations or his or her designee. The spokesperson for the Union will be the Communications Workers of America Staff Representative assigned the responsibility for the grievant's Union Local. An attorney will not be used by either party at the Mediation Conference.
- 4 The grievant, the Local Union President or his/her designee, the grievant's supervisor and District level or above will normally attend the Mediation Conference. Attendance by others at the Mediation Conference shall be limited to those people actually involved in the Mediation Conference.
- 5 All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance to be used solely for purposes of statistical analysis.
- 6 Proceedings before the mediator shall be informal in nature. The issue mediated will be the same as the issue the parties have failed to resolve through the grievance process. The rules of evidence will not apply, and no record of the Mediation Conference shall be made.
- 7 The mediator may meet separately with the parties during the Mediation Conference, but will not have the authority to compel the resolution of a grievance.
- 8 The Company and Union spokespersons at the Mediation Conference may accept the resolution proposed by the mediator and such settlement or any other settlement resulting from the conference shall not be precedent setting.

Article 11

- 9 If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with an immediate oral advisory opinion, unless both parties agree that no opinion shall be provided. The mediator shall state the basis for his or her advisory opinion.
- 10 If no settlement is reached as a result of the Mediation Conference, the grievance may be scheduled for arbitration in accordance with the Collective Bargaining Agreement.
- 11 In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Neither party may at the arbitration hearing refer to presentations made by the other party at the Mediation Conference, the fact that a Mediation Conference was held, or any statements made by the mediator.
- 12 By agreeing to schedule a Mediation Conference the Company does not acknowledge that the case is properly subject to arbitration and reserves the right to raise this issue notwithstanding its agreement to schedule such a conference.
- 13 The compensation and expenses of the mediator and the general administrative expenses of the Mediation Conference shall be borne equally by the parties. Each party shall be responsible for payment for time consumed by and expenses of its representatives.

ARTICLE 12 - DISCIPLINE

1 WARNINGS

A warned employee is one who receives a written warning, that is to be recorded in their personnel file, which includes an indication of possible future consequences and may be considered as a basis for future disciplinary action.

2 DEMOTIONS

A demoted employee, for the purpose of this Article, is one who has been moved for disciplinary reasons, from one job title to another job title having a lower maximum Standard Rate.

3 SUSPENSIONS

A suspended employee is one who has been denied work for disciplinary reasons for any period.

4 DISMISSALS

A dismissed employee is one whose service is terminated for any reason other than transfer, resignation, layoff (or work completed for temporary or term employees), voluntary retirement or death.

Article 12

- 5 In the event the Company warns, demotes, suspends, or dismisses any employee, the Union may appeal such action pursuant to the provisions of Article 9 (Grievance Procedure) of this Agreement.
- 6 A grievance appeal concerning a demotion, suspension, or dismissal of an employee who has nine (9) months or more of net credited service may also be reviewed pursuant to the provisions of Article 10 (Arbitration) of this Agreement.

ARTICLE 13 - PERSONNEL RECORDS

- 1 Once in each year (and more frequently in unique circumstances where the employee so requests and the Company agrees), employees may inspect their personnel records in accordance with the Company's practices concerning inspection of personnel and/or medical records.
- 2 When an employee receives a warning of suspension, demotion or discharge that is to be recorded in the employee's personnel file, the Company will provide a copy of the warning to the warned employee. A copy of the warning will be given upon request to a Union Representative if he/she is present pursuant to the provisions of Article 5 (Union Representation).

ARTICLE 14 - SAFETY

- 1 Safety and health is a mutual concern to the Company and the Union. Together we recognize the need for a work environment in which safe, ergonomically correct operation can be achieved in all phases of work. We all recognize the need to promote better understanding and acceptance of safety, health and ergonomics principles by all employees for their own safety and health, and that of their fellow employees, customers and the general public.

Article 14

- 2 To achieve these safety objectives, the Company and the Union will continue to encourage employee participation in safety awareness through the creation and support of joint local safety committees, recognizing that many issues may be most directly and efficiently dealt with at this level. The Company and the Union through the formation of a Joint National Safety Committee are committed to discuss and explore safety and health issues and concerns as well as ergonomics issues involved in the design of work and the work environment. This Committee may utilize resources from the Health Services and Environmental Health and Safety Organizations as partners in their commitment to insure a safe and healthful workplace. Additionally, this Committee will also function as a clearinghouse for safety and ergonomics issues affecting employees. The Committee shall consist of two Union and two Management representatives to share information related to safety issues which have impact across the Company. The Co-chairpersons of the Committee will jointly determine when meetings are required to share safety and ergonomics issues across the Business and the most appropriate format (face-to-face, conference calls, etc.) for the meeting(s). The Committee co-chairpersons will jointly develop the meeting agendas. Should the parties agree that an in person meeting is required, the parties will jointly arrange such meeting(s).

- 3 In support of its commitment, the Company also outlines the following five (5) step strategy to address ergonomic concerns in the workplace:
 - (a) The Company remains committed to providing training on Video Display Terminal (VDT) usage and ergonomic awareness, or its equivalent, which will include information regarding Cumulative Trauma Disorder (CTD) to all employees who use keyboard skills with a VDT at least four (4) hours per day. New hires or employees transferring into the work group (who have not had this training before), who use VDTs and keyboards at least four (4) hours per day will be offered this training within the first six (6) months of their employment into the group.
 - (b) In order to further promote safe work environments, the Environmental Health and Safety Organization will continue to develop, with the Health Services Organization, Medical Management Programs designed to promote accurate recordkeeping of Cumulative Trauma Disorders, and to promote the early recognition of such disorders. The Company will share the status of these programs with the Committee annually.
 - (c) Additionally, the Company and Union representatives on this Committee agree to arrange a meeting annually to deal with ergonomic and other issues as appropriate.
 - (d) The Company will encourage employee participation and safety awareness through the creation of meaningful safety initiatives formed at the Committee level.

- (e) The Company will maintain the network of Environmental Health and Safety Coordinators throughout the life of the Agreement. They will act as a resource to the Joint National Safety Committee and local level in their organizations.
- 4 When employees express reasonable concerns about their personal safety in connection with assignments in localities in which it is reasonable for them to believe that they may be victims of assault or other criminal activity, the employees will not be required to work alone.
- 5 The Company will provide safety equipment, including safety eyewear, that is necessary for an employee's work assignment in accordance with OSHA standards or customer requirements and Company practices.

ARTICLE 15 - TITLES AND WAGES

1 WAGE SCHEDULES

Wage Schedules for job titles and levels in this Agreement are contained in the Wage Schedules found in Appendix 3 of this Agreement. Such Wage Schedules are exclusive of all differentials and other special payments.

2 GENERAL WAGE INCREASES

The General Wage Increases (GWI's) in the Wage Schedules set forth below shall be computed on an exponential basis and shall be rounded to the nearest penny.

(a) Initial Wage Increase

Effective May 28, 2006, Wage Schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 27, 2006.

(b) Retroactive Pay Equivalent Payment

- (1) Employees on the active roll on the date of the initial wage increase, shall be eligible to receive a Retroactive Pay Equivalent Payment.
- (2) For Full-Time employees, the Retroactive Pay Equivalent Payment shall be determined as follows:
 - The amount of the employee's hourly rate increase resulting from the initial wage increase

Article 15

- Multiplied by the total hours paid including actual numbers of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time And One-Half, Double Time or Double Time And One-Half, as applicable) in the period beginning May 28, 2006 and ending with the effective date of the initial wage increase;
 - Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;
 - Total hours paid includes all the actual Differentials, Allowances and payments that are paid as hours during that period including On-Call, Call-In, Call-Up, Sunday Payments, Saturday Differential, Shifted Tour Differential and Minimum Interval Differential.
- (3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's Standard Rate during the period beginning May 28, 2006 and ending with the effective date of the initial wage increase, the employees' payment records for the period will be reviewed to ensure that the employees' Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.
- (i) In such case, the employee will receive an adjustment to the calculation for the difference, if any.
- (4) An eligible Part-Time employee shall receive a Retroactive Pay Equivalent based on the total hours paid in the period beginning May 28, 2006 and ending with the effective date of the initial wage increase.
- (5) In the event an employee has left the active roll during the period beginning May 28, 2006 and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
- (ii) In such case, the percentage increase as specified in Paragraph 2(a) shall be applied to the employee's Standard Rate effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
- (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 22, 2006 provided the Company has been notified that the 2006 National Memorandum of Understanding has been ratified no later than 11:59 p.m. July 21, 2006.

- (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
 - (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (iii) The Avaya Stock Purchase Plan
 - (iv) The Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on May 28, 2006, rounded to nearest whole number, times the employee's weekly Savings Plan Allotment
 - (v) Union dues as specified by the union
 - (9) The Retroactive Pay Equivalent Payment will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall it enter into the standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.
- (c) **Second Wage Increase**
Effective May 27, 2007, Wage Schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect May 26, 2007.
- (d) **Third Wage Increase**
Effective May 25, 2008, Wage Schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 24, 2008.
- (e) **Escalation Adjustment**
- (1) Effective May 25, 2008, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 2007 and March 2008.
 - (vi) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second, and third GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the third scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 24, 2008.
 - (vii) A partial percent increase shall be rounded to the nearest one tenth of one percent.

Article 15

- (2) In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- (3) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the dates referred to in paragraphs 1, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- (4) No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2007 and March 2008.
- (5) The Escalation Adjustments are dependent upon the availability of the CPI-W in its present form and calculated on the same basis as the CPI-W for March 2006. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W the Company and the Union agree to request the Bureau to make available, for the life of this Agreement, a CPI-W in its present form and calculated on the same basis as the CPI-W for March 2006, which was 195.3 (1982-1984=100).
- (6) It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.
- (f) An employee's increase in Standard Rate in accordance with this Paragraph 2 shall be based on the Wage Progression Step to which an employee is assigned on the effective date of the aforementioned GWI's and Escalation Adjustment(s), if any.

3 WAGE PROGRESSION

- (a) The Standard Rate of each employee whose Standard Rate is below the Maximum Rate of his or her Wage Schedule shall be increased during the term of this Agreement, provided that such employee has sixty (60) days Net Credited Service on the effective date of the scheduled increase.
- (b) Progression increases shall be on a semi-annual basis and shall be effective at the beginning of the week of the first weekly pay date in September and March.

4 STARTING RATES

- (a) If business conditions require, or when employee's qualifications (in the judgment of the Company) justify starting rates higher than the minimum, such higher rates may be granted. Such starting rates will be granted based on the Company's non-management employee starting wage policy which following prescribed guidelines includes wage credit for job related work or military experience, job-related training or job-related skills, licenses or certificates. In no case shall an

employee be paid less than the starting rate on the wage schedule applicable to the employee's title.

- (b) Whenever the Company hires regular employees (except temporaries) at above the start rate due to employment market conditions, incumbent employees who are at lower Standard Rates in the same organization and same title and work location shall have their Standard Rate and equivalent service date (wage progression clock) adjusted to that of the new hire effective as of the new hire start date.

5 TRANSFERS

When an employee is permanently transferred within the bargaining unit to another locality where a different wage schedule is applicable, the employee's Standard Rate shall be adjusted to conform to the schedule in the new locality. If the transfer is temporary, then the wage schedule in effect at the employee's permanent work location will be applicable.

6 REASSIGNMENT TO A TITLE HAVING A LOWER MAXIMUM STANDARD RATE IN SAME LOCALITY

When an employee is reassigned to a title having a lower maximum Standard Rate, such employee's Standard Rate shall be reduced if:

- (a) The employee is reassigned to his or her former title following a temporary promotion, in which case the Standard Rate shall be adjusted to the Standard Rate the employee would have acquired had the employee remained in the lower title.
- (b) The reassignment is employee initiated, in which case the employee's new Standard Rate will be determined by placing the employee on the same step of the lower schedule as the employee occupied on the higher schedule.
- (c) The employee's Standard Rate is higher than the maximum indicated in the wage schedule applicable to the employee's new title, in which case the employee's Standard Rate shall be reduced to such maximum, except as indicated in Article 26 (Reassignment Pay Protection Plan).
- (d) The employee is reassigned because of failure to meet requirements of the job.

7 WAGE TREATMENT

- (a) In determining a candidate's qualifications for promotion within the bargaining unit, the Company will consider many factors including, but not limited to, seniority, attendance, job performance, technical skills and experience. If qualifications are substantially equal, the senior net credited service employee will be selected. The selection shall be

Article 15

subject to the procedures of Article 9 (Grievance) and of Article 10 (Arbitration). The decisions of the Company concerning whether qualifications of the candidates are substantially equal shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith.

- (b) Employees who move within the CWA Operations Contracts and within the same wage table to another location where a different wage area is applicable shall have their Standard Rate adjusted to conform to the schedule in the new locality.
- (c) Employees who move to a wage schedule with fixed periodic steps:
 - (1) Promotion - move from present Standard Rate to a whole step above the nearest step on the new schedule
 - (2) Lateral - move from present Standard Rate to nearest step on new schedule insuring no loss in pay
 - (3) Demotion - move from present Standard Rate to the nearest step on new schedule insuring no gain in pay
- (d) In no event shall an employee's new Standard Rate be above the maximum rate of the new schedule.

8 TENTATIVE WAGE SCHEDULE ASSIGNMENTS

If an employee whose title is listed in Appendix 3, is assigned to a new territory or locality for which no wage schedule assignment is indicated for the employee's title, the Company shall make a tentative wage schedule assignment to cover the situation. If the final wage schedule assignment is different from the tentative assignment, an employee who holds such position during the period of tentative assignment shall be eligible to receive wage treatment during such period in accordance with the final assignment.

ARTICLE 16 - TRANSFERS, TRAVEL ALLOWANCES, AND MOVING EXPENSES

- 1 The Company may transfer, assign or reassign, temporarily or permanently, employees from one job title to another, from one job assignment to another within the same job title and/or from one work location to another. Permanent transfers, assignments or reassignments will be accomplished in accordance with the following:
 - (a) The Company may permanently transfer, assign, or reassign employees within a Geographical Commuting Area (GCA) as the Company may deem necessary or appropriate. Employees' seniority shall be taken into account in the treatment of employees under Article 16, Paragraph 1(a), insofar as the conditions of the business and the

abilities of the employees permit. A GCA will include work locations within reasonable commuting distances and shall be defined by the Labor Relations Vice President and the Union's appropriate Vice President.

- (b) When the Company finds it necessary or appropriate to permanently transfer, assign or reassign employees to a reporting location which is outside the GCA, the Company will seek volunteers in the job titles in the Organization of the Company in the GCA from which the transfer, assignment or reassignment is to be made. The transfer, assignment or reassignment will be accomplished from among the volunteers in descending order of seniority, provided the Company determines that the volunteers are qualified and can be released.
- (c) If the Company determines that it cannot effect the transfer, assignment or reassignment pursuant to 1(b) above from among the volunteers, the transfer, assignment or reassignment will be effected from among employees in the job title(s) in the Organization of the Company in the GCA from which the transfer, assignment or reassignment is to be made in inverse order of seniority, provided the Company determines that those employees are qualified and can be released. If such transfer, assignment or reassignment would require an affected employee to relocate his or her residence as provided under Paragraph 7 below and that employee refuses the assignment, the Company will implement the procedures set forth in Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall) of this Agreement.
- (d) Before an employee is involuntarily downgraded pursuant to this Article, the Company will provide advance notice to the local Union. Within fifteen (15) days from such notice, the Union may initiate discussions relative to alternatives prior to involuntary downgrades.
- (e) Insofar as the conditions of the business and the abilities of the employees permit, the provisions of Paragraphs 1(a), 1(b) and 1(c) shall apply to temporary transfers, assignments or reassignments.

2 Travel Allowances - Temporary Transfers, Assignments or Reassignments Within Commuting Distance

An employee temporarily transferred, assigned or reassigned to a reporting location within commuting distance of the employee's regular reporting location (whether or not it is within the employee's GCA) who is not otherwise reimbursed for expenses associated with the transfer, assignment or reassignment shall be paid one (1) or two (2) allowances each day, as appropriate, in accordance with the following schedule provided the Company determines that:

- (a) Travel to or from the employee's temporary reporting location occurs wholly outside of the employee's scheduled tour,

Article 16

- (b) The employee does not travel via Company provided transportation, and
- (c) The transfer, assignment or reassignment results in either a longer commuting distance for the employee or an increase in commuting expense to the employee:

Distance in Road Miles From The Employee's Regular Reporting Location to the Temporary Reporting Location	Allowance (One Way)
Over 1 mile, but not over 3 miles	\$7.50
Over 3 miles, but not over 5 miles	\$8.50
Over 5 miles, but not over 15 miles	\$10.50
Over 15 miles, but not over 25 miles	\$11.50
Over 25 miles, but not over 35 miles	\$14.50

3 Travel Allowances - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance

- (a) If an employee is temporarily transferred, assigned or reassigned to a reporting location more than thirty-five (35) road miles from the permanent reporting location, or to a location to which, in the judgment of the Company, daily commuting is not practical, the Company will, at the option of the employee:
 - (1) Provide the per diem expense reimbursement of either Paragraph 3(b) or 3(c) plus reimbursement for lodging at the location, or;
 - (2) Providing an employee meets the criteria of Paragraphs 2(a), 2(b) and 2(c), afford the employee the option of reimbursement for actual commuting mileage at the current IRS allowable mileage reimbursement rate or sixty dollars (\$60.00) per day, whichever is less. Except as provided in 3(e) below, on temporary assignments of greater than one (1) day, commuting time for employees reimbursed pursuant to this Paragraph shall not be considered time worked.
- (b) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging only is provided shall be fifty dollars (\$50.00) a day for the first five (5) days and shall be sixty dollars (\$60.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging only is provided covers meals, laundry, local transportation, gratuities, and other expenses which the employee may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.

- (c) The per diem expense payment for those temporary transfers, assignments or reassignments in which lodging and meals are provided shall be nine dollars (\$9.00) a day for the first five (5) days and shall be eleven dollars (\$11.00) a day for the sixth day and thereafter. This per diem expense reimbursement paid when lodging and meals are provided covers laundry, local transportation, gratuities, and other expenses which the employee may incur. No other expense reimbursement will be paid on a day in which a per diem is allowed, except for travel related expenses as provided for in Paragraphs 4(c), 5 and/or 6.
- (d) Except in the case of an employee attending a Company school at which the employee is required to live and remain, if the temporary work location is more than thirty-five (35) road miles from the employee's regular reporting location, an employee may elect to receive an allowance of sixty-five dollars (\$65.00) per day in lieu of board and lodging for each day of the temporary assignment so long as the employee does not actually commute between his or her home and the temporary reporting location.
- (e) Time spent traveling at the start and end of an assignment under the provisions of Paragraphs 3(a) and 3(d) will be considered time worked. This will not include time spent traveling to and from the temporary living quarters to the temporary work location.

4 Interim Return Home

- (a) If the temporary work location is more than thirty-five (35) road miles from the employee's regular reporting location, the Company will provide for travel reimbursement to return the employee to his or her home for two consecutive non-scheduled days every third week of the temporary assignment.
- (b) In lieu of the provision of Subparagraph 4(a) above, when an employee is attending a Company school at which he or she is required to live and remain, the employee shall be eligible to periodically return to his or her home according to the requirements of the school.
- (c) Employees who are authorized to periodically return to their homes, shall be reimbursed, as determined by the Company, as follows:
 - (1) Personal vehicle usage at the current IRS allowable mileage reimbursement plus actual out-of-pocket, travel-related expenses; or
 - (2) Authorized expense for travel by public transportation when such is convenient.
- (d) Time spent traveling under the provisions of this Paragraph shall not be considered as time worked.

Article 16

- (e) When an employee leaves the temporary location under these provisions, the employee will release his or her room and make a reservation for the date of return. The Company shall not be required to pay lodging not actually used.

5 Transportation to Temporary Assignment

- (a) The Company will provide or determine the mode of transportation to the temporary assignment.
- (b) Should the employee request and be granted permission to use a means of transportation other than the preferred Company mode of transportation, reimbursement will be made as follows:
 - (1) Time for travel will be based on a reasonable duration had the employee used the Company preferred mode of transportation.
 - (2) Personal vehicle usage will be reimbursed at the current IRS allowable reimbursement rate up to the cost of the lowest round trip fare to the temporary assigned destination, based on the Company's preferred mode of transportation.
 - (3) No per diem expense reimbursement or lodging reimbursement will be made over what would have been reimbursed had the preferred Company mode of transportation been used.

6 Travel Expenses During Work Time

- (a) Employees required to travel after the start of or before the end of their tours will be provided transportation by the Company or reimbursed for travel-related out-of-pocket expenses and/or authorized use of their personal vehicle in connection with such travel. Employees who travel by public transportation will be reimbursed for their actual out-of-pocket, travel-related expenses. Employees who are authorized to use their personal vehicles for such travel will be reimbursed at the current IRS allowable reimbursement rate plus actual out-of-pocket, travel-related expenses.

7 Moving Expenses

- (a) An employee (1) who is permanently transferred, assigned or reassigned outside the GCA according to the provisions of Paragraph 1(b) and/or 1(c) and (2) whose new reporting location is more than thirty-five (35) road miles distant from the employee's old reporting location and (3) who has an increase in road miles from the employee's current permanent residence to the new work location will be provided a lump sum payment of \$15,000.00 or the amount of termination allowance the employee would receive if the employee were laid off, whichever is less; provided however, that in no case shall

Article 16

such a relocating employee be paid a lump sum payment of less than \$7500.00.

- (1) The lump sum payment will be subject to the withholding of appropriate taxes.
 - (2) Appropriate change-of-residence documentation will be provided to management within forty-five (45) days of the change of residence.
 - (3) Change of residence must be completed within one (1) year of the date of transfer.
- (b) An employee entitled to moving expenses under the provisions of Paragraph 7(a) may elect not to relocate his or her residence and shall be entitled to receive a one-time lump sum allowance of \$2000.00 in lieu of such moving expenses provided this election is made within one (1) year of the date of transfer.
- (c) Employees transferred via Article 16 who meet the relocation criteria in Article 16, Paragraph 7(a), and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon layoff; or (2) \$15,000.00 if the following conditions are met:
- (1) The employee is laid off at the new site within three (3) years of placement; and
 - (2) The employee relocates back to the original geographical location; and
 - (3) The employee does not qualify for any other Avaya provided relocation compensation program.

ARTICLE 17 - NEW JOB TITLES AND JOB CLASSIFICATIONS

- 1 Whenever the Company determines it appropriate to create a new job title or job classification in the bargaining unit, or to restructure or redefine an existing one, it shall provide advance notice of that action to the Union. Such notice shall include the job title or classification, a job description of the duties for such job title or classification, and the initial Standard Rates and wage schedule for such job title or classification. Following such notice, the Company may proceed to staff such job title or classification after thirty (30) days from such notice.
- 2 Within thirty (30) days from receipt of such notice, the Union may initiate negotiations concerning the initial Standard Rates or wage schedules which the Company has established for the new or restructured job title or classification.

Article 17

- 3 If negotiations are not so initiated, the initial Standard Rates and wage schedules set by the Company shall remain in effect.
- 4 If agreement is reached between the parties within sixty (60) days following the Union's receipt of notice from the Company concerning the initial Standard Rates and wage schedules, the agreed upon Standard Rates and wage schedules shall be implemented as of the date of such agreement.
- 5 If negotiations are initiated pursuant to Paragraph 2, above, and if the parties are unable to reach agreement on a schedule of Standard Rates for the new or restructured job title or classification within sixty (60) days following the Union's receipt of notice from the Company, the Union may, within thirty (30) days of the expiration of the 60-day period for negotiations, demand that the issue of an appropriate schedule of Standard Rates for the new or restructured job title or classification be submitted for resolution to a neutral third party, to be selected by mutual agreement from among those who possess acknowledged expertise in the area of job evaluation. The parties may submit all evidence deemed relevant to the issue to the neutral third party. At the request of either party, a hearing shall be held to receive such evidence. Any such meeting or hearing shall be held within thirty (30) days after the matter is referred to the neutral third party, who shall render a written decision as to an appropriate schedule of Standard Rates for the new or restructured job title or classification within sixty (60) days of the date that the matter is first referred for resolution. In the event the neutral third party determines that a different schedule of rates is appropriate, the new schedule shall be placed in effect as of the date of the neutral third party's decision.
- 6 The procedures set forth herein shall also apply when the Company creates a new job or re-evaluates a position or function held by an employee resulting in a reduction in the employee's Standard Rate or level. The Union may request to do a joint job evaluation with the Company within thirty (30) days of notification as described in Paragraph 1.
- 7 The procedures set forth in Paragraph 5, above, shall be the exclusive means by which the Union may contest the schedule of Standard Rates which the Company sets for any new or restructured job title or classification or the decision of the Company in re-evaluating a function or position held by an employee resulting in a reduction in the employee's Standard Rate or level.

ARTICLE 18 - CLASSIFICATION AND TREATMENT OF PART-TIME EMPLOYEES

- 1 Except for payment of overtime hours worked, all hours worked by a part-time employee shall be paid at the equivalent Hourly Adjusted Rate for a comparable full-time employee working a normal daily tour in the same job title, classification and work group. Payment to a part-time employee for hours worked in excess of an equivalent normal daily tour or work week for a comparable full-time employee shall be at the applicable overtime rate for a comparable full-time employee, based on such part-time employee's Hourly Adjusted Rate.
- 2 The classification of a part-time employee is based on the employee's "part-time equivalent work week" which shall be determined prospectively by dividing the employee's total normally scheduled hours per month by 4.33 and rounding the result to the next higher whole number. (Illustration: 68 hours per month divided by 4.33 equals 15.7 rounded to a "part-time equivalent work week" classification of 16.)
- 3 The Part-Time "Equivalent Work Week" (EWW) classification of each part-time employee shall be reviewed by the Company during December and June of each year and adjusted as appropriate and become effective on January 1 and July 1 respectively of each year. In determining the appropriate EWW, the Company will consider the actual average number of hours worked in each of the two (2) quarters during the preceding six (6) month period except that any hours worked which are paid at the overtime rate shall not be counted in computing the average number of hours worked. If the result in both of the preceding two (2) quarters is a number higher than the employee's existing EWW, the employee will be reclassified to the classification represented by the lower of the two (2) quarters. If the result in one (1) of the two (2) preceding quarters is equal to or lower than the employee's existing EWW, and the result of the other quarter is equal to or greater than the employee's existing EWW, then the employee's existing EWW will remain unchanged. If the result in both the preceding two (2) quarters is a number lower than the employee's existing EWW, the employee will be reclassified to the classification represented by the higher of the two (2) quarters.
- 4 **TREATMENT OF PART-TIME EMPLOYEES**
 - (a) For payment purposes, all Vacations, Paid Excused Work Days and Floating Holidays will be converted to a Paid Time Off Bank (PTO) calculated as follows:
 - (1) Eight (8) hours X Employee's annual eligibility in days for Vacations, Paid Excused Work Days and Floating Holidays (if any) = total annual hours of PTO eligibility.
 - (2) Total annual hours of PTO eligibility shall be pro-rated based on the employee's Equivalent Work Week (EWW).

Article 18

- (3) Such pro-rated PTO will be established in January of each calendar year and adjusted in July if the Part-Time Employee's EWW changes.
 - (4) In the event a Full-Time Employee converts to a Part-Time Employee during the year, the PTO will be established at the time of the conversion by applying a factor of 40 for the number of weeks prior to the conversion and a factor based on an EWW for the remainder of the year. The PTO shall be further adjusted in July, as applicable.
 - (5) In the event a Part-Time Employee converts to a Full-Time Employee during the year, the PTO will be adjusted at the time of the conversion by applying a factor of 40 for the remaining number of weeks in the calendar year. Such result will establish the Full-Time Employee's entitlement to remaining Vacation, Excused Work Days and Floating Holidays in that year.
 - (6) All payments made to a Part-Time Employee for Vacation, Excused Work Days and Floating Holidays will be deducted from the Employee's prorated PTO.
- (b) Payments to a Part-Time Employee for sickness disability, accident disability, or death benefits and the Company's Sickness and Accident Disability Benefit Plan, anticipated disability leave, sickness absence (not under the Company's Sickness and Accident Disability Benefit Plan), shall be prorated based on the relationship of the individual Part-Time Employee's EWW to 40 hours.
- (1) All paid absences shall be paid based on the hours absent from the Part-Time Employee's Scheduled Weekly Tour.
- (c) "Time and One-Half" shall be paid to a Part-Time Employee for overtime hours worked in excess of his or her Schedule Daily Tour provided the Scheduled Daily Tour is 8 hours or more.
- (d) Payments to a regular Part-Time Employee for termination allowance (or its equivalent) shall be prorated based on the relationship of the individual Part-Time Employee's "Part-Time Equivalent Work Week" to 40 hours.

- (e) Regular employees who were on the active payroll of a Company of Avaya's predecessor, or former affiliates or subsidiaries of Avaya's predecessor as of December 31, 1980, and who worked part-time on or after January 1, 1981 with a Company of Avaya's predecessor, or former affiliates or subsidiaries of Avaya's predecessor, and whose employment has been continuous since December 31, 1980 with Avaya Inc. or a Company of Avaya's predecessor, or former affiliates or subsidiaries, shall continue, during the current term of employment, to receive payments for the benefits and other items listed above on the same basis as was applicable to a part-time employee on December 31, 1980.
- 5 Part-time employees shall, if otherwise eligible to participate under the terms of such plans, be eligible for coverage under the Medical Expense Plan, Dental Expense Plan, and Vision Care Plan, as follows:
- (a) Employees whose part-time equivalent work week classification is sixteen (16) or less shall be eligible by enrollment and payment of one hundred percent (100%) of the premiums for such coverage.
 - (b) Employees whose part-time equivalent work week classification is seventeen (17) through twenty-four (24) shall be eligible by enrollment and payment of fifty percent (50%) of the premiums for such coverage.
 - (c) Employees whose part-time equivalent work week classification is twenty-five (25) or more shall be eligible for such coverage on the same basis as a regular full-time employee.
 - (d) Regular employees who were on the active payroll of a Company of Avaya's predecessor, or former affiliates or subsidiaries of Avaya's predecessor as of December 31, 1980, and whose employment since December 31, 1980 has been continuous with a Company of Avaya's predecessor, or former affiliates or subsidiaries of Avaya's predecessor, shall continue to be eligible for such coverage on the same basis as a regular full-time employee regardless of classification.
- 6 Part-time employees, regardless of classification, shall be eligible for Excused Work Days on a pro-rata basis based upon the ratio of any such part-time employee's equivalent work week to the normal work week of a comparable full-time employee.

ARTICLE 19 - BENEFIT PLAN CHANGES

- 1 The term "Employee Benefit Plans" will refer to the following plans or to their successors.
- a) Employee Stock Purchase Plan
 - b) Child/Elder Care Reimbursement Account Plan
 - c) Dental Expense Plan
 - d) Life Insurance Programs
 - 1. Basic Life
 - 2. Basic Accidental Death and Dismemberment
 - 3. Supplemental Life

Article 19

4. Supplemental Accidental Death and Dismemberment
 5. Dependent Life
 6. Dependent Accidental Death and Dismemberment
 - e) Health Care Reimbursement Account Plan
 - f) Long Term Care Plan
 - g) Long Term Disability Plan
 - h) Savings Plan
 - i) Medical Expense Plan
 - j) Group Legal Services Plan
 - k) Pension Plan
 - l) Sickness and Accident Disability Benefit Plan
 - m) Vision Care Plan
 - n) Work and Family Program
- 2 Except as provided in this Article and the 2006 National Memorandum of Understanding, there shall be no negotiations during the life of this Agreement upon changes in pensions or any other subjects covered by the existing Employee Benefit Plans.
- 3 In the event, during the life of this Agreement, the Company proposes to exercise any right provided in any of the existing Employee Benefit Plans or their successors, by taking action affecting the benefits or privileges of employees represented by the Union, it will before doing so notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that no change may be made in the Plan which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without its consent.
- 4 Any dispute involving the true intent and meaning of Paragraph 3 may be presented as a grievance and if not resolved by the parties, it may be submitted to the arbitration procedure of this Agreement. However, nothing herein shall be construed to subject the Employee Benefit Plans (or their successors) or their administration or the terms of the proposed change(s) in the Plan(s) to arbitration

ARTICLE 20 – ABSENCE

1 Absence in General

An employee who is to be absent for any reason shall promptly notify his or her supervisor with the reason for the absence and its probable duration, in order that proper consideration may be given to the employee's request. In the event the employee cannot reach his or her supervisor, then a message left with the supervisor's designee or an electronic messaging unit approved by the supervisor shall be appropriate notification, provided the employee leaves a reach number. Absences with or without pay because of other reasons not outlined in this Article may be granted at the discretion of the Company.

2 Personal Illness

(a) Call Centers - Global Technical Services (GTS), Global Customer Care Centers (GCCC), Telesales and Services Operations Support Center (SOSC)

- (1) Employees will be paid for absences due to personal illness up to the maximum number of allowable days as outlined below. Personal illness absences beyond the maximum allowable days will be unpaid or will require employees to utilize an alternative paid non-work day allotment per FMLA guidelines.
- (2) Paid personal illness absence days will not be counted as absences in any Attendance Plans.
- (3) These days may be taken in hourly increments.
- (4) The employee will be able to indicate if the illness is FMLA-related or under this Personal Illness Provision
- (5) Once per contract duration if an employee reaches a point of certified disability any personal illness absence days used toward the build will be returned to the employee.
- (6) Payments in lieu of unused personal illness absence days will be made no later than 45 days after the end of the calendar year.
- (7) Payments for partial calendar year will be on a prorated basis, with partial hours rounded up.
- (8) Nothing in this Article shall alter, amend or otherwise modify the terms of any disability plans.
- (9) This article is subject to the Grievance and Arbitration provisions of this Agreement.

Article 20

(10) Any employee who leaves the covered groups during the course of the year for any reason (except to transfer to another covered group) will not receive a prorated payment for unused days.

(11) This paragraph applies to Telesales effective January 1, 2007.

(b) **Payment for Personal Illness**

(1) For each full calendar year (January 1 – December 31), payment for full or partial days scheduled in a normal week but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis considering an employee's Net Credited Service on the date of the absence:

- (i) Less than three (3) years of service: payment for thirty-two (32) hours personal illness absence in a calendar year.
- (ii) Three (3) years of service to five (5) years of service: payment for forty-eight (48) hours personal illness absence in a calendar year.
- (iii) Five (5) years of service to ten (10) years of service: payment for sixty-four (64) hours personal illness absence in a calendar year.
- (iv) Ten (10) to twenty-five (25) years of service: payment for seventy-two (72) hours personal illness absence in a calendar year.
- (v) Twenty-five years (25) and over of service: payment for eighty (80) hours personal illness absence in a calendar year.

(2) Employees will be paid in lieu of any unused personal illness absence days at the end of the calendar year at the rate of seventy-five (75%) percent of their standard daily rate of pay.

(3) An absence committee will be established at a National level. The committee will be comprised of a Union representative and manager from each location and a Staff Representative and management as deemed necessary. The function of this committee will be to:

- (i) Oversee communications about the workings of this provision
- (ii) Examine overall attendance problems and trends at their location
- (iii) Explore the need and appropriateness of on-site attendance committees in each location

(c) All other sections of Article 20 (except 2(d)(1)) apply to this section.

(d) **All Other Employees**

- (1) Payment for full or partial days scheduled in a normal work week but not worked due to personal illness during the first seven (7) consecutive days will be paid on the following basis:
 - (i) Less than three (3) years - Pay after the second full consecutive scheduled day of work not worked due to personal illness absence.
 - (ii) Three (3) years of service and over - Pay from and including the first full or partial scheduled day of work not worked due to a personal illness.
- (e) Payments to employees pursuant to this Paragraph shall be limited to scheduled days of work in a normal work week and may be suspended or discontinued for just cause.

3 **Payment for Other Absence**

(a) **Jury or Witness Duty**

An employee who is not a party to the action and who is absent in compliance with a summons for jury duty or a subpoena requiring the employee to appear as a witness shall be excused with pay for the period during which the employee is absent on scheduled days because of such jury service or subpoena. When an employee is excused from jury or witness duty for part of a day or for an entire day, the employee shall report to his or her supervisor in person or by telephone for an assignment.

(b) **Election Board Service**

An employee who requests an absence to serve on an election board in connection with a Federal, State, County, or Municipal election shall ordinarily be excused with pay for the scheduled days during the period the employee serves and deductions from pay for such absence shall be made only when in the opinion of the Company the circumstances in a particular case make such action advisable.

(c) **Voting**

Subject to service and coverage conditions and the provisions of applicable state laws, an employee who is scheduled to work and who is eligible to vote in a National, State, County or Municipal general election shall, upon request, be excused with pay for a reasonable period on such election day to enable the employee to vote; provided, however, that the Company shall specify the period during which such an employee will be excused.

Article 20

(d) **Quarantine**

In case of unavoidable absence due to contagious disease and quarantine in an employee's immediate household or unavoidable quarantine elsewhere, the employee shall be paid on the same basis as if the absence were caused by personal illness of the employee and as specified in Paragraph 2 (Personal Illness).

(e) **Visit to Medical Office**

An employee who reports for work and is directed by management to visit a medical office during the employee's scheduled working hours that day shall be excused without loss of pay.

(f) **Death or Funeral**

(1) An employee who is required to be absent for one (1) day or more because of a death in the employee's immediate family shall be excused for such day or days, but not to exceed five (5) scheduled regular tours or their equivalent, with pay. Immediate family means parents, grandparents, husband or wife, children, grandchildren, brothers or sisters, mother-in-law or father-in-law. The provisions of this Paragraph shall also be applicable in the event of the death of a relative or very close friend living in the same household with the employee.

(2) Any employee who requests an absence to attend the funeral of a more distant relative or a very close friend may be excused for such time as is necessary under the circumstances but not to exceed three (3) scheduled regular tours or their equivalent with pay.

(g) **Accidental Injury**

If an employee is injured in the course of his or her employment and it is necessary for the employee to cease work during an assigned tour, payment for that tour shall be at the rate in effect during the time worked.

- 4 When payment for absence is made, the payment shall be at the employee's Adjusted Rate plus any tour differential to which the employee would have been eligible had they not been absent.

ARTICLE 21 - EXCUSED WORK DAYS

- 1 Each regular employee who has at least six (6) months of net credited service on January 1, of the respective years 2007, 2008 and 2009 shall be eligible for four (4) Excused Work Days with pay, and one (1) Excused Work Day without pay during each of such years.

Article 21

- 2 Employees who do not work on their paid Excused Work Day shall be paid at their Adjusted Rate plus any applicable tour differential (excluding any wage incentive or productivity payments) provided they are on the active payroll of the Company on that Excused Work Day.
- 3 One (1) paid Excused Work Day in each calendar year may be designated by the Company for employees in an administrative work group (as designated by the Company) or in any larger group, including the entire Company. Employees in any such group for which an Excused Work Day is designated by the Company and who are not otherwise eligible for a paid Excused Work Day shall be excused and paid for such designated day as set forth in the preceding Paragraph, provided they are on the active payroll of the Company on the designated Excused Work Day.
- 4 Employees shall select their Excused Work Days (except those Excused Work Days designated by the Company) in accordance with Article 22 (Vacations).
- 5 Employees who are on vacation or absent with pay on their paid Excused Work Day for reasons other than having observed it as an Excused Work Day shall have their paid Excused Work day rescheduled, if a vacation day would have been rescheduled under the same circumstances.
- 6 If employees agree to work on their paid Excused Work Day and the Company determines that the day cannot be rescheduled, they shall be paid as applicable in accordance with the following Subparagraphs:
 - (a) Employees who agree to work before the work schedule becomes fixed shall receive one (1) day's pay as set forth in Paragraph 2 in lieu of their Excused Work Day and shall, in addition, be paid in accordance with the provisions of this Agreement covering work on a scheduled day of work.
 - (b) Employees who agree to work after the work schedule becomes fixed shall receive one (1) day's pay as set forth in Paragraph 2 in lieu of their Excused Work Day and shall, in addition, be paid in accordance with the provision of this Agreement covering work on a Non-Scheduled Day.
 - (c) Time worked by an employee on his or her Excused Work Day shall be considered time worked on a regularly scheduled day of work for all purposes, except as is otherwise expressly provided in this Article.
- 7 The Company and the Union recognize that it may be in the best interest of employees to have the ability to take time off for brief intervals because of personal, immediate needs. Accordingly, for the years 2007, 2008 and 2009, up to four (4) Excused Work Days (EWDs) may be used as follows:
 - (a) An employee may designate and schedule, as applicable, four (4) EWDs to be used flexibly. This provision shall apply to an employee's

Article 21

unpaid EWD and/or his/her paid EWD(s) which are not designated by the Company.

- (b) Three flexible EWDs may be divided into increments of two (2) hours for an increment, provided, however, that where the length of an employee's Scheduled Daily Tour is not evenly divisible by two (2), the last increment of these three EWDs may be less than two (2) hours. One flexible EWD may be divided into increments of one hour.
- (c) An increment may be taken at any time during the vacation schedule period up to and including the actual scheduled Excused Work Day provided his/her supervisor is notified before the beginning of the tour and not more than twenty-five percent (25%) of the work group has already been granted time off. In the event more than twenty-five percent (25%) of the work group is scheduled off, then the time may be granted consistent with the needs of the business.
- (d) The time may be taken based on the employee's personal need to take the time.
- (e) If there is unused time available on the day of the so-scheduled EWD, the employee must take the remaining time on the scheduled day even if that increment is less than two (2) hours.

ARTICLE 22 - VACATIONS

1 ELIGIBILITY

- (a) Employees with six (6) or more months of continuous service since the date of the employee's most recent engagement shall be eligible for annual vacations as follows:
 - (1) One (1) week of vacation after the completion of a term of employment of six (6) months.
 - (2) Two (2) weeks of vacation after the completion of a term of employment of twelve (12) months. When terms of employment of six (6) and twelve (12) months are both completed in the same calendar year, only two (2) weeks of vacation shall be granted during that year.
 - (3) Two (2) weeks during each calendar year after the year in which a term of employment of twelve (12) months is completed.
 - (4) Three (3) weeks beginning with the calendar year in which a term of employment of seven (7) years is completed.
 - (5) Four (4) weeks beginning with the calendar year in which a term of employment of fifteen (15) years is completed.
 - (6) Five (5) weeks beginning with the calendar year in which a term of employment of twenty-five (25) years is completed.
- (b) Except as otherwise provided in the case of military leaves, an employee who has been absent on account of disability or on a leave of absence shall be eligible to a vacation provided the employee has worked six (6) months or more after July 1 of the year preceding the current calendar year and provided such vacation is completed prior to the last full week in April.

2 Part-time employees shall receive a vacation allowance pursuant to Article 18 (Classification and Treatment of Part-Time Employees) paragraph 4 (Treatment of Part-Time Employees).

3 An employee's vacation assignment in a particular vacation week or on a particular vacation day shall not be modified except for a death in the immediate family as defined in Article 20.3(f)(1) which occurs after that vacation assignment has begun.

4 DAY-AT-A-TIME VACATION

An employee may select vacation on a day-at-a-time basis during the vacation selection process described in Paragraph 8 (Scheduling of Time Off).

Article 22

5 CARRY OVER VACATION

- (a) Employees may select all of their vacation during the carry-over period of the following year during the vacation selection process as described in Paragraph 8 (Scheduling of Time Off).
- (b) Subject to needs of the business and force requirements, employees may reschedule a vacation period selected in the current calendar year to an available vacation carry-over period in the following year.
- (c) Any week or weeks of vacation carried over from one (1) calendar year into the next must be completed no later than the last full week ending in April of the year into which they are carried over.

6 If an authorized holiday occurs during an employee's vacation, an additional day off with pay will be scheduled. This additional day off will be considered a vacation day for the purpose of determining work schedules, but need not be taken contiguous to a vacation week.

7 PAYMENTS IN LIEU OF VACATION

- (a) Except as provided in Paragraph 7(a)(1), in the event of an employee's resignation, discharge (for other than misconduct) or death before using all the vacation which the employee is eligible to receive in the calendar year, an amount equivalent to such unused vacation shall be paid to the employee, his or her beneficiary or estate.
 - (1) An employee who terminates employment by resignation or termination for cause on or after January 1, 2000, will be required to reimburse the Company for the value of the vacation days to which eligible during the current calendar year, which have been taken prior to the date the employee's termination occurs, in excess of the schedule below.

Eligible Vacation Days for Employee Leaving Company
During Calendar Year
Due To Resignation or Termination for Cause

Month of Termination	Term of Employment			
	<u>1-7 Years</u>	<u>7-15 Years</u>	<u>15-25 Years</u>	<u>25+ Years</u>
January	1	2	2	2
February	2	3	4	4
March	3	4	5	7
April	3	5	7	9
May	4	6	9	11
June	5	8	10	13
July	6	9	12	15
August	7	10	14	17
September	7	11	16	19
October	8	13	17	21
November	9	14	19	23
December	10	15	20	25

- (b) An employee who leaves the payroll because of retirement or layoff and who has not yet become eligible for vacation under Paragraph 1(b) shall receive a payment in lieu of the vacation for which they would have been eligible for had they met the requirements of that paragraph.

8 SCHEDULING OF TIME OFF

- (a) Employees will select available time off for which they are eligible from the schedule as determined by the Company in accordance with the procedures provided in this Article. The period during which time off may be scheduled shall extend through the last full week ending in April of the following calendar year.
- (b) Time off for this purpose includes full weeks of vacation, day-at-a-time vacation, Excused Work Days (paid or non-paid), floating holidays, and days in lieu of holidays which occur during a scheduled vacation week.
- (c) Employees shall select time off in seniority order within each vacation selection universe, in the priority set forth in this Article, as determined by the Company. It is the intent of the parties that the employees' selection will be granted to the extent practicable consistent with force requirements and the needs of the business.
- (d) The vacation selection process in a vacation selection universe will begin no earlier than November 1. The vacation selection process should ordinarily be completed by December 31, but in any event should be completed no later than April 1. Employees who will not be readily available between November 1 and December 31 may express their preference for choices in advance of November 1 and, if available, their choices will be assigned as chosen in accordance with seniority provided that service requirements permit. Prior to the beginning of the calendar year, management will canvass the vacation selection universe to allow the employees to select scheduled vacation weeks from the available dates. Only full weeks of vacation are included in this first selection priority.
- (e) In addition to the time off scheduled under Paragraph 8(d) above, employees shall also select all other time off for which they are eligible, and such time will be referred to as "Reserve Time" on the second selection priority canvass.
- (f) An employee who is contacted must select the vacation period desired in a reasonable period of time or that employee will be passed. Employees who are passed shall have the right to make a selection from the remaining available periods in accordance with their seniority, but may not preempt the period selected by any other employee. For employees who have not selected their vacation by the end of the selection period, the Company will have the option to assign their remaining vacation.

Article 22

- (g) Employees may not select half-tour vacations during the vacation selection process described in Paragraph 22.8 (Scheduling of Time Off), but may subsequently request their vacation on a half-tour basis and such request may be granted if service and coverage conditions permit.
- (h) Subject to the needs of the business and force requirements, employees may reschedule any of their vacation, whether assigned by the Company or selected by the employee, to available vacation periods, but may not preempt the period selected by any other employee.
- (i) Employees shall not be permitted to exchange seniority rights in the selection of vacation periods.

9 RESCHEDULING VACATION DUE TO PERMANENT TRANSFERS, ASSIGNMENTS, OR REASSIGNMENTS

- (a) If an employee is permanently transferred, assigned, or reassigned to a different work group as a result of a Company initiated transfer, assignment or reassignment, then to the extent that needs of the business permit, the employee will retain the vacation schedule that was approved in the prior work group.
- (b) If an employee initiates a transfer, he or she is required to reselect his or her vacation from those days available within the new work group.

10 The decision of the Company on service and coverage requirements in this section shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any dispute concerning the interpretations or applications of this Article may be taken up as a grievance and, if necessary, submitted to arbitration, in accordance with Article 10 (Arbitration).

11 Payment for vacation shall be at the employee's Adjusted Rate plus any applicable tour differential.

ARTICLE 23 - HOLIDAYS

1 THE FOLLOWING DAYS SHALL BE OBSERVED AS HOLIDAYS:

New Year's Day	January 1
Inaugural Day	January 20 of the year following Presidential Election for employees located in Washington, DC; Montgomery and Prince Georges Counties, Maryland; Alexandria; Arlington and Fairfax Counties, Virginia
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
General Election Day	In even-numbered years in New Hampshire only
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	Fourth Friday in November
Christmas Day	December 25

- (1) Three (3) Floating Holidays; except that in the State of New York, the number of floating holidays shall be four (4). One (1) of the floating holidays may, at the option of the Company, be designated as a local or national holiday, provided the Company so designates prior to the scheduling of vacations pursuant to Article 22 (Vacations), Paragraph 8 (Scheduling of Time Off).

NOTE When a holiday occurs on a Sunday, the following Monday shall be observed as the holiday for employees not scheduled to work on Sunday, and such employees shall be compensated pursuant to Paragraphs 4 and 5, as appropriate. If a holiday in a calendar year occurs on a Saturday, the preceding Friday will be observed as the holiday for employees not scheduled to work on Saturday, and such employees shall be compensated pursuant to Paragraphs 4 and 5, as appropriate.

- 2 Floating holidays must be taken on a normally scheduled day of work and will be scheduled in accordance with the scheduling provisions of Article 22 (Vacations), Paragraph 8 (Scheduling Of Time Off).

Article 23

- 3 New employees are eligible for all designated holidays occurring after their date of hire, and they will be eligible for floating holidays in accordance with the schedule below:

<u>Date of Hire</u>	<u>Eligibility:</u> <u>Floating</u>
January 1 - June 30	3
July 1 - September 30	2
October 1 - November 30	1

4 **HOLIDAY COMPENSATION FOR FULL-TIME EMPLOYEES SHALL BE AS FOLLOWS:**

- (a) Full-time employees who are excused from work on the day a holiday is observed shall be paid a holiday allowance equal to one fifth (1/5) of their Adjusted Rate, including any tour differential to which the employees would have been eligible had they not been excused.
- (b) Full-time employees who work on the day a holiday is observed shall be paid, in addition to the holiday allowance, at one and one-half (1 1/2) times the Hourly Adjusted Rate for time worked during their Scheduled Daily Tours. Hours worked outside the Scheduled Daily Tour shall be compensated at the Double Time and One Half Overtime Rate.

5 **HOLIDAY COMPENSATION FOR PART-TIME EMPLOYEES SHALL BE AS FOLLOWS:**

- (a) A part-time employee shall be paid a holiday allowance pursuant to Article 18 (Classification and Treatment of Part-Time Employees) paragraph 4 (Treatment of Part-Time Employees).
- (b) A part-time employee who works on a holiday shall be paid pursuant to Article 18 (Classification and Treatment of Part-Time Employees).

- 6 Any employee who is absent and unexcused on the scheduled work day before and after the holiday shall not be paid the holiday allowance.

- 7 An employee who is scheduled for work on a holiday but who fails to report for work and is not excused shall receive no payment for the holiday.

**ARTICLE 24 - FORCE ADJUSTMENT - LAYOFF, PART-TIMING, AND
RECALL**

1 LAYOFFS AND PART-TIMING

Whenever force conditions are considered by the company to warrant part-timing or layoff of regular employees, such force adjustments as the Company may deem necessary, shall be made among those regular employees in a Geographical Commuting Area (GCA) as defined in Article 16 (Transfers, Travel Allowances, and Moving Expenses), in the same Organization having the same job title through part-timing or layoffs or both, subject to the following conditions:

- (a) Prior to any regular employee being laid off or part-timed pursuant to this Article temporary and term employees in the same job title, same Organization and GCA shall be work completed. However, such temporary or term employees may be retained or employed temporarily to meet peak load situations or other temporary situations unless there are qualified volunteers from among those at-risk employees in the same job title, same Organization and GCA scheduled to be laid off who will assume the duties of the temporary or term employees.
- (b) In an effort to avoid force adjustments by means of layoff, the Company may offer within the Organization, as an inducement to voluntarily leave the Company, a termination payment as specified in Article 25 (Termination Payments), plus compensation for any vacation to which the employee is entitled at the time of leaving the Company. In the event that further force adjustments by means of layoff are deemed by the Company to be necessary, the Union shall be advised by the Company as to its proposed plan for accomplishing such further force adjustments sixty (60) days before the adjustment is to become effective. During the first forty-five (45) calendar days of the sixty (60) day period, the Union may offer the Company, in writing, a plan to accomplish the force adjustments deemed by the Company to be required. If the Union's plan meets the foregoing requirements, the Company agrees to consider the plan proposed by the Union. If no such written plan is received by the Company from the Union within said forty-five (45) days, or if the parties are unable to agree upon a plan, the Company will proceed with the force adjustments according to the plan the Company proposed.

Article 24

- (c) Whenever such force adjustments are accomplished by layoffs, such layoffs shall be among those regular employees in the same Organization having the same job title, in the GCA. Layoffs shall be in inverse order of seniority except that employees who (1) have been assigned to a management title, other than as a result of a temporary promotion, for a continuous period of twelve (12) or more months prior to their most recent return to the bargaining unit and (2) whose most recent return to the bargaining unit from a management title other than one arising from a temporary promotion, is within twelve (12) months of a declaration of surplus in the bargaining unit title in the GCA and Organization to which they are assigned at the time of the surplus declaration (hereinafter referred to as a returning manager), shall be laid off prior to any other employee in the same title in the same Organization and the same GCA being laid off. For employees in the titles of Distribution Technician, Senior Technician, Customer Systems Engineer, however, the Company may retain in each Organization three percent (3%) of the total employees in the same job title within the same Organization in any GCA despite lesser seniority. In each GCA, when the provisions of this Article are implemented, at least one (1) employee may be protected. An individual may only be protected two (2) times during the life of the Agreement.
- (d) When employees other than a returning manager (as described in Paragraph 1(c) in the affected job title within the same Organization of the Company in the GCA (as identified in Paragraph 1 who have five (5) or more years net credited service are notified by the Company that they are to be laid off, those employees shall have the right to select in order of seniority , another job from a list of jobs with the same job title, in the same Organization of the Company held by employees having the least seniority within the employee's Force Adjustment Region (as outlined in the note below) provided [1] the selecting employee is qualified to perform the selected job; [2] the employee holding the selected job is not one of the employees designated for retention by the Company in accordance with Paragraph 1(c) above; and [3] the employee holding the selected job has less seniority than the selecting employee. The list of jobs held by the least senior employees identified above shall not be greater than the number of jobs declared surplus, or the number of employees who have indicated a desire to select from this list another job within the applicable Force Adjustment Region, whichever is less.

NOTE: The Force Adjustment Regions shall be comprised of the following groups of states:

REGION 1: NY, ME, NH, VT, MA, CT, RI, NJ, PA, DE, MD, WV, VA, DC
REGION 2: NC, SC, GA, KY, TN, MS, LA, FL, AL, AR, MO, KS, OK, TX
REGION 3: OH, IN, IL, MI, MN, WI, NE, IA, ND, SD
REGION 4: AZ, NM, CO, CA, MT, WY, UT, ID, WA, OR, NV, HI, AK

- (e) When the affected title exists in only one GCA within a Force Adjustment Region, the provisions of 1(d) will apply as if the Force Adjustment Regions were the entire country.

2 POOLED TITLES

- (a) When the affected title in Paragraph 1 (Layoffs and Part-Timing) above is Customer Systems Engineer, Senior Technician, Service Coordinator, Administrative Clerk or Records Clerk, all employees in the GCA in each specific title shall be treated as though they are in the same organization of the Company for force adjustment purposes.
- (b) When the affected title in Paragraph 1 (Layoffs and Part-Timing) above is Field Operations Material Handler-I or Field Operations Material Handler-II, all employees in these titles in the same GCA shall be treated as though they have the same title and are in the same organization of the Company for force adjustment purposes; however, employees in the Field Operations Material Handler-II title may not select the job of a Field Operations Material Handler-I.

3 RECALL

If additions of regular employees to the work force are required in the affected job titles, Organization, and GCA within three (3) years of the last layoff therein, the Company shall proceed as follows before hiring new employees:

- (a) Former regular employees who held the affected job titles within the Organization and the GCA, at time of layoff, shall be offered recall to their prior job title (or its successor title or for a title of equivalent status for which they qualify), in the GCA in inverse order in which such employees were laid off, provided:
 - (1) Their period of layoff has not exceeded three (3) years; and,
 - (2) They are physically able to perform the duties of the work available.
- (b) Notice for recall shall be mailed by certified or registered letter, return receipt requested, to the employee's last mailing address known to the Company's employment office.
- (c) The Company will assume that failure on the part of any former employee to notify the Company within fifteen (15) days concerning acceptance of an offer of recall or to report for duty within fifteen (15) calendar days from the date of the offer, constitutes a rejection.
- (d) It shall be the responsibility of such former employees to notify the Company, at the employment office, of their desire for recall and to keep the Company currently informed of their correct address.
- (e) Nothing in this agreement shall limit the engagement of term or temporary employees in the event of an emergency or to meet peak load or other temporary situations.

4 LAYOFF PAYMENTS

Employees laid off under the provisions of this Article will be entitled to a payment as specified in Article 25 (Termination Payments).

Article 24

5 RELOCATION EXPENSES

A Surplus Placement employee who accepts a position that is outside his/her Local Placement Area (LPA) will receive a lump sum relocation allowance provided the new reporting location exceeds thirty-five (35) road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location.

Provided the employee actually relocates his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of: (1) the termination allowance for which they would have been eligible upon layoff with a minimum relocation allowance of \$5,000.00; or (2) \$15,000.00.

Surplus employees who are placed via the Avaya Transfer Program (ATP) Surplus Placement program, meet the (ATP) relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of: (1) the termination allowance for which they would have been eligible upon layoff with a minimum relocation allowance of \$5,000.00; or (2) \$15,000.00 if the following conditions are met:

1. the employee is laid off at the new site within three (3) years of placement,
2. the employee relocates back to the original geographic location,
3. the employee does not qualify for any other Company provided relocation compensation program.

ARTICLE 25 - TERMINATION PAYMENTS

- 1 A termination payment, plus compensation for any vacation to which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee who is laid off.
- 2 The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate, except that for an employee who received an evening or night differential payment for the week in which the date of the layoff or resignation occurred, the rate of pay shall include the evening or night differential payment.

YEARS OF NET CREDITED SERVICE	AMOUNT OF PAYMENT
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
12 years but less than 13 years	28 weeks' pay
13 years but less than 14 years	32 weeks' pay
14 years but less than 15 years	36 weeks' pay
15 years but less than 16 years	40 weeks' pay
16 years but less than 17 years	44 weeks' pay
17 years but less than 18 years	48 weeks' pay
18 years but less than 19 years	52 weeks' pay
19 years but less than 20 years	56 weeks' pay
20 years but less than 21 years	60 weeks' pay
21 years but less than 22 years	64 weeks' pay
22 years but less than 23 years	68 weeks' pay
23 years but less than 24 years	72 weeks' pay
24 years but less than 25 years	76 weeks' pay
25 years but less than 26 years	80 weeks' pay
26 years but less than 27 years	84 weeks' pay
27 years but less than 28 years	88 weeks' pay
28 years but less than 29 years	92 weeks' pay
29 years but less than 30 years	96 weeks' pay
30 years but less than 31 years	100 weeks' pay
31 years but less than 32 years	104 weeks' pay

Note: The maximum amount of termination payment shall not exceed twice the basic annual salary plus the applicable differential or one hundred four (104) weeks.

Article 25

- 3 The termination allowance shall, at the option of the employee, be paid in a lump sum, less applicable deductions, or as income continuation in periodic installments, subject to the limitations in Subparagraphs 3(a) and 3(b) below. If an employee elects to receive income continuation periodic installments, each installment will be equal to one (1) week of the Adjusted Rate, for each week in the employee's normal payroll period, less applicable deductions, and will be paid during the normal payroll period. Income continuation periodic installments shall continue until the earliest occurrence of either of the following events:
 - (a) The total amount of the income continuation installments to the employee equals the total amount of termination allowance which the employee is to receive.
 - (b) The employee is recalled or rehired as a regular employee by the Company.
- 4 Employees who have received or elect to receive a termination allowance in a lump sum shall, as a condition precedent to being recalled or rehired as regular employees of the Company, repay that portion of the termination allowance they received that is equal to their Adjusted Rate multiplied by the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their recall or rehire as regular employees of the Company. Employees who are recalled or rehired as other than regular employees and who are subsequently reclassified as regular employees, shall, as a condition precedent to such reclassification, also make repayment pursuant to this Paragraph 4 based upon the difference between the number of weeks used to compute their termination allowance and the number of weeks (or fraction thereof) from the date of their termination to the date of their reclassification.
- 5 The amount of termination allowance for an individual (1) who has been previously laid off or terminated by the Company; (2) who has received termination allowance either in a lump sum or in the form of periodic income continuation installments; (3) who is re-engaged; and (4) who is again laid off or terminated after having been re-engaged, will be calculated as follows:

The number of weeks used to compute the termination allowance net of repayment pursuant to Paragraph 4 shall be deducted from the number of weeks that would be used to compute the termination allowance as of the date that the employee is again laid off or terminated.
- 6 **THE PROVISIONS OF PARAGRAPH 1 DO NOT APPLY IN CASE OF:**
 - (a) An employee leaving the Company voluntarily without inducement by the Company;
 - (b) An employee on a leave of absence;
 - (c) An employee who is dismissed for misconduct;
 - (d) An employee who is classified as Term or Temporary at the time they are work completed.

ARTICLE 26 - REASSIGNMENT PAY PROTECTION PLAN

- 1 Employees who are assigned by the Company to vacancies in accordance with Article 16 to a title that is a downgrade and where the Standard Rate of pay of the new job title is less than the Standard Rate of pay of the former job title will receive a one time lump sum payment.
- 2 Employees with less than 15 years of service will receive a one time lump sum payment equal to 60 times the difference in the Standard Rate between the new job title and the former job title times the number of hours in the employee's Scheduled Weekly Tour. Employees with 15 years or more of service will receive a one time lump sum payment equal to 120 times the difference in the Standard Rate between the new job title and the former job title times the number of hours in the employee's Schedule Weekly Tour.
- 3 A Joint National committee may be set up, at the request of either party, to discuss alternatives to involuntary downgrades. The impact and effect of such changes on the employees shall be appropriate matters for discussion. The Company will discuss with the Unions:
 - (a) What steps might be taken to offer employment to employees affected:
 - (1) In the same locality or other localities in jobs which may be available in occupations covered by the collective bargaining agreements between the parties.
 - (2) In other occupations in the Company not covered by the collective bargaining agreement.
 - (3) In other Company affiliates, subsidiaries or entities.
 - (b) The applicability of various company programs and agreement provisions relating to force adjustment plans and procedures, including ACTOP, Reassignment Pay Protection Plan, termination payments, retirement, transfer procedures and the like.
 - (c) The feasibility of the Company providing training for other assignments for the employees affected. (Example: sponsorship of typing training on Company time.)

Article 27

ARTICLE 27 - SENIORITY

- 1 Length of service (Net Credited Service as determined by the Employee's Benefit Committee) shall be taken into account in the treatment of employees insofar as the conditions of the business and the abilities of the employees permit.
- 2 It is understood by the parties that the provisions of Paragraph 1 apply to all Articles of the contract.

ARTICLE 28 - CONTRACTING OF WORK

- 1 In making decisions regarding contracting of work, it is management's objective to consider carefully the interests of both customers and employees along with all other considerations essential to the management of the business. Some of these considerations include but are not limited to law, regulations, changing industry structure, economic conditions, and business considerations.
- 2 Projects involving types of traditional telephone work which have been regularly performed by bargaining unit members in a work group will not be contracted out if the contracting out of traditional telephone work on such a project will currently and directly cause layoffs or part-timing of regular employees in the same work group which would have otherwise performed the work. "Work group" as used in this article shall be deemed to refer to the group of employees normally treated as a unit for purposes of part-timing or layoff under Article 24 (Force Adjustment - Layoff, Part-Timing, and Recall).
- 3 From time to time, but no less frequently than every six (6) months, the Labor Relations Vice President, or his or her designated representative, and the Union's Vice President, or his or her designated representative, will meet to review traditional telephone work which has been contracted out which, heretofore, was performed in a given locality by bargaining unit members. The focus of the meetings will be to afford the Union's Vice President, or his or her designated representative, an opportunity to suggest ways in which the Company could, in the future, use bargaining unit members in the same locality to perform the contracted out work at competitive total cost to the Company and within the same completion time requirements. Where such methods are presented by the Union, the Company will give them due consideration and will advise the Union of its determination. The Labor Relations Vice President, or his or her designated representative, and the Union's Chair, or his or her designated representative, will mutually authorize the formation of Business Group/Division Joint Committees on sub-contracting or local committees to examine the contracted work to suggest ways that the work could be performed, in the future, by bargaining unit members in a given locality at competitive costs and within the same completion time requirements and to discuss the need for, and nature of, information which would assist the committee in performing its function.

- 4 The provisions of this article will be subject to the grievance procedure contained in Article 9 (Grievance Procedure), but shall not be subject to the arbitration provisions contained in Article 10 (Arbitration).

The parties mutually desire to provide a vehicle, other than litigation, by which certain subcontracting disputes can be amicably and expeditiously resolved in the future.

Because of the competitive nature of our markets, fluctuating work loads and the need to provide prompt response to customer demands, the Company cannot agree that it will not contract work which might otherwise be performed by its employees. It has agreed, however, to provide for a neutral third party review of its compliance with the applicable language of the collective bargaining agreement concerning contracting, as well as the commitments set forth in the Williams/Bahr letter, which the parties have agreed to renew for the term of this new Agreement.

- 5 In furtherance thereof, the parties have agreed as follows:
- (a) In lieu of all other procedures set forth in Article 10 (Arbitration), the following procedure shall apply to grievances alleging that the Company has contracted work which would otherwise have been performed by bargaining unit employees in a GCA in which (1) layoffs of such employees are pending, (2) in which employees are on layoff with recall rights and are available to do the work which has been contracted.
- (1) Within thirty (30) days of the denial of the Union's grievance at the third step, the Union's national office may request, in writing, that the grievance be submitted to a neutral third party, selected from a list of neutrals previously agreed upon by the parties.
- (2) The parties shall schedule a meeting with the neutral third party within thirty (30) days of the Union's appeal. At a meeting with the neutral, the Union shall have the opportunity to explain why it believes that the contracting at issue either currently and directly caused layoffs or part-timing of employees in circumstances set forth in Article 28, Paragraph 2 or whether, in circumstances addressed by the Williams/Bahr letter, the Company had no other reasonable alternative but to contract the work in dispute. The Company shall then have the opportunity to respond.

Article 28

- (3) Except as agreed upon by the parties, the meeting shall be informal. Normally witnesses shall not be called. No transcript shall be made. The neutral shall issue a written decision within thirty (30) days of the meeting on the form shown in Paragraph 6 below, and both parties hereto agree to be bound by the neutral's decision. No other decision or opinion shall issue, and the decision of the neutral shall not be used or cited as precedent in any future cases. If the neutral's decision upholds the Union's grievance, an amount of money, computed by using the Adjusted Rate, including premium payments (such as overtime and holiday allowance if appropriate) of the employees on layoff, and the number of hours of work contracted which would otherwise have been performed by employees who have been laid off as a current and direct result of the contracting, or who are on layoff with recall rights in that GCA and who were available to do the contracted work, shall be distributed among those individuals as determined by the parties.
- (b) The compensation and expenses of the neutral third party and the general administrative expenses of the meeting with the neutral shall be borne equally by the Company and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives.
- (c) No less than one (1) such meeting shall be held in each calendar quarter and the selected neutral shall hear all grievances which have been appealed to this dispute resolution process at least seven (7) days prior to the selection of the neutral.
- (d) These procedures shall be the sole and exclusive means by which contracting grievances unresolved after the exhaustion of the procedures set forth in Article 9 (Grievance Procedure) may be addressed.
- 6 Decision of Neutral Third Party
- (a) Did the contracting involved in the grievance currently and directly result in the layoff or part timing of employees in the circumstances set forth in Article 28, Paragraph 2 of the Agreement? (If this answer is "yes", then the union's case is sustained.)

Yes

No

- (b) Was a surplus of employees declared and in effect at the time the contracting took place in the GCA in which the contracting took place?

Yes

No

Article 28

(c) Were employees in the GCA in which the contracting took place on layoff with recall rights and available to do the work which was contracted?

Yes

No

(d) If yes to (b) or (c), did the Company have no other reasonable alternative but to contract?

Yes

No

ARTICLE 29 - EMPLOYEES IN MILITARY SERVICE OR ACTIVE DUTY FOR TRAINING

A regular employee (not temporary, term or occasional) who enters the United States Uniformed Services for Active Duty for Military Service, shall be granted a Military Leave of Absence for the period of his/her necessary absence. Voluntary extension of military service beyond five (5) years shall not be construed as necessary absence. A regular employee (not temporary, term or occasional) who is a member of a reserve component or organized militia of the state and enters upon Military Training Duty will be granted a Military Leave of Absence for the period of the necessary absence for such training. The term "Uniformed Services" as used herein shall mean Uniformed Services of the United States as specified in the Uniformed Services Employment and Reemployment Rights Act of 1994.

An employee, on a Military Leave of Absence for Active Duty for Military Service or military training duty and who has re-employment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and who makes application for reinstatement within the period provided in the law will receive upon reinstatement, full service credit for the period of absence for military service or training duty.

- 1 Military Leaves of Absence will be with eligibility to sickness disability benefits at the termination of the leave if the employee is then disabled but otherwise entitled to reinstatement in accordance with the terms of the Company Benefit Plans.

In death cases occurring during a Military Leave of Absence, sickness death benefits, where payable, shall be based upon the term of net credited service at the time the leave was granted, plus the elapsed time of Military Leave of Absence to the date of death, and shall be computed at the time the leave began.

Sickness disability benefits, where payable, shall be granted upon the net credited service at the time the leave was granted plus the elapsed time on Military Leave of Absence to the termination of such leave, and shall be computed on the basis of Avaya pay in effect at the time of the employee's reinstatement.

- 2 It is the policy of Avaya to pay a Military Differential Pay to regular employees (not temporary, term or occasional) who receive and provide the Company with a copy of military orders for military service in the U.S. Armed Forces subject to conditions imposed by federal law.

Military Differential Pay is the excess of Avaya pay over military pay received by an eligible employee while on a Military Leave of Absence.

Avaya pay is an employee's Adjusted Rate (excluding overtime) in effect at the time the Military Leave of Absence begins. Night work differentials, seven-day coverage and transition payments (non-lump sum) are included. Military pay is an employee's military basic pay rate in effect when the Military Leave of Absence begins. All allowances and supplementary pay elements [i.e., BAS (Basic Allowance for Subsistence), BAQ (Basic Allowance for Quarters), Hazardous Duty Pay, Proficiency Pay, Special Duty Pay] are not included.

Provided the employee provides satisfactory documentation supporting the number of days requested, the Military Differential Pay shall be up to the limits prescribed in the following or the period of Military Service, whichever is shorter:

If the leave of Absence and Duration are...	And the date the leave begins the employee's net credited service is...	Then the duration of Military Differential Pay is...
Active Duty for Military service (normally 2-5 years) (See Note 3)	1 year or less	First 15 weeks
	More than 1 year	First 26 weeks
Military Training Duty - normally 2 weeks (See Note 1)	No minimum	A maximum of 20 scheduled work days (including holidays) in each military fiscal year (October 1 - September 30)
Initial Active Duty for Training (at least 3 consecutive months but no more than 18 months)	No minimum	First 4 weeks (20 days)
Emergency Service	No minimum	A maximum of 20 scheduled work days (including holidays) in each calendar year (See Note 2)

Note 1: Includes attendance at schools for special military courses of instruction which may last several months.

Article 29

Note 2: An absence for Emergency Service does not affect an employee's right or eligibility with respect to Military Training Duty, Initial Active Duty for Training, or Active Duty for Military Service. If the local emergency situation exceeds 20 scheduled workdays, pay treatment for additional time must be approved by the Avaya Pension Plan Administrator.

Note 3: Payment of Military Differential Pay, for up to the maximum durations described above, is limited to the time when an employee initially enters Active Duty for Military Service. The employee is not again eligible for the maximum payments, regardless of the number of times the employee enters Active Duty for Military Service.

Regular employees who volunteer for Military Training Duty (including attendance at schools for special military courses or instruction) or Emergency Service without receiving military pay, will be authorized time off but without Avaya pay or Military Differential Pay.

Upon furnishing official written documentation to his/her supervisor, a regular employee may be granted up to three (3) scheduled workdays off with pay to report for registration, testing and/or a physical examination for induction into Active Duty for Military Service or Initial Active Duty for Training.

- 3 An employee who receives a notice to report for Active Duty for Military Service or any Military Training Duty, shall immediately present such notice to his/her supervisor.

ARTICLE 30 - MATERIAL LOGISTICS

- 1 The provisions of this Article apply only to employees assigned to the titles listed below:

Field Operations Clerk
Field Operations Material Handler - I
Field Operations Material Handler - II

2 **Weekly Work Schedules and Hours of Work**

(a) **General**

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) **Weekly Work Schedules**

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) **Tour Selection**

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.

Article 30

- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One-Half.
 - (i) Schedule changes should be the exception rather than the rule, if used.
 - (ii) Schedules will be posted as far in advance as possible, but no later than paragraph 2(d)(1), ie: when the job dates are determined.
 - (iii) Paragraph 2 (d)(3) 48 hour change is for emergencies and unforeseen circumstances only.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) **Relief/Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

- (f) Daylight Savings Time
 - (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
 - (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 Overtime

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous with a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

Article 30

4 Differentials and Other Payments

(a) Night Differential

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) Call-In Payments

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.
- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the at the current IRS allowable mileage rate, plus actual

out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.

- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the at the current IRS allowable mileage rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(b) **On-Call Payments**

- (1) Employees with necessary skills may be required to remain in contact with the Company outside of scheduled hours by use of a beeper or other communications device. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company will

Article 30

assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those employees required to remain in contact will receive a payment of equal to one and one half (1 ½) hours of pay at their hourly adjusted rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b).

- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive the daily on-call payment instead of the originally assigned employee for each day of substitution.

(c) **Sunday Payments**

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(d) **Management Relief Differential**

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of fifteen dollars (\$15.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(e) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 P.M. and 12:00 midnight.

(f) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

5 Material Administrator Allowance

(g) Material Administrator Allowance

- (1) The Company may, at its discretion and for any period of time, assign a qualified Field Operations Clerk or Field Operations Material Handler I or II to the material administrator function on a seniority basis. An employee so assigned shall in addition to the duties for his or her occupation have the responsibility to perform functions such as but not limited to the following:
 - (i) Allocating the work load and directing the work of Field Operations Material Handlers and/or Field Operations Clerks up to one-hundred percent (100%) of the time so as to produce an even flow of work, to maintain shipping schedules and to complete the assigned work tour.
 - (ii) Maintaining comprehensive interface with truckers, transportation agents, customer agents and other Company employees.
 - (iii) Checking, expediting, and escalating the processing of material orders.
 - (iv) Training Field Operations Clerks and/or Field Operations Material Handlers.
- (2) An employee assigned to the material administrator function will be granted a pay allowance of ten dollars (\$10.00) per tour on which the employee is given such responsibility and performs such assignment for three (3) hours or more.
- (3) An employee will not be eligible for the allowance payable under paragraph 5(a)(2) for any tour during which the employee is assigned to relieve a manager under the provisions of paragraph 4(f)(1).

(h) Heavy Equipment Driver Allowance

- (1) The Company may, at its discretion and for any period of time, assign a Field Operations Material Handler to the heavy equipment driver function. An employee so assigned shall have the responsibility for driving vehicles in excess of eighteen thousand (18,000) pounds Maximum Gross Vehicle Weight. Employees assigned to this function must possess the applicable commercial license for driving tractor trailer trucks and/or vehicles of unlimited weight in accordance with applicable state and/or federal regulatory standards.
- (2) An employee assigned to the heavy equipment driver function, will be granted a pay allowance of nine dollars (\$9.00) per tour on which the employee is given such responsibility and performs such assignment for two (2) hours or more.

ARTICLE 31 - SUPPORT

1 The provisions of this Article apply only to employees assigned to the titles listed below:

Title	Title
Account Service Representative	Project Coordinator
Account Support Representative	Records Clerk – I
Administrative Clerk - I	Senior Records Clerk
Customer Care Representative	Senior Software Associate
Customer Software Administrator - C	Special Clerk
	Systems Applications Specialist
	Systems Support Specialist

2 WEEKLY WORK SCHEDULES AND HOURS OF WORK

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) **Tour Selection**

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One Half.
 - (i) Schedule changes should be the exception rather than the rule, if used.
 - (ii) Schedules will be posted as far in advance as possible, but no later than paragraph 2(d)(1), ie: when the job dates are determined.
 - (iii) Paragraph 2 (d)(3) 48 hour change is for emergencies and unforeseen circumstances only.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

Article 31

(e) **Relief/Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) **Daylight Savings Time**

(1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.

(2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 OVERTIME

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

(1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.

(2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.

(3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous With a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 DIFFERENTIALS AND OTHER PAYMENTS

(a) **Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) **Call-In Payments**

(1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.

(2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a

Article 31

break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the at the current IRS allowable mileage rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.

- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the at the current IRS allowable mileage rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) On-Call Payments

- (1) Employees as shown in Paragraph 1 with necessary skills may be requested to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the Company will be rotated among all qualified volunteers in the work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those employees who have agreed to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided for in Paragraph 4(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 4(b). In the absence of sufficient volunteers, the local manager will meet and discuss the need for volunteers with the local Union.
- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) Sunday Payments

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(f) Management Relief Differential

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of fifteen dollars (\$15.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) Christmas Eve and New Year's Eve Payments

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 PM and 12:00 midnight.

Article 31

(h) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(i) **Customer Premise Visit Differential (Applies to Customer Care Representative and Account Support Representative Titles Only)**

When an employee in the title of Customer Care Representative or Account Support Representative is required to make visits to customers' premises, the employee shall be paid a differential of twenty dollars (\$20.00) for each tour during which one or more such visits is required.

(j) **Expense Allowance (Applies to Customer Software Administrator Title Only)**

(1) When an employee works a period of two (2) or more hours (a) immediately before or after a the employee's scheduled normal tour, (b) immediately before or after a shifted tour on a scheduled day other than an authorized holiday or (c) in excess of a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall be paid for the convenience of the employer an expense reimbursement of twelve dollars (\$12.00). An employee shall be entitled to only one (1) such expense reimbursement per calendar day or per continuous period of work, except that an employee shall be entitled to two (2) such expense reimbursements when an employee works periods of two (2) or more hours immediately before and after the employee's scheduled normal tour.

(2) When an employee works up to a normal tour on a Non-Scheduled Day or an authorized holiday, the employee shall not be entitled to an expense reimbursement unless the employee is compensated for such work by equivalent time off.

ARTICLE 32 - COMMUNICATIONS EQUIPMENT

1 The provisions of this Article apply only to employees assigned to the titles listed below:

Title	Title
Customer Systems Engineer	Staging Technician
Distribution Technician	Technical Systems Assembler
Senior Technician	

2 Weekly Work Schedules and Hours of Work

(a) General

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the employee shall assume the working conditions of the temporary assignment.
- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) Weekly Work Schedules

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) Tour Selection

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.

Article 32

- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One-Half.
 - (i) Schedule changes should be the exception rather than the rule, if used.
 - (ii) Schedules will be posted as far in advance as possible, but no later than paragraph 2(d)(1), ie: when the job dates are determined.
 - (iii) Paragraph 2 (d)(3) 48 hour change is for emergencies and unforeseen circumstances only.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) **Relief/M Meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) **Daylight Savings Time**

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

3 OVERTIME

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 3(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous with a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

4 Differentials and Other Payments

(a) **Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

Article 32

(b) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate. Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2 1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 4(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday. Time allowed for a meal period shall not be considered as a break in the continuity of work time.
- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified, shall not be less than two (2) hours pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the at the current IRS allowable mileage rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 4(b)(1) or 4(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the at the

current IRS allowable mileage rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day, or on an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour of overtime pay at applicable rate.
 - (ii) A call-up of one-quarter (1/4) hour, but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
- (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.

(d) **On-Call Payments**

- (1) Employees as shown in Paragraph 1 with necessary skills may be required to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. Employees with necessary skills will be solicited on a voluntary basis; however, if there is an insufficient number of volunteers, the Company will assign this requirement to employees having the necessary skills in the aforementioned work groups. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day, or more than one (1) day up to and including seven (7) consecutive days. Those employees required to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided for in

Article 32

Paragraph 4(c). Employees actually called-in will be eligible for call-in payment as provided for in Paragraph 4(b).

- (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 4(d)(1) above) instead of the originally assigned employee for each day of substitution.

(e) **Sunday Payments**

Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.

(f) **Management Relief Differential**

- (1) An employee who is assigned to relieve a Management employee shall receive a payment of fifteen dollars (\$15.00) for each tour or part in excess of one-half (1/2) thereof so worked.
- (2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 P.M. and 12:00 midnight.

(h) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

(i) **Tool Cartage Fee**

Distribution Technicians who use their personal motor vehicles and are required to carry hand tools from job to job will be compensated at the rate of two dollars and fifty cents (\$2.50) per day as authorized.

(j) **Responsibility for the Work of Others**

- (1) A Distribution Technician assigned by Local Management to be responsible for the work of others (not to exceed 8) when such

responsibility includes functions such as laying out and assigning work, training, interpreting job information, checking and testing, housekeeping, safety, contacting suppliers, customers' representatives or others, and certifying the accuracy of employees' time records shall be granted a pay allowance of \$7.00 per day, for each Scheduled Daily Tour in which the employee is assigned such responsibility for four (4) hours or more. Employees in the former title of System Technician, and who are transferred into the Distribution Technician title in accordance with the Stipulation dated September 11, 1991, shall not be eligible to receive this payment.

- (2) An employee will not be eligible for the allowance payable under Paragraph 4(j)(1) for any tour during which the employee is assigned to relieve a manager under the provisions of Paragraph 4(f).
- 5 In addition to the schedule set forth in Article 16 (Transfers, Travel Allowances, and Moving Expenses) the following schedule shall be applicable to Distribution Technicians.

Distance in Road Miles from the Employee's Regular Reporting Location to the Temporary Reporting Location	Allowance (One Way)
Over 35 miles, but not over 45 miles	\$15.00

For Distribution Technician employees covered by this Article, the provisions of Article 16 (Transfers, Travel Allowances, and Moving Expenses), Paragraph 3 (Travel Allowances - Temporary Transfers, Assignments or Reassignments Beyond Commuting Distance) shall not be applicable for temporary transfers in excess of thirty-five (35) miles and up to and including forty-five (45) miles.

- 6 In lieu of the provisions of Article 28, the following shall be applicable for Distribution Technicians.

**SUBCONTRACTING CLARIFICATION LETTER FOR DISTRIBUTION
TECHNICIAN
WORK AS PROVIDED IN THIS LETTER DATED
AUGUST 20, 1991**

This letter confirms our understanding concerning contracting, reached during discussions involving the incorporation of Distribution Technologies into the CWA-19 Bargaining Agreement.

The parties continue to recognize the intent of the Bahr-Williams letter dated May 27, 1989, and have agreed to set forth the following illustrative examples of business circumstances under which the letter would permit the contracting of work traditionally performed by Distribution Technicians where Distribution Technicians retain recall rights in the same GCA. It is understood that the

Article 32

following examples are representative of likely occurrences and that they are not intended to be all inclusive.

EXAMPLE 1

The number of employees required for the work exceeds the number of on-roll and laid off employees available to staff the work, and the Company does not have sufficient lead time to recall and hire the necessary force.

For example:

- All current employees are assigned, and five additional employees are required for a six month project which starts in two weeks. In this instance the Company may subcontract; however,
- If all current employees are assigned, five employees are on recall, and ten employees are required for a six month project which starts in ten weeks, the Company's intent would be to recall employees and hire additional employees.

EXAMPLE 2

Because of the length of the projected schedule of the work (either the total job or individual job segments) the Company is unable to staff the job through recall of employees.

For example:

- The total job is of four weeks duration requiring five employees; however, because of the needs of the customer, the employees cannot work four consecutive weeks and must work intermittently. The Company may subcontract.
- The job is of four weeks duration. Two employees will be required for the first two weeks, and three employees will be required for the remaining two weeks. The Company may subcontract; however, Paragraph 3.72 of Article 30, Installation Contract CWA-19 shall be utilized when possible.

EXAMPLE 3

A job occurs in a GCA where Distribution Technologies has no current presence.

For example:

- A six month university job was completed last year and ten employees are on recall. A new ten week job requiring four employees occurs in the GCA. The Company may subcontract.
- A six month university job was completed last year and ten employees are on recall. A new three month job requiring six employees occurs in the GCA; however, no qualified Distribution Technician or manager from another GCA is available to direct the job. The Company may subcontract.

EXAMPLE 4

The projected schedule for work in accordance with customer demand cannot be met through the recall of employees.

For example:

- A job of three weeks duration requiring two employees is awarded and five employees are on recall. However, the lead time to begin the job is only two weeks. The Company may subcontract; however, Paragraph 3.72 of Article 30, Installation Contract CWA-19 shall be utilized when possible.

It is further understood that the following shall not be considered as contracted work coincident with the incorporation of Distribution Technologies into the CWA-19 Agreement.

- Traditional Distribution Technologies work performed by Distribution Technologies for other Business Groups such as, but not limited to, BCS, GBS, and Computer Systems.
- Network Systems Installers who are detailed to perform traditional Distribution Technologies work.

In the competitive and volatile environment of this business, several of the above conditions may exist simultaneously. However, it is the Company's intent to optimize the utilization of its employees to cost effectively meet customer needs, including borrowing employees normally assigned to traditional installation work. In addition, the Company's intent is to provide continuous employment where there is a sustainable work load. Through these examples, it is the Company's desire to convey its intention that subcontracting of this work in the future would only be done when the Company has no other reasonable alternative, in accordance with the provision of the Bahr-Williams letter.

AGREED THIS 11 DAY OF September, 1991:

AMERICAN TELEPHONE &
TELEGRAPH COMPANY

COMMUNICATIONS WORKERS OF
AMERICA

BY:/s/James J. Breslin
Labor Relations
Vice President

BY:/s/Ronald J. Allen
Chairperson - Bargaining
Committee

**MEDIATION PROCESS FOR DISPUTES REGARDING
SUBCONTRACTING OF WORK PERFORMED BY
DISTRIBUTION TECHNICIANS AS PROVIDED IN THE DT/NS
LETTER DATED AUGUST 20, 1991**

Disputes regarding the Company's subcontracting of work performed by Distribution Technicians and provided for in the DT/NS subcontracting clarification letter, dated August 20, 1991, may, after the grievance procedure has been exhausted, be mediated by the Union under the procedure described herein.

In order to invoke the mediation proceeding, the Union must file a written demand to mediate the grievance with the Company's bargaining agent for

Article 32

Installation postmarked within five (5) days of receipt of the Company's final grievance answer. The Company's bargaining agent and the Union's bargaining representative will select the next immediately available mediator, in rotation, from a panel of five mediators selected in advance by mutual agreement of the parties.

The mediator will be notified forthwith, and the mediation will be scheduled at the earliest available date. If a mediation hearing cannot be scheduled within thirty (30) days after the written demand to mediate the grievance is received by the Company, then, absent a mutual extension of time agreement signed by the Union and the Company, the next immediately available mediator shall be selected to mediate the grievance. If none of the mediators selected by the parties is available for a hearing within thirty (30) days after the written demand to mediate, the parties shall schedule a hearing with the mediator that has the earliest available date.

Normally, mediation conferences be held in Washington, D.C., and will normally be conducted in a Company or Union facility or in the office of the mediator. The direct expense of the mediation conference, but not including the expense incurred by the parties or their witnesses, shall be borne equally by the Company and the Union.

The spokesperson for the Company will be the Company's bargaining agent for Installation or his or her designee. The spokesperson for the Union will be _____ . Attorneys will not be used by either party at the mediation conference.

All written material that is presented to the mediator or to the other party shall be treated as confidential by the participants and should not be used for any other purpose. The written material shall be returned to the party presenting the material at the termination of the mediation conference. The mediator may, however, retain one copy of the written grievance to be used solely for purposes of statistical analysis.

Proceedings before the mediator shall be informal in nature and shall include but one such disputed job unless otherwise agreed. The issue mediated will be the same as the issue the parties have failed to resolve through the grievance process. The rules of evidence will not apply and no record of the mediation conference shall be made. The decision of the mediator shall be confirmed on the form attached as Exhibit A and no other opinion or decision shall be issued.

The mediator will attempt to mediate the dispute and is authorized to make a binding resolution of the grievance. At the mediation conference the mediator shall announce his or her resolution of the grievance and the basis for the resolution.

The mediator's authority shall be limited to a determination of whether or not the Company subcontracted work in violation of the DT/NS subcontracting clarification letter dated August 20, 1991.

If the mediator determines that the Company subcontracted work in violation of the letter, the Company will, to the extent practicable in meeting the customer's completion date on the order in question, cease any remaining subcontracting of the specific job at issue in the grievance; in addition, the Company will compensate the grievant(s) who would have been recalled and would have accepted recall, and who also would have been available to perform the work, for lost wages, if any, at his or her Adjusted Rate for time lost within his or her Scheduled Weekly Tour less any amount paid to or received by the employee as wages in other employment and as unemployment benefits under provisions of law during the period.

Any resolution agreed to by the parties or any resolution made by the mediator shall not be cited by either party nor shall it constitute a precedent in any other proceeding.

The Company and the Union recognize and confirm that the grievance procedure and the mediation procedure herein established provide the mutually agreed upon and exclusive forums for resolution of disputes under the DT/NS subcontracting clarification letter dated August 20, 1991.

This agreement to mediate disputes arising under the DT/NS subcontracting clarification letter dated August 20, 1991, shall expire on May 30, 1998.

AGREED:

FOR THE UNION
BY: /s/R. G. Richhart
Bargaining Chairman

FOR THE COMPANY
BY: /s/J. W. Roth
Labor Relations Manager
Installation

APPROVED:

/s/J. E. Irvine
Vice President
Communications Workers of America

7 MOTOR VEHICLE USAGE PROGRAM

- (a) There will be established in the Company a Motor Vehicle Usage Program to provide, in those administrative work units where implemented, that employees who participate will be assigned a motor vehicle for use in their work and for traveling between their work locations and places of residence or other designated places for the vehicle storage.
- (b) The Motor Vehicle Usage Program will be implemented only within administrative work units where some or all of the employees normally use a Company-provided motor vehicle in order to perform their work. The decision to implement and to continue the program within any such administrative work unit will be within management's discretion.

Article 32

- (c) When the Motor Vehicle Usage Program is introduced within an administrative work unit, all employees within that unit who normally use a Company-provided motor vehicle in the performance of their work assignment will be eligible to participate. Participation by any such employees will be on a voluntary basis. If an employee elects not to participate, management will determine where the motor vehicle assigned to that employee is to be stored and that location will become the employee's work reporting location.
- (d) Employees who participate in the Program will be expected to provide normally secure and legal storage for the vehicle at their places of residence. If the vehicle cannot be properly stored at an employee's place of residence, the Company may arrange for appropriate storage at its expense.
- (e) The Company will make arrangements for maintenance of the vehicle; however, it will be the responsibility of the employee to whom the vehicle is assigned to assure that the vehicle is properly maintained.
- (f) For employees who participate in the Motor Vehicle Usage Program, a work reporting area will be established on a local basis before implementation. Such work reporting area will be designed so as to serve the interests of the customer, reasonably accommodate the employee, and be satisfactory to management and the Union. The work reporting area normally will be a circular geographic area. In large congested metropolitan locations or where natural barriers render a circular work reporting area impractical, other suitable parameters will be established.
- (g) Each participating employee will be expected to begin and end the work tour at any assigned location within the established work reporting area. Prior to implementation of the Program, the Company and Union will determine a method of compensation for employees who begin or end a work tour outside an established work reporting area.

ARTICLE 33 - TELESALES

- 1 The provisions of this Article apply only to employees assigned to the titles listed below:

Customer Account Representative
Telephone Sales Representative
Administrative Clerk

2 **Titles/Descriptions**

(a) **Customer Account Representative**

- Perform sales of all forms of maintenance offerings through inbound and outbound calling and other sources.
- Perform order management
- Develop and generate proposals, configurations, quotes and contracts
- Address customer billing issues
- Eligible for Sales Recognition Program

Sales Recognition Program:

In order to reward Customer Account Representatives (CAR) who fully meet periodic special incentive targets, CARs will be eligible to participate in a Sales Recognition Program (SRP). SRP awards shall include gift certificates and other non-cash awards not to exceed \$100 in value.

Under the SRP, the Company will determine special monthly and quarterly sales incentives. Incentives will be announced by the third business day of the incentive period. SRP awards will be given following the end of the incentive period.

Disputes arising under the SRP shall not be subject to grievance or arbitration.

(b) **Telephone Sales Representative**

- Performs sales of all forms of maintenance offerings through inbound and outbound calling and other sources
- Perform product sales
- Perform order management
- Develop and generate proposals, configurations, quotes and contracts
- Eligible for Management by Objective Program

Article 33

Management by Objective (MBO) Program:

(1) Eligibility

In order to reward Telephone Sales Representatives (TSR) who fully meet periodic special incentive targets, TSRs will be eligible to participate in a Management By Objective (MBO) program. Total annual compensation paid under the MBO will be up to 10% of the annual wages for all TSRs.

(2) Incentives and Payments

Under the MBO, the Company will determine special monthly and quarterly sales incentives. Incentives will be announced by the third business day of the incentive period. Payouts for the incentive period shall be made during the last pay period of the month following the incentive period.

(3) Joint Union-Company Committee

A Joint Union-Company committee will be established to review the effectiveness of the MBO program. The committee will consist of two (2) management employees and two (2) represented employees (to be selected by the Union). They will meet and review the MBO program at least quarterly to provide feedback on the results of the incentives and recommend changes/improvements based on the results of the previous period.

Disputes under the MBO will not be subject to grievance or arbitration.

(c) **Administrative Clerk**

- Provides administrative support to offer, sales and contract processes
- Provides general administrative support to facility
- Current Sales Operations Specialist, Receptionist, Building Services Administrator and Services Project Specialist (w/out "order audit" function).

3 **Weekly Work Schedules and Hours of Work**

(a) **General**

- (1) All assignments of working forces shall be subject to service and work requirements. The decision of the Company with respect to service and work requirements shall be controlling.
- (2) The working conditions of an employee shall be those specified for the group to which the employee is assigned. When an employee is assigned temporarily to a different group within an office or to a similar or different group in another office, the

employee shall assume the working conditions of the temporary assignment.

- (3) Normal tours at each office for each department shall be as specified by the Executive Head.

(b) **Weekly Work Schedules**

- (1) The normal work week shall consist of five (5) tours in one (1) calendar week of Monday through Saturday, inclusive, except that in any work operation where the Company regularly provides coverage on each day of the calendar week the normal work week shall consist of five (5) tours in one (1) calendar week of Sunday through Saturday, inclusive.
- (2) In a week in which an authorized holiday occurs, one (1) of the scheduled normal tours shall be on the holiday.

(c) **Tour Selection**

An employee shall be permitted to select the tour the employee desires to work subject to the following conditions:

- (1) An employee shall not be permitted to select the days of the week the employee is to work or the type of work the employee is to perform.
- (2) Tour selection shall occur at least three (3) times during each calendar year.
- (3) Where there are two (2) or more regular full-time employees in a work group they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (4) Where there are two (2) or more regular part-time employees in a work group, they shall be allowed to choose their tour based on seniority, qualifications and needs of the business permitting.
- (5) The provision of Paragraph 2(c)(2) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(d) **Hours of Work - Scheduling**

- (1) Work schedules will be established for each calendar week, designating the days and hours of work for each employee. Such schedules shall be posted not later than 3:00 P.M. Wednesday of the preceding week.
- (2) The Company may change an employee's work schedule by notifying the employee at least forty-eight (48) hours in advance of the first changed hour.
- (3) When an employee's work schedule is changed without forty-eight (48) hours notice in advance of the first changed hour, as

Article 33

provided for in Paragraph 2(d)(2) all hours worked outside of the employee's established schedule shall be paid at Time and One Half.

- (i) Schedule changes should be the exception rather than the rule, if used.
 - (ii) Schedules will be posted as far in advance as possible, but no later than paragraph 2(d)(1), ie: when the job dates are determined.
 - (iii) Paragraph 2 (d)(3) 48 hour change is for emergencies and unforeseen circumstances only.
- (4) The provision of Paragraph 2(d)(1) shall not apply in occupational and/or administrative units where employees' scheduled hours of work and scheduled days do not normally vary.

(e) **Relief/M meal Period**

The assignment of relief periods will be determined by the Company and will be subject to force and work conditions in each office or location. One (1) relief period will normally be assigned to each employee working a tour of four (4) to six (6) hours. Two (2) relief periods and a meal period will normally be assigned for each employee working a tour of over six (6) hours. Unless unusual conditions develop, such relief periods shall start not less than one (1) hour from the beginning or end of the tour.

(f) **Daylight Savings Time**

- (1) On the night the change is made from standard to daylight savings time, no deduction in pay shall be made even though the actual work time is reduced by one (1) hour for tours scheduled to end after 2:00 A.M.
- (2) When the change is made from daylight savings time to standard time, an employee scheduled to work a tour ending after 2:00 A.M. may be required to work additional time. That additional time will be paid in accordance with Paragraph 3 (Overtime).

(g) **Minimum Scheduling - Part-Time**

Part-time employees shall be scheduled to work not fewer than three (3) hours on any given day on which such employees are scheduled to work.

4 **Overtime**

(a) **Overtime Payments**

Employees required to work overtime shall be paid at the Time and One-Half Overtime Rate for work performed under the following conditions:

- (1) For hours worked outside an employee's Scheduled Daily Tour provided Scheduled Daily Tour is eight (8) hours or more.
- (2) Time worked in excess of forty (40) regularly scheduled hours in a calendar week.
- (3) On a Non-Scheduled Day other than a holiday.

(b) **Double Time Payments**

Overtime worked in excess of eight (8) hours at the Time and One-Half Overtime Rate (as provided in Paragraph 4(a)) within a calendar week shall be paid at the Double Time Overtime Rate.

(c) **Overtime Continuous With a Tour**

Overtime continuous with a tour worked shall be considered as occurring on the same day as such tour. Overtime not continuous with a tour shall be considered as occurring on the day such period of overtime started.

5 **Differentials and Other Payments**

(a) **Night Differential**

Employees whose weekly work schedules consist of regularly scheduled night tours shall receive a night differential of ten percent (10%) of their Adjusted Rate. Employees who work fewer than five (5) night tours in a calendar week shall be paid a differential equal to one-fifth (1/5) of the night differential for each scheduled tour so worked.

(b) **Call-In Payments**

- (1) An employee contacted while at home and off duty and required to immediately report to work during non-scheduled periods or during a previously excused scheduled tour on an authorized holiday shall be paid for all time worked, including a reasonable amount of travel time going to and from home, at the appropriate overtime rate. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. For such work performed during an employee's excused Scheduled Daily Tour on a holiday, the employee shall be compensated as set forth herein, in addition to any holiday allowance to which the employee is entitled. For such work performed outside the period of the employee's excused Scheduled Daily Tour on a holiday, the employee shall be paid as set forth herein, except that two and one-half (2-1/2) times the employee's Adjusted Rate shall be substituted for the employee's overtime rate. The provisions of this Paragraph 5(b)(1) do not apply if such time worked is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on an authorized holiday.

Article 33

Time allowed for a meal period shall not be considered as a break in the continuity of work time.

- (2) When an employee is contacted while at home and off duty and is required to immediately report to work during non-scheduled periods and the time worked as a result of the call-in is continuous with the employee's Scheduled Daily Tour other than a previously excused scheduled tour on a holiday, the employee shall be paid at the appropriate overtime rate, including a reasonable amount of one (1) way travel time from home, for time worked before the starting time of the employee's Scheduled Daily Tour. Payment for time worked on a call-in plus pay for traveling time, as specified shall not be less than two (2) hours pay at the applicable overtime rate. Time allowed for a meal period shall not be considered as a break in the continuity of work time. If, before the end of the employee's Scheduled Daily Tour, the employee is directed by management to travel back to their residence for a rest period, the employee shall be reimbursed for personal vehicle usage at the current IRS allowable rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel and shall be paid for scheduled time not worked as a result of such direction.
- (3) Employee's receiving call-in payments pursuant to Paragraphs 5(b)(1) or 5(b)(2) above shall not be entitled to payments or reimbursement as provided for in Article 16 (Transfers, Travel Allowances and Moving Expenses), except that employees shall be reimbursed for authorized personal vehicle usage at the current IRS allowable rate, plus actual out-of-pocket travel related expenses incurred in connection with such travel.

(c) **Call-Up Payments**

- (1) When a telephone call is made or authorized by a supervisor to an employee during periods the employee is not on work time, the employee will be compensated if the call meets all of the following criteria:
 - (i) The call is made outside the employee's Scheduled Daily Tour or on a Non-Scheduled Day or an excused holiday;
 - (ii) The employee uses his or her job knowledge and skill; and,
 - (iii) The call was not necessitated by error or omission by the employee.
- (2) An employee who meets the preceding criteria will be compensated as follows:
 - (i) A call-up of less than one-quarter (1/4) hour, paid one (1) hour overtime pay at applicable rate.

- (ii) A call-up of one-quarter (1/4) hour but less than one (1) hour, paid two (2) hours overtime pay at applicable rate.
 - (iii) A call-up of one (1) hour or longer, paid the greater of two (2) hours overtime pay at applicable rate or the actual time for such call.
 - (3) When more than a single telephone call is involved, the compensation of each call shall be as prescribed above; however, the total compensation for the telephone calls shall not be greater than that to which the employee would have been entitled had the employee been on the telephone continuously for the combined duration of each telephone call.
- (d) **On-Call Payments**
- (1) Employees as shown in Paragraph 1 with necessary skills may be requested to remain in contact with the Company outside of scheduled tours by use of a beeper or other communication device. The requirement to remain in contact with the Company will be rotated among all qualified volunteers in the work group. Depending on operational needs, employees with the necessary skills may be assigned on-call for one (1) day or more than one (1) day, up to and including seven (7) consecutive days. Those employees who have agreed to remain in contact will receive a payment equal to one and one-half (1 1/2) hours of pay at their Hourly Adjusted Rate for each on-call assignment. Employees called-up will be eligible for call-up treatment as provided for in Paragraph 5(c). Employees actually called in will be eligible for call-in payment as provided for in Paragraph 5(b). In the absence of sufficient volunteers, the local manager will meet and discuss the need for volunteers with the local Union.
 - (2) When, because of illness or other absence, another employee is required to substitute for the employee assigned on-call responsibility, the substituting employee will receive a daily on-call payment (under the same terms and conditions described in Paragraph 5(d)(1) above) instead of the originally assigned employee for each day of substitution.
- (e) **Sunday Payments**
- Payment to employees for all hours worked during a Scheduled Daily Tour on a Sunday shall be paid at Time and One-Half. All other hours worked on a Sunday will be paid at the Time and One-Half Overtime Rate or the Double Time Overtime Rate, as appropriate.
- (f) **Management Relief Differential**
- (1) An employee who is assigned to relieve a Management employee shall receive a payment of fifteen dollars (\$15.00) for each tour or part in excess of one-half (1/2) thereof so worked.

Article 33

(2) Employees assigned to relieve a Management employee may perform all duties normally performed by the manager except that the employee shall not have access to personnel files and may not administer disciplinary action. Employees may also perform their normal duties while relieving the manager.

(g) **Christmas Eve and New Year's Eve Payments**

For tours or overtime worked on December 24 and December 31, an employee shall be compensated at the double time rate for all time worked between 7:00 PM and 12:00 midnight.

(h) **Temporary Assignment to Higher Occupational Job Classification**

Employees temporarily assigned to work in a higher occupational job classification shall receive a classification differential for each day in which an employee works three (3) or more hours in the higher assignment. Such daily classification differential shall be one-fifth (1/5) of the promotional increase which would apply if the assignment in the higher classification were on a permanent rather than on a temporary basis.

6 **TERMINATION PAYMENTS**

A termination payment, plus compensation for any vacation to which the employee is entitled at the time of leaving the Company, shall be paid to a regular employee in the titles covered by this Article 33 who is laid off.

The termination payment shall be computed in accordance with the following schedule and shall be based on the employee's Net Credited Service and the employee's Adjusted Rate, except that for an employee who received an evening or night differential payment for the week in which the date of the layoff or resignation occurred, the rate of pay shall include the evening or night differential payment.

YEARS OF NET CREDITED SERVICE	AMOUNT OF PAYMENT
Less than 1 year	None
1 year but less than 2 years	1 week's pay
2 years but less than 3 years	2 weeks' pay
3 years but less than 4 years	3 weeks' pay
4 years but less than 5 years	4 weeks' pay
5 years but less than 6 years	6 weeks' pay
6 years but less than 7 years	8 weeks' pay
7 years but less than 8 years	10 weeks' pay
8 years but less than 9 years	12 weeks' pay
9 years but less than 10 years	16 weeks' pay
10 years but less than 11 years	20 weeks' pay
11 years but less than 12 years	24 weeks' pay
More than 12 years	26 weeks' pay

Note: The maximum amount of termination payment shall not exceed twenty-six (26) weeks.

7 CALL MONITORING

Sampling of service, used in the spirit of trust and respect, is a valuable tool to promote sales and enhance customer service. To optimize sales efforts, develop skills, and assure courteous treatment, accurate information and superior service customer calls may be monitored to assist in the training and development of employees, identification of customer needs, and product evaluation.

Feedback of calls sampled will be provided to the employee by the end of the second scheduled daily tour after the sampled call. The employee will be notified of exceptional service or gross customer abuse immediately.

Company utilization of technology that enables the recording of customer calls and computer screen activity during the calls is for training and developmental purposes. Developmental programs will be jointly developed by the associate and coach. If the results of the sampling are to be used for developmental and/or evaluative purposes, employees will be given prior notification the day sampling is to take place.

Article 33

Process monitoring is defined as any call sampling other than individual call sampling. Employees will not be disciplined as a result of process monitoring. However, if gross customer abuse is observed and the specific employee can be identified, it may be documented and reviewed with the employee in an effort to correct the behavior.

The Company will continue to comply with any applicable laws regarding service monitoring or observation.

8 **EXCLUDED ARTICLES**

The following Articles of the Avaya/CWA 2006 Agreement shall not apply to Employees covered by this Article 33:

- (a) Article 25 – Termination Payments
- (b) Article 26 – Reassignment Pay Protection Plan
- (c) Call Monitoring Agreements

PAYROLL DEDUCTION AUTHORIZATION

____ - ____ - ____ Name _____
 Social Security _____ Last _____ First _____ Middle _____
 Number Initial

I hereby authorize Avaya to deduct from my salary or wages, sickness or disability payments, or other benefit payments or vacation payments, an amount equal to regular monthly Union dues. If for any reason Avaya fails or is unable to make a deduction, I authorize Avaya to make such deduction in a subsequent payroll period.

The amount equal to regular monthly Union dues shall be that which is certified to Avaya by the Communications Workers of America for the bargaining unit and job in which I am employed and shall automatically be adjusted for any bargaining unit and job changes, if applicable.

This authorization shall remain in effect when I am employed by Avaya unless cancelled by me. Such cancellation must be individually sent to my Avaya Payroll Office and the Union Local by Certified Mail during the fourteen (14) day period prior to the anniversary date or termination date of the current or subsequent Collective Bargaining Agreement, and shall be effective on the first payroll period in the following month.

This authorization is voluntarily made in order to pay my fair share of the Union's cost of representing me for purposes of collective bargaining, and this authorization is not conditioned on my present or future membership in the Union.

In addition, I authorize Avaya to deduct from my salary, wages or other payment an amount of \$_____ in payment of my initiation fee.

Amounts deducted in accordance with this authorization are not deductible as charitable contributions for federal income tax purposes.

_____ Date	_____ Signature of Employee
_____ Employee Work Location	_____ Union Local
_____ Avaya Organization	

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AVAYA BUSINESS GROUPS AND ORGANIZATIONS

Avaya Global Services

Finance

Global Sales & Marketing

Global Technology & Operations

Human Resources

Appendix 2

SPECIAL CITY ALLOWANCE

An employee whose assigned reporting location on a particular day is within the central area of one of the cities listed below will be paid a Special City Allowance for each day the employee works after reporting at such assigned reporting locations. The amount of the allowance at each city is shown below.

The Special City Allowance will enter into computations of overtime pay as part of the overtime adjustment formula as required by law but will not be part of the Standard Rate or Adjusted Rate nor enter into the computation of any payments under the Employee Benefit Plans or any other fringe benefits or differentials.

Not more than one full daily allowance will be paid to an employee on any one day regardless of the number of times the employee reports to a qualified location during that day.

Locality	Daily Allowances	Locality	Daily Allowances
Atlanta, GA	\$ 1.00	Matteson, IL	\$ 1.40
Baltimore, MD	\$ 1.40	Miami, FL	\$ 1.00
Bayonne, NJ	\$ 1.40	Milwaukee, WI	\$ 1.00
Birmingham, AL	\$ 1.00	Minneapolis, MN	\$ 1.00
Boston, MA	\$ 1.40	New Orleans, LA	\$ 1.00
Chicago, IL	\$ 1.40	New York, NY	\$ 1.80
Cleveland, OH	\$ 1.40	Newark, NJ	\$ 1.40
Dallas, TX	\$ 1.00	Oakland, CA	\$ 1.40
Denver, CO	\$ 1.00	Philadelphia, PA	\$ 1.40
Detroit, MI	\$ 1.40	Phoenix, AZ	\$ 1.00
E. St. Louis, IL	\$ 1.00	Pittsburgh, PA	\$ 1.40
Ft. Worth, TX	\$ 1.00	Portland, OR	\$ 1.40
Houston, TX	\$ 1.00	San Francisco, CA	\$ 1.40
Indianapolis, IN	\$ 1.00	Seattle, WA	\$ 1.40
Jersey City, NJ	\$ 1.40	St. Louis, MO	\$ 1.00
Kansas City, KS	\$ 1.00	St. Paul, MN	\$ 1.00
Kansas City, MO	\$ 1.00	Tacoma, WA	\$ 1.40
Los Angeles, CA	\$ 1.40	Washington, DC	\$ 1.40

APPENDIX 3
TABLE OF CONTENTS

Recognition Section 1
Titles Section 2
Localities and Wage Areas..... Section 3
Wage Schedule Tables..... Section 4

Instructions:

- In Section 2 locate the "Title" and find the associated "Wage Schedule Table" number.
- In Section 3 locate the work "Locality" and find the associated "Wage Area".
- In Section 4 locate the "Wage Schedule Table" as determined in Section 2. Within that Table locate the "Wage Area" as determined in Section 3. The appropriate schedule is located under the "Wage Area"*.

*Not all "Wage Areas" are authorized in each "Wage Schedule Table"

Appendix 3
Section 1A

RECOGNITION - TITLES
Section A

Account Service Representative	Reports Clerk
Account Support Representative	Senior Clerk
Administrative Clerk	Senior Records Clerk
Administrative Clerk-I	Senior Software Associate
Customer Account Representative	Senior Technician
Customer Care Representative	Service Coordinator
Customer Software Administrator	Service Coordinator-3
Customer Systems Engineer	Service Coordinator-4
Distribution Technician	Special Clerk
Field Operations Clerk	Staging Technician
Field Operations Material Handler- I	Systems Applications Specialist
Field Operations Material Handler - II	Systems Support Specialist
Project Coordinator	Technical Systems Assembler
Records Clerk-1	Telephone Sales Representative

RECOGNITION - TITLES
SECTION B

In the **following states** and the **District of Columbia**, all titles in **Section A**

Alabama	Missouri
Alaska	Nebraska
Arizona	Nevada
Arkansas	New Mexico
California	North Carolina
Colorado	North Dakota
Delaware	Ohio
District of Columbia	Oklahoma
Florida	Oregon
Georgia	South Carolina
Hawaii	South Dakota
Idaho	Tennessee
Iowa	Texas
Kansas	Utah
Kentucky	Virginia
Louisiana	Washington
Maryland	West Virginia
Michigan	Wisconsin
Minnesota	Wyoming
Mississippi	

Appendix 3
Section 1B

RECOGNITION - TITLES
SECTION B

CONNECTICUT

In the **State of Connecticut** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Clerk
Senior Software Associate

The following titles are **common** to different bargaining units represented by different unions in the same state.*

Records Clerk
Reports Clerk
Senior Technician

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

RECOGNITION - TITLES
SECTION B

ILLINOIS

In the **State of Illinois** all titles in **Section A**, with the following exceptions:

Account Support Representative	Senior Clerk
Project Coordinator	Senior Software Associate

The following titles are **common** to different bargaining units represented by different unions in the same state.*

Administrative Clerk
Records Clerk
Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Appendix 3
Section 1B

RECOGNITION - TITLES
SECTION B

INDIANA

In the **State of Indiana** all titles in **Section A**, except that the following titles are **common** to different bargaining units represented by different unions in the same state.

Reports Clerk
Senior Technician
Service Coordinator

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

RECOGNITION - TITLES
SECTION B

MAINE

In the **State of Maine** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Software Associate
Senior Technician

The following titles are **common** to different bargaining units represented by different unions in the same state.*

Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Appendix 3
Section 1B

RECOGNITION - TITLES
SECTION B

MASSACHUSETTS

In the **State of Massachusetts** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Clerk
Senior Technician
Senior Software Associate

The following titles are **common** to different bargaining units represented by different unions in the same state.*

Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

RECOGNITION - TITLES
SECTION B

MONTANA

In the **State of Montana** all titles in **Section A**, with the following exceptions:

Senior Technician

Appendix 3
Section 1B

RECOGNITION - TITLES
SECTION B

NEW HAMPSHIRE

In the **State of New Hampshire** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Technician
Senior Software Associate

The following titles are **common** to different bargaining units represented by different unions in the same state.

Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

RECOGNITION - TITLES
SECTION B

NEW JERSEY

In the **State of New Jersey** all titles in **Section A**, with the following exceptions:

Senior Technician
Senior Software Associate

NEW YORK

In the **State of New York** all titles in **Section A**, except that the following titles are **common** to different bargaining units represented by different unions in the same state.*

Account Support Representative
Administrative Clerk
Reports Clerk

* The Union does not claim to represent employees in those titles that are included in another bargaining unit.

Appendix 3
Section 1B

RECOGNITION - TITLES
SECTION B

RHODE ISLAND

In the **State of Rhode Island** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Technician
Senior Software Associate

RECOGNITION - TITLES
SECTION B

VERMONT

In the **State of Vermont** all titles in **Section A**, with the following exceptions:

Project Coordinator
Senior Technician
Senior Software Associate

Appendix 3
Section 2

TITLES

TITLE	LEVEL	WAGE SCHED TABLE
Account Service Representative	SS-2	9
Account Support Representative	AR	11
Administrative Clerk	TG-3	1
Administrative Clerk – I	SS-2	9
Customer Account Representative	TG-3	1
Customer Care Representative	SR-C	5
Customer Software Administrator	TG-6	3
Field Operations Material Handler– I	MSLFA	14
Project Coordinator	SS-2	9
Records Clerk – I	E-3	7
Reports Clerk	TG-5	2
Senior Clerk	SS-2	9
Senior Records Clerk	TG-5	2
Senior Software Associate	SRTECH	12
Senior Technician	SRTECH	12
Service Coordinator	SS-2	9
Service Coordinator – 3	S-2	10
Service Coordinator – 4	SVCD4	13
Special Clerk	SS-1	8
Staging Technician	TECH	6
Systems Applications Specialist	TECH	6
Systems Support Specialist	TG-7	4
Technical Systems Assembler	TG-6	3
Telephone Sales Representative	TSR	15

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>ALABAMA</u>		Modesto	N2
Brewton	R2	Monterey Park	N1
Decatur	R1	Napa	N2
Florence	R2	Norwalk	N1
Homewood	R1	Novato	N1
Hoover	R1	Orange	N1
Huntsville	R1	Pasadena	N1
Mobile	R2	Pleasanton	N1
Montgomery	R1	Rancho Dominguez	N1
Tuscaloosa	R3	Redwood City	N1
<u>ALASKA</u>		Riverside	N1
	M3	Sacramento	N2
<u>ARIZONA</u>		San Diego	N1
Cottonwood	L2	San Francisco	N1
Flagstaff	L2	San Jose	N1
Mesa	L1	San Leandro	N1
Phoenix	L1	San Luis Obispo	N2
Tempe	L1	Santa Clara	N1
Tucson	L1	Santa Monica	N1
Yuma	L2	Santa Rosa	N2
<u>ARKANSAS</u>		Stockton	N2
Fayetteville	X4	Torrance	N1
Ft. Smith	X4	Tustin	N1
Little Rock	X1	Ukiah	N2
North Little Rock	X1	Vallejo	N2
Rogers	X4	Ventura	N1
<u>CALIFORNIA</u>		Walnut Creek	N1
Bakersfield	N2	Watsonville	N2
Concord	N1	Yuba City	N2
Costa Mesa	N1	<u>COLORADO *</u>	
El Centro	N1	Aurora	X1
Fairfield	N2	Avon	L1
Foster City	N1	Boulder	L1
Fremont	N1	Colorado Springs	L1
Fresno	N2	Denver	X1
Hayward	N1	Englewood	X1
Inglewood	N1	Greenwood Village	X1
Irvine	N1	Highlands Ranch	X1
Larkspur	N1	Westminster	X1
Los Angeles	N1		
Milpitas	N1		

* Account Support Representative title is in L1 Wage Area in CO.

Appendix 3
Section 3

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>DELAWARE</u>		Brunswick	P3
Dover	Z1	Clarkston	X1
New Castle	Z1	College Park	X1
Wilmington	Z1	Columbus	P3
		Dublin	P3
<u>DISTRICT OF COLUMBIA</u>		Duluth	X1
Washington	T1	Hampton	P2
		Macon	P2
<u>FLORIDA</u>		Marietta	X1
Boca Raton	P1	Martinez	P2
Boynton Beach	P1	Morrow	P2
Coral Gables	P1	Norcross	X1
Brandon	P2	Peachtree City	P2
Daytona Beach	P2	Robins AFB	P2
Delray Beach	P1	Rome	P3
Ft. Lauderdale	P1	Savannah	P2
Ft. Myers	P2	Thomasville	P3
Ft. Walton Beach	P3	Valdosta	P3
Jacksonville	P2		
Key West	P1	<u>HAWAII</u>	
Lake Mary	P2	Honolulu	U1
Largo	P2		
Maitland	P2	<u>IDAHO</u>	
Melbourne	P2	Boise	L2
Miami	P1	Idaho Falls	L2
Miramar	P1	Pocatello	L2
Orlando	P2	Twin Falls	L2
Palm Beach	P1		
Panama City	P2	<u>INDIANA</u>	
Pensacola	P2	Anderson	H4
Pompano Beach	P1	Bloomington	H4
Saint Petersburg	P2	Carmel	H2
Sarasota	P2	Evansville	H4
Tallahassee	P3	Ft. Wayne	H3
Tampa	P2	Indianapolis	H2
Vero Beach	P2	Muncie	H4
W. Palm Beach	P1	So. Bend	H3
		Terre Haute	H4
<u>GEORGIA</u>		<u>IOWA</u>	
Albany	P3	Ames	W2
Alpharetta	X1	Cedar Rapids	W2
Americus	P3	Davenport	W2
Athens	P3	Dubuque	W2
Atlanta	X1		

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>IOWA cont.</u>		Gaithersburg	T1
Muscatine	W2	Lanham	T1
Oskaloosa	W2	Linthicum	T2
Sioux City	W2	Mechanicsville	T3
Urbandale	W2	Rockville	T1
Waterloo	W2	Salisbury	T4
W. Burlington	W2	Silver Spring	T1
		Upper Marlboro	T1
<u>KANSAS</u>		<u>MICHIGAN</u>	
Coffeyville	X4	Allen Park	G2
Hays	X4	Ann Arbor	G2
Lenexa	X1	Dearborn	G2
Overland Park	X1	Flint	G2
Shawnee Mission	X1	Grand Rapids	G2
Topeka	X1	Ironwood	G4
Wichita	X3	Kalamazoo	G3
<u>KENTUCKY</u>		Madison Heights	G2
Bowling Green	R3	Marquette	G4
Franklin	R3	Northville	G2
Jeffersontown	R1	Okemos	G2
Lexington	R2	Plymouth	G2
Louisville	R1	Saginaw	G2
Owensboro	R2	Southfield	G2
Richmond	R2	Traverse City	G4
		Warren	G2
<u>LOUISIANA</u>		<u>MINNESOTA</u>	
Alexandria	R3	Bloomington	W1
Baton Rouge	R2	Duluth	W2
Gretna	R1	Marshall	W3
Hammond	R2	Minneapolis	W1
Houma	R2	Owatonna	W3
Jefferson	R1	Rochester	W2
Lafayette	R2	Waite Park	W2
Lake Charles	R2	Willmar	W3
Metairie	R1	Winona	W3
Monroe	R2		
Shreveport	R2		
<u>MARYLAND</u>		<u>MISSISSIPPI</u>	
Baltimore	T2	Clarksdale	R3
Beltsville	T1	Coffeeville	R3
Cheverly	T1	Columbus	R3
Frederick	T3	Greenville	R3
		Hattiesburg	R3

Appendix 3
Section 3

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>MISSISSIPPI cont.</u>		<u>NEW YORK</u>	
Jackson	R2	Albany	C2
Long Beach	R2	Amherst	C2
Meridian	R3	Bronx	C1
Ridgeland	R2	Brooklyn	C1
Southaven	R1 *	Catskill	C2
Tupelo	R3	Cheektowaga	C2
		Dewitt	C2
		Elmsford	C2
<u>MISSOURI</u>		Fairport	C2
Carthage	X4	Glendale	C1
Creve Coeur	X1	Harriman	C2
Flat River	X4	Hauppauge	C2
Fulton	X4	Horseheads	C2
Olivette	X1	Hudson	C2
Sikeston	X4	Ithaca	C2
Springfield	X3	Levittown	C2
Town and Country	X1	Manhattan	C1
		Maspeth	C1
<u>MONTANA</u>		Massena	C2
Billings	L2	Melville	C2
		New York	C1
<u>NEBRASKA</u>		Plainview	C2
Grand Island	W2	Plattsburgh	C2
Omaha	W2	Queens	C1
		Rochester	C2
<u>NEVADA</u>		Saratoga Springs	C2
Las Vegas	N2	Suffern	C2
Reno	N2	Utica	C2
Sparks	N2	Valhalla	C2
		Vestal	C2
<u>NEW JERSEY</u>	D1	Watertown	C2
		Woodside	C1
<u>NEW MEXICO</u>			
Albuquerque	L1	<u>NORTH CAROLINA</u>	
Las Cruces	L2	Arden	P3
Roswell	L2	Cary	P2
Sante Fe	L2	Charlotte	P2
		Gastonia	P3
		Goldsboro	P3
		Greensboro	P2
		Lumberton	P3
		Mcleansville	P2
		Raleigh	P2

* Field Operations Material Handler-I title in Southaven, MS is in Wage Area 02.

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>NORTH CAROLINA cont.</u>		<u>PENNSYLVANIA</u>	
Rockingham	P3	Allentown	S1
Statesville	P3	Bala Cynwyd	S1
Wilmington	P3	Bethel Park	S1
Winston Salem	P2	Broomall	S1
		Camp Hill	S1
		Canonsburg	S1
		Conshohocken	S1
		Ft. Washington	S1
		Green Lane	S1
		Harrisburg	S1
		Horsham	S1
		King Of Prussia	S1
		Lemoyne	S1
		Levittown	S1
		Malvern	S1
		Media	S1
		Newton Square	S1
		Philadelphia	S1
		Pittsburgh	S1
		Plains	S1
		Scranton	S1
		Wayne	S1
		W. Lawn	S1
		<u>SOUTH CAROLINA</u>	
		Aiken	P3
		Charleston	P2
		Columbia	P2
		Easley	P2
		Florence	P3
		Goose Creek	P2
		Myrtle Beach	P3
		West Columbia	P2
		<u>SOUTH DAKOTA</u>	
		Mitchell	W3
		Rapid City	W3
		Sioux Falls	W2
		Sturgis	W3
		Watertown	W3
<u>NORTH DAKOTA</u>			
Bismarck	W3		
Fargo	W2		
Grand Forks	W3		
Minot	W3		
<u>OHIO</u>			
Akron	E1		
Brooklyn Heights	E1		
Canfield	E1		
Cincinnati	E1		
Cleveland	E1		
Columbus	E1		
Dayton	E1		
Dublin	E1		
Gahanna	E1		
Gallipolis	E1		
Independence	E1		
Kettering	E1		
Maumee	E1		
Warrensville Heights	E1		
Winterville	E1		
Worthington	E1		
Zanesville	E1		
<u>OKLAHOMA</u>			
Edmond	X1		
McAlester	X4		
Oklahoma City	X1		
Tinker AFB	X1		
Tulsa	X1		
<u>OREGON</u>			
Albany	M2		
Eugene	M2		
Medford	M2		
Portland	M2		
Salem	M2		

Appendix 3
Section 3

LOCALITIES AND WAGE AREAS			
LOCALITY	AREA	LOCALITY	AREA
<u>TENNESSEE</u>		<u>UTAH</u>	
Brentwood	R1	Murray	L1
Chattanooga	R2	Ogden	L2
Clarksville	R3	Payson	L2
Columbia	R3	Salt Lake City	L1
Franklin	R1	West Valley City	L1
Jackson	R3		
Knoxville	R2	<u>VIRGINIA</u>	
Memphis	R1	Alexandria	T1
Murfreesboro	R3	Arlington	T1
Nashville	R1	Chantilly	T1
Sweetwater	R2	Charlottesville	T3
Trenton	R3	Chesapeake	T3
		Chester	T3
		Danville	T3
<u>TEXAS</u>		Fairfax	T1
Abilene	X4	Fredericksburg	T3
Addison	X1	Glen Allen	T3
Amarillo	X3	Herndon	T1
Austin	X1	Leesburg	T2
Beaumont	X1	Lynchburg	T3
Bellaire	X1	Newport News	T3
Carrollton	X1	Norfolk	T3
Corpus Christi	X3	Oakton	T1
Dallas	X1	Reston	T1
El Paso	X2	Richmond	T3
Ft. Worth	X1	Roanoke	T3
Harlingen	X4	Springfield	T1
Houston	X1		
La Marque	X1	<u>WASHINGTON</u>	
Laredo	X4	Bremerton	M2
Lubbock	X3	Fife	M2
Mc Allen	X4	Kent	M2
Mesquite	X1	Lacey	M2
Midland	X3	Olympia	M2
San Antonio	X1	Seattle	M1
Tyler	X4	Spokane	M2
Vernon	X4	Yakima	M2
Victoria	X3		

LOCALITY	LOCALITIES AND WAGE AREAS
AREA	
<u>WEST VIRGINIA</u>	
Clarksburg	T3
Daniels	T3
Dunbar	T2
Huntington	T3
Martinsburg	T3
Morgantown	T3
Parkersburg	T3
Weirton	T3
Wheeling	T3
Williamson	T3
<u>WISCONSIN</u>	
Appleton	K3
Brookfield	K1
Eau Claire	K2
Fond Du Lac	K3
Green Bay	K3
Madison	K1
Milwaukee	K1
Neenah	K2
Racine	K1
Stevens Point	K3
Waukesha	K1
<u>WYOMING</u>	
Cheyenne	L2

Appendix 3
Section 4

WAGE SCHEDULE TABLES

Table 1
TG-3

		Wage Area - P2		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$6.76	\$6.96	\$7.17
	2	\$7.59	\$7.82	\$8.05
	3	\$8.53	\$8.78	\$9.05
	4	\$9.58	\$9.87	\$10.16
	5	\$10.76	\$11.08	\$11.42
	6	\$12.09	\$12.45	\$12.83
	7	\$13.58	\$13.99	\$14.41
	8	\$15.26	\$15.71	\$16.18
Maximum	9	\$17.14	\$17.65	\$18.18
Pension Band		103	103	103

Table 2
TG-5

		Wage Area - D1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.85	\$8.09	\$8.33
	2	\$8.94	\$9.22	\$9.49
	3	\$10.19	\$10.50	\$10.82
	4	\$11.61	\$11.97	\$12.32
	5	\$13.23	\$13.63	\$14.04
	6	\$15.08	\$15.54	\$16.00
	7	\$17.18	\$17.70	\$18.23
	8	\$19.58	\$20.17	\$20.77
Maximum	9	\$22.31	\$22.98	\$23.67
Pension Band		109	109	109

		Wage Area - N1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.61	\$8.87	\$9.14
	2	\$9.72	\$10.01	\$10.32
	3	\$10.97	\$11.30	\$11.65
	4	\$12.39	\$12.76	\$13.15
	5	\$13.99	\$14.41	\$14.84
	6	\$15.79	\$16.26	\$16.75
	7	\$17.83	\$18.36	\$18.91
	8	\$20.12	\$20.73	\$21.35
Maximum	9	\$22.72	\$23.40	\$24.10
Pension Band		110	110	110

Appendix 3
Section 4

Table 2
TG-5

		Wage Area - X1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.55	\$7.78	\$8.01
	2	\$8.66	\$8.92	\$9.19
	3	\$9.93	\$10.23	\$10.53
	4	\$11.39	\$11.73	\$12.08
	5	\$13.06	\$13.45	\$13.85
	6	\$14.97	\$15.43	\$15.89
	7	\$17.17	\$17.69	\$18.22
	8	\$19.69	\$20.28	\$20.89
Maximum	9	\$22.58	\$23.26	\$23.96
Pension Band		109	109	109

Table 3
TG-6

		Wage Area - P2		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.42	\$7.64	\$7.87
	2	\$8.54	\$8.80	\$9.06
	3	\$9.84	\$10.13	\$10.43
	4	\$11.33	\$11.66	\$12.01
	5	\$13.04	\$13.43	\$13.83
	6	\$15.02	\$15.46	\$15.93
	7	\$17.29	\$17.81	\$18.34
	8	\$19.91	\$20.50	\$21.12
Maximum	9	\$22.92	\$23.61	\$24.32
Pension Band		110	110	110

		Wage Area - R1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.48	\$7.70	\$7.93
	2	\$8.62	\$8.87	\$9.14
	3	\$9.93	\$10.22	\$10.53
	4	\$11.44	\$11.78	\$12.13
	5	\$13.18	\$13.57	\$13.98
	6	\$15.18	\$15.64	\$16.11
	7	\$17.49	\$18.02	\$18.56
	8	\$20.15	\$20.76	\$21.38
Maximum	9	\$23.22	\$23.92	\$24.64
Pension Band		110	110	110

Appendix 3
Section 4

Table 3
TG-6

		Wage Area - X1		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.85	\$8.09	\$8.33
	2	\$9.04	\$9.32	\$9.59
	3	\$10.41	\$10.73	\$11.05
	4	\$11.99	\$12.35	\$12.72
	5	\$13.80	\$14.22	\$14.65
	6	\$15.89	\$16.38	\$16.86
	7	\$18.30	\$18.86	\$19.42
	8	\$21.08	\$21.71	\$22.36
Maximum	9	\$24.27	\$25.00	\$25.75
Pension Band		112	112	112

Table 4
TG-7

		Wage Area - X1		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$8.22	\$8.47	\$8.72
	2	\$9.49	\$9.78	\$10.07
	3	\$10.96	\$11.29	\$11.63
	4	\$12.66	\$13.04	\$13.43
	5	\$14.62	\$15.06	\$15.51
	6	\$16.88	\$17.39	\$17.91
	7	\$19.50	\$20.08	\$20.68
	8	\$22.51	\$23.19	\$23.88
Maximum	9	\$26.00	\$26.78	\$27.58
Pension Band		114	114	114

Table 5
SR-C

		Wage Area - X1		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.85	\$8.09	\$8.33
	2	\$9.04	\$9.32	\$9.59
	3	\$10.41	\$10.73	\$11.05
	4	\$11.99	\$12.35	\$12.72
	5	\$13.80	\$14.22	\$14.65
	6	\$15.89	\$16.38	\$16.86
	7	\$18.30	\$18.86	\$19.42
	8	\$21.08	\$21.71	\$22.36
Maximum	9	\$24.27	\$25.00	\$25.75
Pension Band		112	112	112

Table 6
TECH

Wage Area - P2

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.15	\$8.39	\$8.64
	2	\$9.23	\$9.51	\$9.79
	3	\$10.46	\$10.77	\$11.09
	4	\$11.85	\$12.20	\$12.57
	5	\$13.43	\$13.83	\$14.24
	6	\$15.21	\$15.67	\$16.13
	7	\$17.24	\$17.75	\$18.28
	8	\$19.53	\$20.11	\$20.71
	9	\$22.13	\$22.79	\$23.47
	10	\$25.07	\$25.82	\$26.59
Maximum	11	\$28.40	\$29.25	\$30.13
Pension Band		118	118	118

Wage Area - R1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.18	\$8.43	\$8.68
	2	\$9.27	\$9.56	\$9.84
	3	\$10.51	\$10.83	\$11.15
	4	\$11.92	\$12.28	\$12.64
	5	\$13.51	\$13.92	\$14.33
	6	\$15.31	\$15.78	\$16.25
	7	\$17.36	\$17.88	\$18.42
	8	\$19.68	\$20.27	\$20.88
	9	\$22.30	\$22.98	\$23.67
	10	\$25.28	\$26.04	\$26.83
Maximum	11	\$28.66	\$29.52	\$30.41
Pension Band		118	118	118

Wage Area - X1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.65	\$8.91	\$9.18
	2	\$9.78	\$10.08	\$10.38
	3	\$11.07	\$11.40	\$11.74
	4	\$12.51	\$12.89	\$13.28
	5	\$14.15	\$14.58	\$15.02
	6	\$16.01	\$16.49	\$16.99
	7	\$18.11	\$18.65	\$19.21
	8	\$20.48	\$21.09	\$21.73
	9	\$23.16	\$23.86	\$24.58
	10	\$26.20	\$26.98	\$27.80
Maximum	11	\$29.63	\$30.52	\$31.44
Pension Band		120	120	120

Appendix 3
Section 4

Table 7
E-3

		Wage Area - H2		
		Effective	Effective	Effective
	Step	5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.24	\$7.46	\$7.68
	2	\$8.26	\$8.51	\$8.76
	3	\$9.42	\$9.70	\$9.99
	4	\$10.74	\$11.07	\$11.40
	5	\$12.25	\$12.62	\$13.00
	6	\$13.98	\$14.40	\$14.83
	7	\$15.94	\$16.42	\$16.91
	8	\$18.18	\$18.73	\$19.29
Maximum	9	\$20.74	\$21.36	\$22.00
Pension Band		107	107	107

Table 8
SS-1

		Wage Area - T2		
		Effective	Effective	Effective
	Step	5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.98	\$8.22	\$8.47
	2	\$9.06	\$9.33	\$9.62
	3	\$10.29	\$10.59	\$10.92
	4	\$11.68	\$12.03	\$12.39
	5	\$13.26	\$13.65	\$14.07
	6	\$15.05	\$15.50	\$15.97
	7	\$17.08	\$17.60	\$18.13
	8	\$19.40	\$19.98	\$20.58
Maximum	9	\$22.02	\$22.68	\$23.36
Pension Band		106	106	106

Table 9
SS-2

		Wage Area - H2		
		Effective	Effective	Effective
	Step	5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.24	\$7.46	\$7.68
	2	\$8.31	\$8.57	\$8.82
	3	\$9.54	\$9.83	\$10.13
	4	\$10.96	\$11.29	\$11.63
	5	\$12.58	\$12.96	\$13.35
	6	\$14.45	\$14.89	\$15.33
	7	\$16.59	\$17.09	\$17.60
	8	\$19.05	\$19.62	\$20.21
Maximum	9	\$21.87	\$22.53	\$23.21
Pension Band		108	108	108

Appendix 3
Section 4

Table 9
SS-2

Wage Area - L1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.64	\$7.87	\$8.11
	2	\$8.68	\$8.94	\$9.21
	3	\$9.86	\$10.16	\$10.47
	4	\$11.21	\$11.54	\$11.89
	5	\$12.73	\$13.12	\$13.51
	6	\$14.47	\$14.90	\$15.35
	7	\$16.44	\$16.93	\$17.45
	8	\$18.68	\$19.24	\$19.82
Maximum	9	\$21.22	\$21.86	\$22.52
Pension Band		107	107	107

Wage Area - P2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.40	\$7.62	\$7.85
	2	\$8.43	\$8.68	\$8.95
	3	\$9.61	\$9.90	\$10.19
	4	\$10.95	\$11.28	\$11.62
	5	\$12.48	\$12.85	\$13.24
	6	\$14.22	\$14.65	\$15.09
	7	\$16.21	\$16.69	\$17.19
	8	\$18.47	\$19.02	\$19.59
Maximum	9	\$21.05	\$21.68	\$22.33
Pension Band		107	107	107

Wage Area - T1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.98	\$8.22	\$8.47
	2	\$9.07	\$9.34	\$9.62
	3	\$10.30	\$10.61	\$10.93
	4	\$11.70	\$12.05	\$12.42
	5	\$13.30	\$13.70	\$14.11
	6	\$15.11	\$15.56	\$16.03
	7	\$17.17	\$17.68	\$18.21
	8	\$19.50	\$20.09	\$20.69
Maximum	9	\$22.16	\$22.82	\$23.50
Pension Band		109	109	109

Appendix 3
Section 4

Table 9
SS-2

		Wage Area - X1		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.53	\$7.76	\$7.99
	2	\$8.63	\$8.89	\$9.16
	3	\$9.89	\$10.19	\$10.49
	4	\$11.34	\$11.68	\$12.03
	5	\$12.99	\$13.39	\$13.78
	6	\$14.89	\$15.34	\$15.80
	7	\$17.07	\$17.58	\$18.10
	8	\$19.56	\$20.15	\$20.75
Maximum	9	\$22.42	\$23.09	\$23.78
Pension Band		109	109	109

Table 10
S-2

		Wage Area - X1		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$8.02	\$8.26	\$8.51
	2	\$9.18	\$9.45	\$9.74
	3	\$10.50	\$10.82	\$11.14
	4	\$12.02	\$12.38	\$12.75
	5	\$13.75	\$14.16	\$14.59
	6	\$15.74	\$16.21	\$16.70
	7	\$18.01	\$18.55	\$19.11
	8	\$20.61	\$21.23	\$21.86
Maximum	9	\$23.58	\$24.29	\$25.02
Pension Band		111	111	111

Table 11
AR

		Wage Area - P2		
		Effective	Effective	Effective
Step		5/28/2006	5/27/2007	5/25/2008
Minimum	1	\$7.24	\$7.46	\$7.68
	2	\$8.37	\$8.62	\$8.88
	3	\$9.68	\$9.97	\$10.26
	4	\$11.19	\$11.53	\$11.87
	5	\$12.94	\$13.32	\$13.72
	6	\$14.95	\$15.40	\$15.86
	7	\$17.29	\$17.81	\$18.34
	8	\$19.99	\$20.59	\$21.20
Maximum	9	\$23.11	\$23.80	\$24.51
Pension Band		110	110	110

Table 12
SRTECH

Wage Area - C1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.66	\$9.95	\$10.25
	2	\$10.93	\$11.26	\$11.60
	3	\$12.37	\$12.75	\$13.13
	4	\$14.00	\$14.42	\$14.86
	5	\$15.85	\$16.33	\$16.82
	6	\$17.94	\$18.48	\$19.03
	7	\$20.30	\$20.91	\$21.54
	8	\$22.98	\$23.67	\$24.38
	9	\$26.00	\$26.79	\$27.59
	10	\$29.43	\$30.32	\$31.23
Maximum	11	\$33.31	\$34.31	\$35.34
Pension Band		125	125	125

Wage Area - C2

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.40	\$9.68	\$9.97
	2	\$10.67	\$10.99	\$11.31
	3	\$12.11	\$12.47	\$12.84
	4	\$13.74	\$14.15	\$14.57
	5	\$15.59	\$16.06	\$16.54
	6	\$17.70	\$18.22	\$18.77
	7	\$20.08	\$20.68	\$21.30
	8	\$22.79	\$23.47	\$24.18
	9	\$25.86	\$26.64	\$27.44
	10	\$29.35	\$30.23	\$31.14
Maximum	11	\$33.31	\$34.31	\$35.34
Pension Band		125	125	125

Wage Area - E1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.21	\$9.49	\$9.77
	2	\$10.42	\$10.74	\$11.06
	3	\$11.79	\$12.15	\$12.51
	4	\$13.35	\$13.75	\$14.16
	5	\$15.10	\$15.56	\$16.02
	6	\$17.09	\$17.61	\$18.13
	7	\$19.34	\$19.92	\$20.51
	8	\$21.88	\$22.54	\$23.21
	9	\$24.76	\$25.51	\$26.27
	10	\$28.02	\$28.86	\$29.73
Maximum	11	\$31.71	\$32.66	\$33.64
Pension Band		123	123	123

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - G2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.29	\$9.57	\$9.86
	2	\$10.49	\$10.81	\$11.14
	3	\$11.85	\$12.21	\$12.58
	4	\$13.38	\$13.79	\$14.20
	5	\$15.12	\$15.57	\$16.04
	6	\$17.07	\$17.59	\$18.12
	7	\$19.28	\$19.86	\$20.46
	8	\$21.78	\$22.43	\$23.11
	9	\$24.60	\$25.34	\$26.10
	10	\$27.78	\$28.62	\$29.48
Maximum	11	\$31.38	\$32.32	\$33.29
Pension Band		122	122	122

Wage Area - G3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.65	\$8.91	\$9.18
	2	\$9.82	\$10.12	\$10.42
	3	\$11.15	\$11.49	\$11.83
	4	\$12.66	\$13.04	\$13.43
	5	\$14.37	\$14.80	\$15.25
	6	\$16.32	\$16.81	\$17.32
	7	\$18.53	\$19.08	\$19.66
	8	\$21.04	\$21.67	\$22.32
	9	\$23.89	\$24.60	\$25.34
	10	\$27.12	\$27.93	\$28.77
Maximum	11	\$30.79	\$31.71	\$32.66
Pension Band		121	121	121

Wage Area - G4				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.39	\$8.64	\$8.90
	2	\$9.54	\$9.83	\$10.13
	3	\$10.86	\$11.18	\$11.52
	4	\$12.35	\$12.72	\$13.10
	5	\$14.05	\$14.47	\$14.91
	6	\$15.99	\$16.47	\$16.96
	7	\$18.19	\$18.73	\$19.29
	8	\$20.69	\$21.31	\$21.95
	9	\$23.54	\$24.25	\$24.97
	10	\$26.78	\$27.58	\$28.41
Maximum	11	\$30.47	\$31.38	\$32.32
Pension Band		121	121	121

Table 12
SRTECH

Wage Area - H2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.95	\$9.22	\$9.50
	2	\$10.14	\$10.44	\$10.76
	3	\$11.48	\$11.83	\$12.19
	4	\$13.00	\$13.40	\$13.80
	5	\$14.73	\$15.17	\$15.63
	6	\$16.68	\$17.18	\$17.70
	7	\$18.90	\$19.46	\$20.05
	8	\$21.40	\$22.04	\$22.71
	9	\$24.24	\$24.97	\$25.72
	10	\$27.46	\$28.28	\$29.13
Maximum	11	\$31.10	\$32.03	\$32.99
Pension Band		122	122	122

Wage Area - H3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.47	\$8.72	\$8.98
	2	\$9.63	\$9.91	\$10.21
	3	\$10.95	\$11.27	\$11.61
	4	\$12.44	\$12.81	\$13.19
	5	\$14.14	\$14.56	\$15.00
	6	\$16.08	\$16.56	\$17.05
	7	\$18.28	\$18.82	\$19.39
	8	\$20.78	\$21.40	\$22.04
	9	\$23.62	\$24.33	\$25.05
	10	\$26.85	\$27.66	\$28.48
Maximum	11	\$30.52	\$31.44	\$32.38
Pension Band		121	121	121

Wage Area - H4				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.39	\$8.64	\$8.90
	2	\$9.54	\$9.83	\$10.12
	3	\$10.85	\$11.18	\$11.51
	4	\$12.34	\$12.71	\$13.09
	5	\$14.04	\$14.46	\$14.89
	6	\$15.97	\$16.44	\$16.94
	7	\$18.16	\$18.70	\$19.27
	8	\$20.66	\$21.27	\$21.91
	9	\$23.49	\$24.20	\$24.92
	10	\$26.72	\$27.52	\$28.35
Maximum	11	\$30.39	\$31.30	\$32.24
Pension Band		121	121	121

Appendix 3
Section 4

Table 12
SRTECH

		Wage Area - K1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.95	\$9.22	\$9.50
	2	\$10.14	\$10.45	\$10.76
	3	\$11.49	\$11.84	\$12.19
	4	\$13.02	\$13.41	\$13.82
	5	\$14.75	\$15.19	\$15.65
	6	\$16.71	\$17.21	\$17.73
	7	\$18.93	\$19.50	\$20.09
	8	\$21.45	\$22.10	\$22.76
	9	\$24.30	\$25.04	\$25.79
	10	\$27.54	\$28.37	\$29.22
Maximum	11	\$31.20	\$32.14	\$33.10
Pension Band		122	122	122

		Wage Area - K2		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.95	\$9.22	\$9.50
	2	\$10.11	\$10.42	\$10.74
	3	\$11.43	\$11.77	\$12.13
	4	\$12.92	\$13.31	\$13.71
	5	\$14.60	\$15.04	\$15.49
	6	\$16.49	\$16.99	\$17.50
	7	\$18.64	\$19.20	\$19.78
	8	\$21.06	\$21.70	\$22.35
	9	\$23.80	\$24.52	\$25.26
	10	\$26.90	\$27.71	\$28.54
Maximum	11	\$30.40	\$31.31	\$32.25
Pension Band		121	121	121

		Wage Area - K3		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.65	\$8.91	\$9.18
	2	\$9.78	\$10.07	\$10.38
	3	\$11.06	\$11.39	\$11.73
	4	\$12.50	\$12.88	\$13.26
	5	\$14.13	\$14.56	\$15.00
	6	\$15.98	\$16.46	\$16.95
	7	\$18.06	\$18.61	\$19.17
	8	\$20.42	\$21.04	\$21.67
	9	\$23.09	\$23.78	\$24.50
	10	\$26.10	\$26.89	\$27.69
Maximum	11	\$29.51	\$30.40	\$31.31
Pension Band		119	119	119

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - L1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.05	\$9.32	\$9.60
	2	\$10.20	\$10.51	\$10.82
	3	\$11.50	\$11.85	\$12.20
	4	\$12.97	\$13.36	\$13.76
	5	\$14.62	\$15.06	\$15.51
	6	\$16.48	\$16.98	\$17.49
	7	\$18.58	\$19.14	\$19.71
	8	\$20.95	\$21.58	\$22.23
	9	\$23.62	\$24.33	\$25.06
	10	\$26.63	\$27.43	\$28.25
Maximum	11	\$30.02	\$30.92	\$31.85
Pension Band		120	120	120

Wage Area - L2

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.95	\$9.22	\$9.50
	2	\$10.09	\$10.39	\$10.71
	3	\$11.37	\$11.71	\$12.07
	4	\$12.81	\$13.20	\$13.60
	5	\$14.44	\$14.87	\$15.32
	6	\$16.27	\$16.76	\$17.27
	7	\$18.34	\$18.89	\$19.46
	8	\$20.67	\$21.29	\$21.93
	9	\$23.30	\$24.00	\$24.72
	10	\$26.26	\$27.04	\$27.85
Maximum	11	\$29.59	\$30.48	\$31.39
Pension Band		120	120	120

Wage Area - M1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.29	\$9.57	\$9.86
	2	\$10.49	\$10.81	\$11.13
	3	\$11.85	\$12.20	\$12.57
	4	\$13.38	\$13.78	\$14.19
	5	\$15.10	\$15.56	\$16.03
	6	\$17.05	\$17.57	\$18.10
	7	\$19.26	\$19.84	\$20.44
	8	\$21.75	\$22.40	\$23.08
	9	\$24.56	\$25.29	\$26.06
	10	\$27.73	\$28.56	\$29.42
Maximum	11	\$31.31	\$32.25	\$33.22
Pension Band		122	122	122

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - M2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.26	\$9.54	\$9.83
	2	\$10.45	\$10.77	\$11.09
	3	\$11.80	\$12.15	\$12.52
	4	\$13.31	\$13.71	\$14.13
	5	\$15.03	\$15.48	\$15.95
	6	\$16.96	\$17.47	\$18.00
	7	\$19.14	\$19.72	\$20.31
	8	\$21.60	\$22.25	\$22.92
	9	\$24.38	\$25.11	\$25.87
	10	\$27.52	\$28.34	\$29.20
Maximum	11	\$31.06	\$31.99	\$32.95
Pension Band		122	122	122

Wage Area - M3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$14.38	\$14.81	\$15.25
	2	\$16.29	\$16.78	\$17.28
	3	\$18.46	\$19.01	\$19.58
	4	\$20.92	\$21.54	\$22.19
	5	\$23.70	\$24.41	\$25.14
	6	\$26.85	\$27.66	\$28.48
	7	\$30.43	\$31.34	\$32.27
	8	\$34.48	\$35.51	\$36.57
	9	\$39.06	\$40.23	\$41.44
	10	\$44.26	\$45.58	\$46.95
Maximum	11	\$50.15	\$51.65	\$53.20
Pension Band		135	135	135

Wage Area - N1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.71	\$10.00	\$10.30
	2	\$10.92	\$11.25	\$11.58
	3	\$12.28	\$12.65	\$13.03
	4	\$13.81	\$14.23	\$14.65
	5	\$15.54	\$16.00	\$16.48
	6	\$17.47	\$17.99	\$18.53
	7	\$19.65	\$20.24	\$20.84
	8	\$22.10	\$22.76	\$23.44
	9	\$24.86	\$25.60	\$26.37
	10	\$27.95	\$28.79	\$29.65
Maximum	11	\$31.44	\$32.38	\$33.35
Pension Band		122	122	122

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - N2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.62	\$9.91	\$10.21
	2	\$10.82	\$11.14	\$11.48
	3	\$12.16	\$12.53	\$12.91
	4	\$13.67	\$14.08	\$14.51
	5	\$15.37	\$15.84	\$16.31
	6	\$17.29	\$17.81	\$18.34
	7	\$19.44	\$20.02	\$20.62
	8	\$21.85	\$22.51	\$23.18
	9	\$24.57	\$25.31	\$26.07
	10	\$27.62	\$28.45	\$29.31
Maximum	11	\$31.06	\$31.99	\$32.95
Pension Band		122	122	122

Wage Area - P1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.18	\$8.43	\$8.68
	2	\$9.33	\$9.62	\$9.90
	3	\$10.64	\$10.97	\$11.29
	4	\$12.14	\$12.51	\$12.88
	5	\$13.85	\$14.27	\$14.70
	6	\$15.80	\$16.28	\$16.76
	7	\$18.02	\$18.57	\$19.12
	8	\$20.56	\$21.18	\$21.81
	9	\$23.45	\$24.16	\$24.88
	10	\$26.75	\$27.56	\$28.39
Maximum	11	\$30.52	\$31.44	\$32.38
Pension Band		121	121	121

Wage Area - P2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.15	\$8.39	\$8.64
	2	\$9.28	\$9.55	\$9.84
	3	\$10.56	\$10.87	\$11.20
	4	\$12.02	\$12.38	\$12.75
	5	\$13.68	\$14.09	\$14.51
	6	\$15.58	\$16.04	\$16.52
	7	\$17.73	\$18.26	\$18.80
	8	\$20.18	\$20.78	\$21.41
	9	\$22.97	\$23.66	\$24.37
	10	\$26.15	\$26.93	\$27.74
Maximum	11	\$29.77	\$30.66	\$31.58
Pension Band		120	120	120

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - P3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.92	\$8.16	\$8.40
	2	\$9.03	\$9.30	\$9.57
	3	\$10.29	\$10.60	\$10.91
	4	\$11.73	\$12.08	\$12.44
	5	\$13.37	\$13.77	\$14.18
	6	\$15.24	\$15.70	\$16.16
	7	\$17.37	\$17.89	\$18.42
	8	\$19.79	\$20.39	\$21.00
	9	\$22.56	\$23.24	\$23.94
	10	\$25.72	\$26.49	\$27.28
Maximum	11	\$29.31	\$30.19	\$31.10
Pension Band		119	119	119

Wage Area - R1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.18	\$8.43	\$8.68
	2	\$9.32	\$9.60	\$9.89
	3	\$10.62	\$10.94	\$11.27
	4	\$12.10	\$12.47	\$12.84
	5	\$13.79	\$14.20	\$14.63
	6	\$15.71	\$16.18	\$16.66
	7	\$17.90	\$18.44	\$18.99
	8	\$20.39	\$21.00	\$21.63
	9	\$23.23	\$23.93	\$24.64
	10	\$26.47	\$27.26	\$28.08
Maximum	11	\$30.16	\$31.06	\$31.99
Pension Band		120	120	120

Wage Area - R2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.15	\$8.39	\$8.64
	2	\$9.27	\$9.55	\$9.83
	3	\$10.55	\$10.86	\$11.19
	4	\$12.00	\$12.36	\$12.73
	5	\$13.66	\$14.06	\$14.48
	6	\$15.54	\$16.00	\$16.48
	7	\$17.68	\$18.21	\$18.75
	8	\$20.12	\$20.72	\$21.34
	9	\$22.89	\$23.57	\$24.28
	10	\$26.04	\$26.82	\$27.63
Maximum	11	\$29.63	\$30.52	\$31.44
Pension Band		120	120	120

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - R3

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$7.92	\$8.16	\$8.40
	2	\$9.02	\$9.29	\$9.57
	3	\$10.28	\$10.59	\$10.90
	4	\$11.70	\$12.06	\$12.41
	5	\$13.33	\$13.73	\$14.14
	6	\$15.18	\$15.64	\$16.11
	7	\$17.29	\$17.81	\$18.35
	8	\$19.70	\$20.29	\$20.90
	9	\$22.44	\$23.11	\$23.80
	10	\$25.56	\$26.32	\$27.11
Maximum	11	\$29.11	\$29.98	\$30.88
Pension Band		119	119	119

Wage Area - S1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.21	\$9.49	\$9.77
	2	\$10.44	\$10.75	\$11.07
	3	\$11.82	\$12.18	\$12.54
	4	\$13.40	\$13.80	\$14.21
	5	\$15.18	\$15.64	\$16.10
	6	\$17.20	\$17.72	\$18.24
	7	\$19.49	\$20.07	\$20.67
	8	\$22.08	\$22.74	\$23.42
	9	\$25.02	\$25.77	\$26.54
	10	\$28.35	\$29.20	\$30.07
Maximum	11	\$32.12	\$33.08	\$34.07
Pension Band		123	123	123

Wage Area - T1

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.32	\$9.60	\$9.89
	2	\$10.55	\$10.86	\$11.19
	3	\$11.94	\$12.30	\$12.67
	4	\$13.51	\$13.92	\$14.34
	5	\$15.29	\$15.75	\$16.22
	6	\$17.31	\$17.83	\$18.36
	7	\$19.59	\$20.17	\$20.78
	8	\$22.17	\$22.83	\$23.52
	9	\$25.09	\$25.84	\$26.62
	10	\$28.40	\$29.25	\$30.12
Maximum	11	\$32.14	\$33.10	\$34.09
Pension Band		123	123	123

Appendix 3
Section 4

Table 12
SRTECH

		Wage Area - T2		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.00	\$9.27	\$9.55
	2	\$10.20	\$10.50	\$10.82
	3	\$11.55	\$11.90	\$12.26
	4	\$13.09	\$13.48	\$13.89
	5	\$14.83	\$15.28	\$15.74
	6	\$16.81	\$17.31	\$17.83
	7	\$19.04	\$19.61	\$20.20
	8	\$21.57	\$22.22	\$22.89
	9	\$24.44	\$25.18	\$25.93
	10	\$27.70	\$28.53	\$29.38
Maximum	11	\$31.38	\$32.32	\$33.29
Pension Band		122	122	122

		Wage Area - T3		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.65	\$8.91	\$9.18
	2	\$9.82	\$10.12	\$10.42
	3	\$11.15	\$11.49	\$11.83
	4	\$12.66	\$13.04	\$13.43
	5	\$14.37	\$14.80	\$15.25
	6	\$16.32	\$16.81	\$17.32
	7	\$18.53	\$19.08	\$19.66
	8	\$21.04	\$21.67	\$22.32
	9	\$23.89	\$24.60	\$25.34
	10	\$27.12	\$27.93	\$28.77
Maximum	11	\$30.79	\$31.71	\$32.66
Pension Band		121	121	121

		Wage Area - T4		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.49	\$8.74	\$9.00
	2	\$9.64	\$9.92	\$10.22
	3	\$10.94	\$11.26	\$11.60
	4	\$12.42	\$12.79	\$13.17
	5	\$14.10	\$14.51	\$14.95
	6	\$16.00	\$16.48	\$16.97
	7	\$18.16	\$18.70	\$19.26
	8	\$20.62	\$21.23	\$21.87
	9	\$23.41	\$24.10	\$24.82
	10	\$26.57	\$27.36	\$28.18
Maximum	11	\$30.16	\$31.06	\$31.99
Pension Band		120	120	120

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - U1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.83	\$10.12	\$10.42
	2	\$11.09	\$11.41	\$11.75
	3	\$12.50	\$12.87	\$13.26
	4	\$14.10	\$14.52	\$14.95
	5	\$15.91	\$16.38	\$16.87
	6	\$17.94	\$18.47	\$19.02
	7	\$20.23	\$20.84	\$21.46
	8	\$22.82	\$23.50	\$24.20
	9	\$25.74	\$26.51	\$27.30
	10	\$29.03	\$29.90	\$30.79
Maximum	11	\$32.74	\$33.72	\$34.73
Pension Band		124	124	124

Wage Area - W1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.68	\$8.94	\$9.21
	2	\$9.86	\$10.16	\$10.46
	3	\$11.21	\$11.54	\$11.89
	4	\$12.73	\$13.11	\$13.51
	5	\$14.47	\$14.90	\$15.35
	6	\$16.44	\$16.93	\$17.44
	7	\$18.67	\$19.23	\$19.81
	8	\$21.22	\$21.85	\$22.51
	9	\$24.11	\$24.83	\$25.57
	10	\$27.39	\$28.21	\$29.05
Maximum	11	\$31.12	\$32.05	\$33.01
Pension Band		122	122	122

Wage Area - W2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.59	\$8.85	\$9.12
	2	\$9.75	\$10.04	\$10.35
	3	\$11.06	\$11.39	\$11.74
	4	\$12.55	\$12.93	\$13.32
	5	\$14.24	\$14.67	\$15.11
	6	\$16.16	\$16.64	\$17.15
	7	\$18.33	\$18.88	\$19.46
	8	\$20.80	\$21.43	\$22.07
	9	\$23.60	\$24.31	\$25.04
	10	\$26.78	\$27.59	\$28.42
Maximum	11	\$30.39	\$31.30	\$32.24
Pension Band		121	121	121

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - W3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.28	\$8.53	\$8.79
	2	\$9.39	\$9.68	\$9.97
	3	\$10.66	\$10.98	\$11.31
	4	\$12.09	\$12.46	\$12.83
	5	\$13.72	\$14.13	\$14.56
	6	\$15.56	\$16.03	\$16.52
	7	\$17.66	\$18.19	\$18.74
	8	\$20.03	\$20.63	\$21.25
	9	\$22.73	\$23.41	\$24.11
	10	\$25.78	\$26.56	\$27.35
Maximum	11	\$29.25	\$30.13	\$31.03
Pension Band		119	119	119

Wage Area - X1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.65	\$8.91	\$9.18
	2	\$9.83	\$10.13	\$10.43
	3	\$11.17	\$11.51	\$11.86
	4	\$12.70	\$13.08	\$13.48
	5	\$14.44	\$14.87	\$15.32
	6	\$16.41	\$16.90	\$17.41
	7	\$18.65	\$19.21	\$19.78
	8	\$21.19	\$21.83	\$22.49
	9	\$24.09	\$24.81	\$25.56
	10	\$27.38	\$28.20	\$29.04
Maximum	11	\$31.12	\$32.05	\$33.01
Pension Band		122	122	122

Wage Area - X2				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.02	\$8.26	\$8.51
	2	\$9.13	\$9.41	\$9.69
	3	\$10.40	\$10.71	\$11.03
	4	\$11.84	\$12.20	\$12.56
	5	\$13.48	\$13.89	\$14.31
	6	\$15.36	\$15.81	\$16.29
	7	\$17.49	\$18.01	\$18.55
	8	\$19.91	\$20.51	\$21.12
	9	\$22.67	\$23.35	\$24.05
	10	\$25.82	\$26.59	\$27.39
Maximum	11	\$29.40	\$30.28	\$31.19
Pension Band		119	119	119

Appendix 3
Section 4

Table 12
SRTECH

Wage Area - X3				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.59	\$8.85	\$9.12
	2	\$9.75	\$10.04	\$10.35
	3	\$11.06	\$11.39	\$11.74
	4	\$12.55	\$12.93	\$13.32
	5	\$14.24	\$14.67	\$15.11
	6	\$16.16	\$16.64	\$17.15
	7	\$18.33	\$18.88	\$19.46
	8	\$20.80	\$21.43	\$22.07
	9	\$23.60	\$24.31	\$25.04
	10	\$26.78	\$27.59	\$28.42
Maximum	11	\$30.39	\$31.30	\$32.24
Pension Band		121	121	121

Wage Area - X4				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$8.02	\$8.26	\$8.51
	2	\$9.13	\$9.41	\$9.69
	3	\$10.40	\$10.71	\$11.03
	4	\$11.84	\$12.20	\$12.56
	5	\$13.48	\$13.89	\$14.31
	6	\$15.36	\$15.81	\$16.29
	7	\$17.49	\$18.01	\$18.55
	8	\$19.91	\$20.51	\$21.12
	9	\$22.67	\$23.35	\$24.05
	10	\$25.82	\$26.59	\$27.39
Maximum	11	\$29.40	\$30.28	\$31.19
Pension Band		119	119	119

Wage Area - Z1				
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.21	\$9.49	\$9.77
	2	\$10.44	\$10.75	\$11.07
	3	\$11.83	\$12.19	\$12.55
	4	\$13.40	\$13.81	\$14.22
	5	\$15.19	\$15.65	\$16.11
	6	\$17.21	\$17.73	\$18.26
	7	\$19.51	\$20.10	\$20.69
	8	\$22.11	\$22.77	\$23.45
	9	\$25.05	\$25.81	\$26.58
	10	\$28.39	\$29.24	\$30.12
Maximum	11	\$32.17	\$33.14	\$34.13
Pension Band		123	123	123

Appendix 3
Section 4

Table 13
SVCD4

		Wage Area - X1		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$9.63	\$9.92	\$10.22
	2	\$10.78	\$11.11	\$11.44
	3	\$12.07	\$12.43	\$12.81
	4	\$13.52	\$13.92	\$14.34
	5	\$15.13	\$15.59	\$16.05
	6	\$16.94	\$17.45	\$17.97
	7	\$18.97	\$19.54	\$20.12
	8	\$21.24	\$21.87	\$22.53
Maximum	9	\$23.78	\$24.49	\$25.22
Pension Band		111	111	111

Table 14
MSLFA

		Wage Area - 02		
	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 5/25/2008
Minimum	1	\$6.91	\$7.12	\$7.33
	2	\$7.70	\$7.93	\$8.16
	3	\$8.57	\$8.83	\$9.09
	4	\$9.55	\$9.84	\$10.13
	5	\$10.64	\$10.96	\$11.28
	6	\$11.85	\$12.20	\$12.57
	7	\$13.20	\$13.59	\$14.00
	8	\$14.70	\$15.14	\$15.59
	9	\$16.37	\$16.86	\$17.37
	10	\$18.23	\$18.78	\$19.35
Maximum	11	\$20.31	\$20.92	\$21.55
Pension Band		106	106	106

Appendix 3
Section 4

Table 15
TSR
Wage Area - P2

	Step	Effective 5/28/2006	Effective 5/27/2007	Effective 6/1/2008
Minimum	0	\$13.39	\$13.79	\$14.20
	1	\$13.60	\$14.01	\$14.42
	2	\$13.81	\$14.22	\$14.65
	3	\$14.03	\$14.45	\$14.88
	4	\$14.25	\$14.67	\$15.11
	5	\$14.47	\$14.90	\$15.35
	6	\$14.70	\$15.14	\$15.59
	7	\$14.93	\$15.37	\$15.83
	8	\$15.16	\$15.61	\$16.08
	9	\$15.40	\$15.86	\$16.33
	10	\$15.64	\$16.11	\$16.58
	11	\$15.88	\$16.36	\$16.84
	12	\$16.13	\$16.61	\$17.11
	13	\$16.38	\$16.87	\$17.38
	14	\$16.64	\$17.14	\$17.65
	15	\$16.90	\$17.40	\$17.92
	16	\$17.16	\$17.68	\$18.20
	17	\$17.43	\$17.95	\$18.49
	18	\$17.71	\$18.23	\$18.78
	19	\$17.98	\$18.52	\$19.07
	20	\$18.26	\$18.81	\$19.37
	21	\$18.55	\$19.10	\$19.67
	22	\$18.84	\$19.40	\$19.98
	23	\$19.13	\$19.71	\$20.29
	24	\$19.43	\$20.01	\$20.61
	25	\$19.74	\$20.33	\$20.93
	26	\$20.05	\$20.64	\$21.26
	27	\$20.36	\$20.97	\$21.59
	28	\$20.68	\$21.30	\$21.93
	29	\$21.00	\$21.63	\$22.27
	30	\$21.33	\$21.97	\$22.62
	31	\$21.66	\$22.31	\$22.98
	32	\$22.00	\$22.66	\$23.34
	33	\$22.35	\$23.01	\$23.70
	34	\$22.70	\$23.37	\$24.07
	35	\$23.05	\$23.74	\$24.45
Maximum	36	\$23.41	\$24.11	\$24.83
Pension Band		111	111	111

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2006 CWA/IBEW/Avaya NATIONAL

MEMORANDUM OF UNDERSTANDING

This Memorandum is executed by the Communications Workers of America (hereinafter "CWA"), the International Brotherhood of Electrical Workers System Council T-3 on behalf of Local Unions 21, 134, 206, 827, 2222, 2320, 2321, 2322, 2323, 2324, 2325, 2326 and 2327 (hereinafter "IBEW") and Avaya Inc. (hereinafter "Avaya" or "the Company") in the bargaining units listed on Attachment A, to set forth the understandings reached as to wages, hours, terms and conditions of employment that have application to all such bargaining units.

This Memorandum binds the CWA and its local labor unions, the IBEW and its affiliated local unions, and Avaya to amend and extend the collective bargaining agreements covering the bargaining units listed on Attachment A so as to incorporate the items hereinafter set forth, where applicable.

The understandings set forth herein shall become effective as to CWA or IBEW System Council T-3 (as applicable) only if ratified by the CWA membership or the IBEW System Council T-3 membership (as the case may be) employed in the bargaining units listed on Attachment A on or before 11:59 PM on July 21, 2006.

The amended collective bargaining agreements between the parties shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday, May 23, 2009

National Memorandum

Attachment A

IBEW AND CWA BARGAINING UNITS

CWA Operations
IBEW Operations

National Memorandum

This 2006 National Memorandum of Understanding is agreed to this 2nd day of June, 2006.

COMMUNICATIONS WORKERS OF AMERICA

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Lois Grimes
CWA Staff Representative

/s/ Gerald Souder
CWA Staff Representative

/s/ Martha Flagge
CWA Staff Representative

/s/ Phil Pennington
CWA Local 4320

/s/ Kevin Kimber
CWA Local 3204

/s/ Richie Meringolo
CWA Local 1101

/s/ Mary Ellen Voelker
CWA Local 13000

APPROVED:

/s/ Larry Cohen
President, CWA

National Memorandum

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

/s/ Robert F. Morrison
Vice-Chairman, System Council T-3

/s/ John Walsh
International Representative

APPROVED:

/s/ Edwin D. Hill
International President, IBEW

Subcommittee Members:

/s/ Dennis Slaman
Local 827

/s/ Georgeanne Scarpelli
Executive Board Member/
Business Agent

/s/ Dave Rehberg
Business Representative, Local 134

/s/ Michael Cleaves
Local 2222

AVAYA INC.

/s/ Terrence J. Nolan
Director, Labor Relations

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ David Graepel
Manager Labor Relations

/s/ Martha Tirrell
Manager Labor Relations

/s/ Susan White
Manager Labor Relations

GENERAL WAGE INCREASES

- 1 Wage Schedule Increases
 - (a) The increases in the wage schedules set forth below shall be computed on an exponential basis, and shall be rounded to the nearest penny.
 - (b) Initial Wage Increase
 - (1) Effective May 28, 2006, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 27, 2006.
 - (c) Retroactive Pay Equivalent Payment
 - (1) Employees on the active roll on the date of the initial wage increase shall be eligible to receive a Retroactive Pay Equivalent Payment.
 - (2) For Full-Time employees, the Retroactive Pay Equivalent Payment shall be determined as follows:

The amount of the employee's hourly rate increase resulting from the initial wage increase;

Multiplied by a factor of the number of hours in the employee's Scheduled Weekly Tour for each week of employment in the period beginning May 28, 2006, and ending with the effective date of the initial wage increase;

Plus the actual number of hours of overtime payments received during that period calculated at the appropriate overtime factor (Time And One-Half, Double Time or Double Time And One-Half, as applicable);

Plus the actual tour differentials received (Night Work, 7 Day Coverage and Continuous Operations differentials) during that period;

Plus all the actual Differentials, Allowances and payments that are paid as hours during that period including On-Call, Call-In, Call-Up, Sunday Payments, Saturday Differential, Shifted Tour Differential, and Minimum Interval Differential.
 - (3) In the event an employee was demoted or temporarily assigned to a higher classification with an impact on the employee's Standard Rate during the period beginning May 28, 2006 and ending with the effective date of the initial wage increase, the employees' payment records for the period will be reviewed to ensure that the employees' Retroactive Pay Equivalent Payment was not adversely impacted by applying the employee's hourly rate increase resulting from the initial wage increase in the calculation of the Payment.

National Memorandum

- (i) In such case, the employee will receive an adjustment to the calculation for the difference, if any.
 - (4) An eligible Part-Time employee shall receive a proportionate amount of the applicable Full-Time Retroactive Pay Equivalent Payment based on the Part-Time employee's Part-Time Equivalent Work Week as of the effective date of the initial wage increase.
 - (5) In the event an employee has left the active roll during the period beginning May 28, 2006 and ending with the effective date of the initial wage increase, the Retroactive Pay Equivalent Payment will be based on the number of full weeks of employment during said period.
 - (i) In such case, the percentage increase as specified in Paragraph (1) (b) (1) shall be applied to the employee's Standard Rate effective on the date the employee left the active roll in the computation of the Retroactive Pay Equivalent Payment.
 - (6) The Retroactive Pay Equivalent Payment will be made no later than Friday, September 22, 2006 provided the Company has been notified that the 2006 National Memorandum of Understanding (which includes all local contracts) have been ratified no later than 11:59 p.m. July 21, 2006.
 - (7) The Retroactive Pay Equivalent Payment shall be subject to federal, state and local tax and FICA withholding.
 - (8) Allotments for the following shall be deducted from the Retroactive Pay Equivalent Payment:
 - (i) The Avaya Stock Purchase Plan
 - (ii) The Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on May 28, 2006, rounded to nearest whole number, times the employee's weekly Savings Plan Allotment
 - (iii) Union dues as specified by the union
 - (9) The Retroactive Pay Equivalent Payment will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall it enter into the standard Overtime Adjustment formula nor into the computation of any payments made under any pension or benefits plan, fringe benefit, allowance or differential.
- (d) Second Wage Increase
- Effective May 27, 2007, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect May 26, 2007.

National Memorandum

(e) Third Wage Increase

Effective May 25, 2008, wage schedules shall be increased by 3.0% on the Maximum Rates and by 3.0% on the Minimum Rates in effect on May 24, 2008.

(f) An employee's increase in Standard Rate shall be based on the Wage Progression Step to which assigned on the effective date of the aforementioned wage increase(s).

ESCALATION ADJUSTMENT

- 1 Effective May 25, 2008, an Escalation Adjustment will be determined by computing the percentage increase in the U.S. Bureau of Labor Statistics National Consumer Price Index for Urban Wage Earners and Clerical Workers, hereafter called "CPI-W" (1982-1984=100), between March 2007 and March 2008.
 - (a) If the percentage increase of the CPI-W exceeds the cumulative percentage increase to the Maximum Rates of each wage schedule for the Initial General Wage Increase (GWI), plus the second and third GWI's, an Escalation Adjustment shall be applied by multiplying the percentage increase in the CPI-W. The result shall be added to the third scheduled GWI and applied to the Maximum Rates and Minimum Rates in effect on May 24, 2008.
 - (b) A partial percent increase shall be rounded to the nearest one tenth of one percent.
- 2 In no event shall a decrease in the CPI-W result in a reduction of any wage rate.
- 3 In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the dates referred to in paragraph 1, Escalation Adjustments required by such appropriate indexes shall be effective at the beginning of the first payroll week after receipt of the indexes.
- 4 No adjustment, retroactive or otherwise, shall be made as the result of any revision which may later be made in the first published figures for the CPI-W for March 2007 and March 2008.
- 5 The Escalation Adjustments are dependent upon the availability of the CPI-W in its present form and calculated on the same basis as the CPI-W for March 2006. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W the Company and the Union agree to request the Bureau to make available, for the life of this Agreement, a CPI-W in its present form and calculated on the same basis as the CPI-W for March 2006, which was 195.3 (1982-1984=100).
- 6 It is expressly recognized by the parties that this Escalation Adjustment provision applies only for the life of this contract.

WAGE PROGRESSION SCHEDULES

- 1 All wage progressions shall be on a semi-annual basis and shall be effective at the beginning of the first fiscal weeks in September and March.
- 2 The minimum eligibility to a wage progression increase shall be 60 days Net Credited Service as of the date of the scheduled increase.
 - (a) Additional eligibility criteria shall be subject to the provisions of the applicable local contract.

AVAYA AWARD FOR REPRESENTED EMPLOYEES

1 Overview

- (a) Avaya is committed to delivering superior, sustained increases in shareholder value. To achieve our goal, every member of the Avaya team should be linked to the business objectives. When we are committed to the values of innovation, quality and speed we can achieve superior results.
- (b) Pay for performance means that those who contribute to the company's results can share financially in that success.
- (c) The amount of Avaya Awards if earned, is based on the performance results of Avaya against business goals which are established at the beginning of each Performance Cycle.
- (d) When the Company exceeds the business goals, there is an opportunity for even greater awards.
- (e) Performance Awards will be based on an annual performance cycle corresponding to the Avaya fiscal year, referred to as "Performance Cycle."

2 Avaya Performance Award

- (a) The Avaya Award for eligible Represented Employees will be based on overall Avaya-wide performance against business goals.
- (b) The performance measure(s) for the Avaya Award will be the same measure(s) used for the Avaya Short Term Incentive Plan for Salaried (formerly Management) Employees.
- (c) Eligible employees will receive a lump sum payment for each Performance Cycle as follows:

Performance Cycle	Minimum Amount	Amount at Target
FY2007	\$580	\$1,288
FY2008	\$580	\$1,339
FY2009	\$580	\$1,393

- (d) Such amount will be increased if the Company's performance exceeds the target(s) or decreased if the Company's performance does not meet the target(s) at the same rate of increase or decrease as applied to U.S. based salaried employees covered under the Avaya Short Term Incentive Plan for Salaried (formerly Management) Employees.
- (e) There will be no limitation on the maximum payouts.

3 Performance Metrics

All metrics must be relevant to the success of the business and should contain the following characteristics:

- (1) be Measurable
- (2) be Reportable
- (3) be Auditable
- (4) be Time-Bound

4 Eligibility and Proration

- (a) Represented Regular and Term Employees represented by the CWA and IBEW shall be eligible for Avaya Performance Awards.
- (b) Eligibility for Avaya Performance Awards is based on the number of days on the active payroll as a Regular or Term Employee during the Performance Cycle.
- (c) Awards shall be prorated for employees who were employed for less than the full Performance Cycle as a result of hiring, retirement, death or who were on a formal Leave Of Absence during the Performance Cycle. Such employee will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Cycle.
- (d) For the purposes of the Plan, the following shall be considered as being on the active payroll during the Performance Cycle:

Type of Leave	Counted as "Active"
Anticipated Disability Leaves of Absence	Absence period attributable to actual disability plus a 30-day grace period
Military (More than 30 Days)	Paid military absence period plus a 30-day grace period
All other Leaves of Absence including Family Care Leave	Absence period attributable to actual disability (if applicable) plus a 30-day grace period
Family Medical Leave	Absence period attributable if required by Law.

National Memorandum

- (e) Employees who are involuntarily separated from the Company during a Performance Cycle will be entitled to receive the same full award payment as active employees for the applicable Performance Cycle.
 - (1) Employees who leave under a force management plan during the Performance Cycle will receive a prorated award based upon the number of days the employee was on the active payroll during the applicable Performance Cycle.
 - (f) Employees who resign or are terminated for cause during the Performance Cycle are not eligible to receive any award.
 - (g) Employees who are assigned as Salaried (formerly Management) employees for a portion of the Performance Cycle shall receive a proportionate amount of the applicable awards under this Plan based upon the number of days the employee was assigned as a represented employee.
 - (h) An eligible Part-Time Employee shall receive a proportionate amount of the applicable Full-Time awards based on the overall average of the employee's Part-Time Equivalent Work Week during the Performance Cycle.
- 5 Application of the Performance Awards to Payments for Overtime Worked and Other Benefits**
- (a) Upon payment of an award, an Overtime Adjustment will be calculated based upon the period covered by the award using the standard Overtime Adjustment formula based on the sum total of such Performance Awards received by an employee.
 - (b) The Avaya Performance Award target amount shall be included in the calculation of annual pay for the purposes of calculating Group Life Insurance benefits.
 - (c) Performance Awards shall be subject to federal, state and local tax and FICA withholding.
 - (d) Allotments for the following shall be deducted from Avaya Performance Awards:
 - (1) Avaya Stock Purchase Plan
 - (2) The Avaya Inc. Savings Plan by dividing the amount by the weekly equivalent of the employee's Adjusted Rate of pay on May 28, 2006, rounded to nearest whole number, times the employee's weekly Savings Plan Allotment
 - (3) Union dues as specified by the union
 - (e) The Awards will not be part of the employee's Standard Rate of pay or basic wages for any other purpose nor shall they enter into the computation of any payments made under any other pension or benefits plan, fringe benefit, allowance or differential.

6 General

- (a) Awards will be paid no later than 75 days after the end of the Performance Cycle and will be subject to applicable taxes.
- (b) The Union may present grievances related to matters covered by the Plan. Any such grievance shall be filed at the final step of the grievance procedure provided for in the applicable local contract.
- (c) Arbitration of grievances relative to the matters covered by the Plan shall be limited to whether or not the administration of the Award violated the agreement reached by the parties under paragraph 3 of this provision. Except as provided, nothing herein shall be construed to subject the Plan to arbitration. Any arbitration provided for under this provision shall be subject to the appropriate arbitration procedures in each local contract except that an arbitration demand must be filed within ten (10) business days following receipt of the Company's answer in the final step in the grievance procedure.
- (d) Avaya reserves the right to adjust payment levels upward or downward to offset the effects of significant and unusual events such as the purchase or sale of a Group, etc.

National Memorandum

WAGE & COMPENSATION PRACTICES

1 Joint Payroll Issues Committee

- (a) A committee to be appointed by the bargaining chairs shall be identified to continue to review wage and compensation issues as well as payroll maintenance and delivery issues.
- (b) The committee shall consist of 2 representatives from the unions: 1 from CWA and 1 from IBEW, and 2 representatives from the Company.
- (c) The committee shall meet at the request of the members to discuss problems or other issues identified by the parties, to seek solutions to said problems, and, where appropriate, make recommendations to the bargaining chairs.
- (d) In addition, the committee shall oversee the successful implementation and delivery of items covered by this agreement on Wage & Compensation Practices and to communicate its findings to the bargaining chairs.

NEW RECOGNITION AWARD PROGRAMS

May 28, 2006

Mr. R. V. Maly, Vice President, CWA

Re: New Recognition Award Programs

The parties recognize that it may be in their mutual interest to negotiate new recognition award programs during the period of the 2006 National Memorandum. Accordingly, the parties agree that, should the Company or the Union seek to negotiate new programs during the period of the 2006 National Memorandum, the initiating party shall notify the other party of its intention to open discussions. The Company and the Union shall work together to design and negotiate an agreed upon program that will meet the needs of the Company and the employees. The program must be jointly approved by a representative of the CWA National Union and the Vice President Labor Relations or his/her designee. Should the parties reach agreement, the program shall be implemented upon a mutually agreed date.

For purposes of this 2006 National Memorandum, "Recognition Award Programs" shall be deemed to include cash awards, gift certificates or other means of compensation in excess of \$50 to any employee in recognition of individual or group performance.

It is the intention of the parties to jointly design programs that achieve the mutual goals of the Union and the Company.

All existing Recognition Award Programs not in compliance with this language cease effective July 1, 2006, unless agreed between a representative of the CWA National Union and the Vice President of Labor Relations or his/her designee.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

National Memorandum

PENSION BAND INCREASES

The Avaya Inc. Pension Plan shall be amended effective July 1, 2006, to revise the Monthly Benefit Table (Section 4.2 (c)(ii)), to reflect a 4% Pension Band increase.

Effective for employees who retire on or after July 1, 2006, the applicable Monthly Benefit Table shall be as set forth in Attachment A.

Attachment A

Effective July 1, 2006, the following pension benefit amounts will be effective for those employees retiring on or after July 1, 2006:

Pension Band	For Retirements on or after July 1, 2006
103	\$36.38
104	\$37.77
105	\$39.20
106	\$40.62
107	\$42.07
108	\$43.46
109	\$44.89
110	\$46.30
111	\$47.72
112	\$49.12
113	\$50.56
114	\$51.94
115	\$53.36
116	\$54.79
117	\$56.20
118	\$57.61
119	\$59.04
120	\$60.43
121	\$61.86
122	\$63.27
123	\$64.68
124	\$66.08
125	\$67.53
126	\$68.89
127	\$70.34
128	\$71.74
129	\$73.18
130	\$74.57
131	\$76.01
132	\$77.41
133	\$78.82
134	\$80.29
135	\$81.64

National Memorandum

AVAYA INC. PENSION PLAN

The Avaya Inc. Pension Plan (the "Pension Plan") shall be amended as follows:

DEATH BENEFIT PLAN

Effective July 1, 2006, the Death Benefit Plan under the Pension Plan will be eliminated for all participants who retire after July 1, 2006.

BENEFICIARIES FOR JOINT ANNUITY OPTIONS

Participants who retire on or after January 1, 2007 may designate any living person as a beneficiary for joint and survivor annuity options under the Pension Plan. A married, retiring employee must comply with spousal consent rules under the Pension Plan. For all joint and survivor options, reduction factors will be based on actuarial equivalents for all joint annuitants.

LUMP SUM DISTRIBUTIONS

Participants who retire on or after January 1, 2007 will have the option of taking their pension in a lump sum. The lump sum will be calculated in accordance with Internal Revenue Code (IRC) Regulation 1.417(e) – 1(d)(3), where the interest rate is set for the Plan Year based on the 30-year Treasury bond rate and the mortality tables are set in accordance with IRS Revenue Ruling 2001-62. The 30-year Treasury bond rate for August of the preceding year will be used and remain applicable for the following 12-month Plan Year. The lump sum amount will be calculated based on the present value of the participant's Normal Retirement Age benefit.

If the IRC 417(e) interest rate, IRC 417(e) mortality table and/or other practices are changed by future regulatory and/or legislative changes, the above assumptions and practices will change, and the Pension Plan will be amended accordingly.

ADDITIONAL DISTRIBUTION OPTIONS FOR DEFERRED VESTED PARTICIPANTS

Effective January 1, 2007, all deferred vested participants will be eligible to receive a lump sum, immediate single life annuity, and immediate Joint & 50% survivor annuity. The lump sum will be calculated in the same manner as for retiring participants, described above.

MINIMUM REQUIRED DISTRIBUTION

Effective January 1, 2007 a participant who works beyond age 70 ½ will not be required to receive minimum required distributions. Such a participant, however, may elect to receive his or her benefit after age 70 ½ and before termination of employment.

LAYOFF RULE

Effective January 1, 2007 participants who are laid off will receive immediate distribution of their benefit if the lump sum value is less than \$1,000.

SPECIAL SOCIAL SECURITY SUPPLEMENT

Effective May 28, 2006, Social Security Supplement payments under the Pension Plan that were made available to designated eligible employees who were involuntarily terminated under a force management program during specified periods during the term of the 2003 Memorandum of Understanding shall continue to be made available for the term of the 2006 Memorandum of Understanding.

National Memorandum

MEDICAL AND DENTAL BENEFITS

Medical and dental benefits for represented employees under the Avaya Inc. Medical Expense Plan (the "Medical Plan") and the Avaya Inc. Dental Plan (the "Dental Plan") will continue with such changes described below and effective as of the dates set forth below. The Medical Plan will be amended to reflect such changes.

Overview

The terms and conditions of in-network coverage for represented employees to provide medically necessary benefits will continue as before with the following modifications to be effective as of the dates set out below.

MEDICAL PLAN

1 Point-of-Service Option

Effective January 1, 2007, the following changes will apply:

In-Network Office Visit copayment for Primary Care Physician	\$20
In-Network Office Visit copayment for Specialist	\$30
In-Network Annual Out-of-Pocket Maximum	
Individual coverage	\$1,000
Two-Person coverage	\$2,000
Family coverage	\$2,000
In-Network Emergency Room Visit copayment (if non-admission)	\$65
Out-of-Network Deductible	
Individual coverage	\$600
Two-Person coverage	\$1,200
Family coverage	\$1,200
Out-of-Network Coinsurance	75%/25%
Out-of-Network Annual Out-of-Pocket Maximum	
Individual coverage	\$3,000
Two-Person coverage	\$6,000
Family coverage	\$6,000
Out-of-Network Emergency Room Visit copayment (if non-admission)	\$70

2 Prescription Drug Program

Effective January 1, 2007, prescription drug benefits for represented employees will continue as before, except as modified below:

(a) **Copayments at participating pharmacies and Home-Delivery**

- (1) Brand
 - (i) Retail (up to a 30-day supply) \$25
 - (ii) Home-Delivery (up to a 90-day supply) \$50
- (2) Generic
 - (i) Retail (up to a 30-day supply) \$10
 - (ii) Home-Delivery (up to a 90-day supply) \$20

(b) **Annual Out-of-Pocket Maximum**

The annual out-of-pocket maximum for prescription drugs filled through participating pharmacies and home-delivery is \$1,000 per person with a limit of \$3,000 per family. It does not apply to prescriptions filled at non-participating pharmacies.

(c) **Mandatory Generic Drugs**

If a brand-name medication is dispensed when generic medication is available, the participant is responsible for paying the generic drug copayment plus the difference in cost between the brand name and generic drugs, except if indicated as dispensed as written.

(d) **Utilization Management**

Pre-certification will be required for the following types of prescription drugs: non-sedating antihistamines, proton pump inhibitors and antifungals.

3 **Mental Health and Chemical Dependency Program**

Effective January 1, 2007, the following changes will apply:

- In-Network Office Visit copayment \$25
- Out-of-Network Deductible \$250

4 **Annual Physical Examinations**

Participants shall be eligible for a free annual physical and screenings in accordance with age guidelines as determined by the Claims Administrator, including prostate screenings, mammograms and colorectal screenings.

National Memorandum

JOINT HEALTH CARE COMMITTEE

The Company and CWA and IBEW agree to continue their efforts to improve access to quality health care for bargaining unit members and to manage the cost of Avaya's medical benefits through the maintenance of cost effective health care programs. The Joint Health Care Committee (JHCC), will be continued, and will be responsible for overseeing the implementation, expansion and on-going monitoring of the Managed Care Programs (Point of Service, Mental and Health Chemical Dependency Networks and Prescription Drug Networks) of the Medical Plan with respect to members of the bargaining units covered by the 2006 National Memorandum.

A major focus of the JHCC will be to develop communication strategies designed to promote a greater awareness among employees of being value conscious health care consumers.

JHCC Members

The JHCC will contain four (4) appointees from the Unions (two (2) from the CWA and two (2) from the IBEW) and four (4) from the Company, including members with benefits, health, and labor expertise. The JHCC members will analyze issues which arise concerning the managed care programs of the Medical Plan and using consensus, will develop solutions to the issues.

JHCC Responsibilities

The JHCC is responsible for assuring successful implementation and continued operation of a quality health care program for current bargaining unit members.

The JHCC will be a forum for addressing and resolving issues involved in the implementation and ongoing monitoring and evaluation of the managed care programs of the Medical Plan. To accomplish these objectives the JHCC will:

- review and comment on bid specifications for the Managed Care Programs of the Medical Plan, provide input on who should be invited to bid, meet with various vendors as they make clarifying presentations on their programs and capabilities, attend briefings on the outcome of the bid analysis, and make recommendations on the selection of the carrier to senior management. In addition, the JHCC will have access to the Master Contracts between Avaya Inc. and the carriers which administer the POS networks covering the represented employees. Such access is contingent upon each JHCC member executing a confidentiality agreement.

National Memorandum

It is understood that such access will encompass all information that Avaya is legally permitted to disclose.

- develop and agree to a system of standards and guidelines by which POS network operations and performance are to be gauged. Standards and guidelines are to include quality health care providers, utilization management, quality assurance, employee satisfaction and management and administrative capability. Such standards and guidelines may include compliance with an accreditation program performed by an independent, outside organization with experience in evaluating managed care programs.
- monitor and evaluate POS network performance according to agreed upon standards on a regular basis.
- deliberate on systematic problems relating to POS network administration in order to resolve those problems across all network sites.
- advise the Company to cancel contracts for POS networks which do not conform to or comply with standards and guidelines developed by the JHCC.
- identify perceived problem areas and develop and implement solutions to enhance the adequacy, efficiency and effectiveness of the POS networks.
- review and evaluate POS network performances, policies and procedures (including POS managed care network operations and related administrator performance) in order to assess effectiveness and efficiency of the program.
 - Based on any such review and evaluation, if the JHCC determines that a represented plan network area operation is materially deficient and that such deficiencies will not likely be resolved in a reasonable period of time with a reasonable effort by the network administrator, the JHCC may then evaluate other Company-sponsored POS managed care operations in the same geographic area and their administrative performance, whether or not represented employees participate in such other arrangements on the same matters as the evaluation of represented plan network area operations was based.

National Memorandum

- Based on any such review and evaluation, the JHCC may recommend to the Company to change an existing represented POS network plan administrator in that area to an administrator that presently administers a network under any other medical plan sponsored by the Company in that area. If the Company adopts such recommendation, it shall have, if it deems necessary to effectuate such change, at least one full calendar year to implement such change.
- recommend changes in administrative procedures in order to improve the quality, efficiency and effectiveness of the Managed Care Programs.
- review any evaluations and reports (e.g., NCQA/HEDIS) relating to the POS programs of the Medical Plan. The purpose of the reviews and evaluations is to identify problem areas, to support educational efforts, to determine the quality and cost effectiveness of the plans and programs, and to make recommendations to the Company and to the bargainers on policies and procedures to improve the plans and programs.
- recommend administrative guidelines to support methods of interventions to reduce risk factors associated with chronic disease. Monitor and evaluate the success of such interventions. All information and records of a personal and confidential nature related to these administrative guidelines and procedures shall be kept confidential by those responsible for the guidelines and shall not be shared with anyone other than those with a need to know for a purpose related to the administration of the guidelines and related procedures.
- recommend strategies to improve the delivery, quality of care and service provided bargaining unit employees under the Managed Care Programs.
- develop a consumer information strategy to include POS networks and HMO's under the Medical Plan.
- develop strategies and recommendations for expanding POS network services under the Medical Plan; addressing, for example, items such as voluntary opt in and competing networks.
- monitor the overall activity of the Third Party Medical Claims Process which will include receipt of periodic reports on the results of this process.

National Memorandum

- discuss effective means of sponsoring a wellness network for represented employees.
- discuss effective means of encouraging Congress to pass legislation regarding health care issues.
- discuss feasibility of offering a formulary drug program.

CONSULTANTS AND ADVISORS

The parties will continue to elicit the best professional advice both from medical and benefit specialists within the Company and Unions and from recognized outside independent experts, to assist in interpreting the data on Avaya's health costs.

Network Coordinators

The Company agrees to continue to fund for the period of the 2006 Memorandum of Understanding two (2) representatives, one (1) from the CWA and one (1) from the IBEW, to work with the Company in the introduction and on-going maintenance of the POS programs under the Medical Plan.

National Memorandum

POSTRETIREMENT MEDICAL AND DENTAL BENEFITS

Postretirement medical and dental benefits for retired represented employees under the Avaya Inc. Retiree Medical Expense Plan (the "Retiree Medical Plan") and the Avaya Inc. Retiree Dental Expense Plan (the "Retiree Dental Plan") will continue with such changes described below and effective as of the dates set forth below. The Retiree Medical and Dental Plans will be amended to reflect such changes.

RETIREE MEDICAL PLAN

1 Point-of-Service Option

Effective January 1, 2007, the following changes will apply:

In-Network Office Visit copayment for Primary Care Physician	\$20
In-Network Office Visit copayment for Specialist	\$30
In-Network Annual Out-of-Pocket Maximum	
Individual coverage	\$1,000
Two-Person coverage	\$2,000
Family coverage	\$2,000
In-Network Emergency Room Visit copayment (if non-admission)	\$65
Out-of-Network Deductible	
Individual coverage	\$600
Two-Person coverage	\$1,200
Family coverage	\$1,200
Out-of-Network Coinsurance 75%/25%	
Out-of-Network Annual Out-of-Pocket Maximum	
Individual coverage	\$3,000
Two-Person coverage	\$6,000
Family coverage	\$6,000
Out-of-Network Emergency Room Visit copayment (if non-admission)	\$70

2 Prescription Drug Program

Effective January 1, 2007, prescription drug benefits for retired represented employees will continue as before, except as modified below:

(a) Copayments at participating pharmacies and Home-Delivery

- (1) Brand
 - (i) Retail (up to a 30-day supply) \$25
 - (ii) Home-Delivery (up to a 90-day supply) \$50
- (2) Generic
 - (i) Retail (up to a 30-day supply) \$10
 - (ii) Home-Delivery (up to a 90-day supply) \$20

(b) Annual Out-of-Pocket Maximum

The annual out-of-pocket maximum for prescription drugs filled through participating pharmacies and home-delivery is \$1,000 per person with a limit of \$3,000 per family. It does not apply to prescriptions filled at non-participating pharmacies.

(c) Mandatory Generic Drugs

If a brand-name medication is dispensed when generic medication is available, the participant is responsible for paying the generic drug copayment plus the difference in cost between the brand name and generic drugs, except if indicated as dispensed as written.

(d) Utilization Management

Pre-certification will be required for the following types of prescription drugs: non-sedating antihistamines, proton pump inhibitors and antifungals.

3 Mental Health and Chemical Dependency Program

Effective January 1, 2007, the following changes will apply:

In-Network Office Visit copayment	\$25
Out-of-Network Deductible	\$250

National Memorandum

RETIREE HEALTH CARE CAPS

The caps on the Company contributions to provide health care coverage for the term of this 2006 National Memorandum shall be as follows:

Under Age 65	
• Individual coverage:	\$8,705
• Two-person coverage:	\$16,668
• Family coverage:	\$25,237
Age 65 and older	
• Individual coverage:	\$4,514
• Two-person coverage:	\$8,988
• Family coverage:	\$17,694

No retired employee shall be required to contribute towards the cost of postretirement medical and dental coverage for the duration of this 2006 National Memorandum. It is anticipated that the combined medical and dental cap will not be exceeded during the term of the 2006 National Memorandum.

Calculation of Required Retired Employee Contribution

For purposes of determining whether the average projected costs of the Plan for the six types of coverage (i.e., individual, two-person or family, pre or post age 65) will exceed the applicable Company contribution limit for the next succeeding calendar year and if so, determining the amount of the required applicable retired employee contribution, Avaya will annually:

1. Determine the actual aggregate cost of all incurred claims (including the cost of administration) for the second preceding calendar year prior to the year for which premiums are being set for (1) retired employees with individual coverage under 65; (2) retired employees with two-person coverage under 65; (3) retired employees with family coverage under 65; (4) retired employees 65 and over with individual coverage; (5) retired employees 65 and over with two-person coverage; and (6) retired employees 65 and over with family coverage.
2. Based upon such actual aggregate costs, determine the average cost (including dependent costs) for such year per retired employee in each group.
3. Adjust the six average amounts determined in item 2 by an amount to be determined by the Special Research Group, as described below.
4. Calculate the difference between the amounts determined in item 3 and the applicable Company contribution limits and subtract the average claim for each group from the applicable cap for the group,

and determine whether the cap has been exceeded. If no cap for any group has been exceeded, then no retiree contributions are required. If one or more caps are exceeded then all caps are aggregated, on a weighted basis. If the result is a positive number, then retiree premiums are due from each group that has exceeded the caps. If the result is a negative number then retiree premiums are not due from any group.

Medical and Dental Inflation and Projected Costs

The determination of medical and dental inflation and projected costs used to calculate any required retiree contributions as described above in item 2 shall be made by a Special Research Group whose members shall include expert representatives from the Company and no more than two expert representatives from each union.

Adjustment to Retired Employee Contribution

Subsequent to each year, Avaya shall compare the aggregate costs for actual incurred claims (plus administrative expenses) for such year to the aggregate of the sum of all Company and retiree contributions, for retirees under age 65 and retirees age 65 and over, respectively.

For each of such two groups of retirees, the Company shall determine whether there has been a surplus or deficit and the amount of such for each year. If there has been a surplus in the amount of prior retiree contributions, the amount of such surplus will be used to offset any future retiree contributions. If there has been a deficit in the amount of prior retiree contributions, the amount of such deficit will be applied to increase any future required retiree contributions.

ANNUAL PHYSICAL EXAMINATIONS

Retirees and their covered dependents shall be eligible for an annual physical and free screenings in accordance with age guidelines as determined by the Claims Administrator, including prostate screenings, mammograms and colorectal screenings.

VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA)

During the term of this Agreement, the Company will contribute to a Voluntary Employee Beneficiary Association (VEBA) in the amount of \$47 million per year in 2007, 2008 and 2009. All retiree medical and dental claims paid by the Company shall be paid by the VEBA. The Company will not make any additional contributions to the cost of retiree medical and dental claims.

At the end of each year, any unused VEBA balance will be carried forward to offset the subsequent year's retiree medical and dental costs, if any, that would otherwise be the obligation of the retirees .

National Memorandum

FUTURE NEGOTIATION OF RETIREE MEDICAL CAPS

The June 1, 2003 "Future Negotiation of Retiree Medical Caps" letter is terminated.

RETIREE BENEFITS ISSUES

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Retiree Benefits Issues

In recognition of the Company and Unions' mutual concerns regarding the rising cost of health care for retirees, the parties agree that it is in the best interest to establish, for the duration of the Agreement, a committee known as the Retirement Policy Advisory Committee ("the Committee").

The Committee will consist of four (4) representatives from the Company, two (2) representatives from the Communications Workers of America and two (2) representatives from the International Brotherhood of Electrical Workers. The Committee shall meet quarterly. . The Committee shall discuss such issues as retiree benefits, the feasibility of an ad hoc pension increase, legislation regarding prescription drug coverage for Medicare beneficiaries; as well as other legislation pertaining to retiree health care on which they share common interests. The Committee may adopt such rules of procedures for its meetings and operations as it deems reasonable and appropriate.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3,
IBEW

National Memorandum

AVAYA INC. SAVINGS PLAN

Effective January 1, 2007, the Avaya Inc. Savings Plan ("Savings Plan") shall be amended as follows:

1 Contributions

(a) After-Tax Roll-Ins

Roll-ins to the Savings Plan may include after-tax employee contributions from other qualified plans.

2 Distributions

(a) In-Service Withdrawals

The limit of 3 withdrawals per year is removed for all participants.

(b) Deferred Participants

Deferred participants may make roll-ins, unlimited partial withdrawals in the minimum amount of \$500, and initiate new loans.

3 Investments

(a) Managed Accounts

Participants shall be eligible to use a managed account service, if available, on a fee-for-service basis. Fees will be set by the managed account service provider and subject to change at its discretion.

4 Loans

- (a) All residential loans must be repaid within 180 months of loan issuance.
- (b) Loan withdrawals from investment options will be made on a pro-rata basis.
- (c) Participants who are on a leave of absence may repay loans directly to the record keeper.

EMPLOYEE STOCK PURCHASE PLAN

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Avaya Employee Stock Purchase Plan

Gentlemen:

It is the intent of the Company to continue this Plan, subject to shareholder approval and any other required regulatory approvals.

Further, it is the Company's intent to treat management and represented employees similarly with respect to continuation of the Plan or terms of participation in the Plan.

Sincerely,

/s/ Terrence J. Nolan
Director, Labor Relations

/s/ Thomas C. Burk
Vice President, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3,
IBEW

National Memorandum

BENEFIT PLANS AND PROGRAMS

The following listed Avaya Inc. Benefit Plans and Programs or their successor Plan(s) or Program(s), with all subsequent amendments, shall, in accordance with their terms, apply to employees in the bargaining units and the following list shall be incorporated into the benefits article of the applicable local agreements:

Employee Stock Purchase Plan

Child/Elder Care Reimbursement Account Plan

Dental Plan

Life Insurance Programs

1. Basic Life
2. Basic Accidental Death and Dismemberment
3. Supplemental Life
4. Supplemental Accidental Death and Dismemberment
5. Dependent Life
6. Dependent Accidental Death and Dismemberment

Health Care Reimbursement Account Plan

Long-Term Care Plan

Long-Term Disability Plan

Savings Plan

Medical Plan

Group Legal Services Plan

Pension Plan

Sickness and Accident Disability Benefit Plan

Vision Care Plan

Work and Family Program

DOMESTIC PARTNER BENEFIT COVERAGE

Effective January 1, 2007, the Company will amend the following benefits plans and programs to permit active represented employees (who satisfy the eligibility requirements under the benefit plans) and their Domestic Partners and such Domestic Partners' eligible dependent children to participate in those benefit plans and programs:

- Avaya Inc. Medical Expense Plan
- Avaya Inc. Dental Expense Plan
- Avaya Inc. Vision Care Plan
- Avaya Inc. Group Legal Services Plan
- Avaya Inc. Dependent Life Insurance Plan
- Avaya Inc. Dependent AD&D Insurance Plan
- Avaya Inc. Long-Term Care Insurance Plan (where available)
- Avaya Inc. Pension Plan
- Avaya Inc. Savings Plan
- Avaya Inc. Family Related Programs

All of the terms and conditions of the above-referenced benefit plans, other than as specified below, shall apply to the coverage of the Domestic Partner and the Domestic Partner's children.

Eligibility Criteria

A Domestic Partner is an individual who:

- Complies with any state or local registration process for domestic partners, regardless of gender, if applicable, or resides in a state that recognizes same-sex marriages and is legally married under the laws of that state, and
- Satisfies each of the specific criteria identified below and completes and submits a Notarized Affidavit attesting that the employee and the domestic partner:
 - Reside in the same household as a member of the household,
 - Are each 18 years of age or older,
 - Have mental capacity sufficient to enter into a valid contract,
 - Are unrelated to each other by blood,
 - Not legally married to any other person,
 - Consider themselves to have a close and committed personal relationship, intend to continue such relationship indefinitely and have no other such relationship with any other person, and
 - Are responsible for each other's welfare and financial obligations.

National Memorandum

Coverage for Eligible Children of a Domestic Partner

Children of a Domestic Partner may be eligible for coverage if the children otherwise satisfy the definition of a Class I Dependent under the Avaya Inc. benefit plans listed above.

Termination of Coverage for a Domestic Partner

Coverage for a Domestic Partner and/or the Domestic Partner's children shall terminate automatically as of the end of the month in which the individual no longer satisfies any of the criteria above. Employees who enroll a Domestic Partner and/or a Domestic Partner's children shall be required to file an Affidavit of Termination of the Domestic Partnership if any of the criteria required to be covered as Domestic Partner cease to be satisfied.

Limited Domestic Partner Benefits Under the Retiree Benefit Plans

Retired employees shall not be permitted to enroll a Domestic Partner under the Avaya Inc. Medical Expense Plan for Retired Employees or the Avaya Inc. Dental Expense Plan for Retired Employees (collectively the "retiree plans"), provided, however, that an active employee who has a Domestic Partner covered under the Avaya Inc. Medical Expense Plan and/or the Avaya Inc. Dental Expense Plan on the date of the employee's retirement from the Company shall be permitted to continue the coverage for such enrolled Domestic Partner, subject to the terms and conditions of the retiree plans. If coverage for a Domestic Partner enrolled under the retiree plans ceases, the Retired Employee shall not thereafter be entitled to enroll a new Domestic Partner in the retiree plans.

Pension Benefits Extended to Domestic Partners

Effective January 1, 2007, domestic partners will be eligible to receive survivor benefits under the Pension Plan. Domestic partners will include same and opposite gender individuals. A participant will be able to designate a domestic partner as his or her survivor for the pre-retirement survivor annuity. Participants (both retiring and DVPs) will be able to name any individual, including domestic partners, as joint annuitants under the joint and survivor annuity options available under the Pension Plan. For all joint and survivor options, reduction factors will be based on actuarial equivalents for all joint annuitants.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Company agrees to continue for the duration of the 2006 Memorandum of Understanding, a Company-wide Employee Assistance Program (EAP) which will provide assistance in dealing with alcoholism, drug abuse, emotional illness and other medical/behavioral problems. The Program will continue to utilize qualified professionals including employees who have a thorough knowledge of the work place environment and of the services offered by EAP.

Avaya and the Unions agree to maintain, for the duration of the 2006 National Memorandum of Understanding, a national advisory committee to be known as the EAP Joint National Oversight Committee, to foster continued cooperation between Avaya and the Unions in the provision of assistance to those experiencing medical and/or behavioral problems. The Committee shall consist of four (4) Avaya representatives and four (4) Union representatives, two (2) appointed by the CWA and two (2) appointed by the IBEW.

The Committee shall meet from time to time as required, but at least three (3) times per year. The purposes of the meetings shall be to:

- (a) Review the effectiveness of the Employee Assistance Program;
- (b) Make appropriate recommendations to improve the Employee Assistance Program; and
- (c) Engage in such other activities as the Committee determines will improve the Employee Assistance Program.

National Memorandum

WORK & FAMILY PROGRAMS

The Company and the Unions agree to continue the Family Care Programs covered under the 2003 Memorandum except as modified below:

Reimbursement Accounts

- Effective January 1, 2007, the Avaya Inc. Health Care Reimbursement Account (HCRA) and Child/Elder Care Reimbursement Account (CECRA) Plans shall be amended to provide that participants must contribute a minimum of \$300 per year for each plan.
- Effective January 1, 2007, the Avaya Inc. HCRA Plan shall be amended to provide that participants may contribute up to \$4,000 per year.

National Memorandum

SUSPENSION OF FAMILY CARE DEVELOPMENT FUND

May 28, 2006

Mr. R. V. Maly, Vice-President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3

Re: Suspension of Family Care Development Fund

This will confirm that the Family Care Development Fund will continue to be suspended for the duration of the 2006 National Memorandum of Understanding.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

AVAYA INC. GROUP LIFE INSURANCE PLAN

Effective January 1, 2007, the Avaya Inc. Group Life Insurance Plan ("Life Insurance Plan") shall be amended as follows:

Supplementary Life and AD&D Insurance

Benefit Amount

Employees will be provided with the opportunity to purchase optional employee pay-all supplementary life and accidental death & dismemberment insurance coverage, from one to seven times total annual pay.

Evidence of Insurability

During the 2007 annual enrollment period only, employees who opt to increase the amount of supplementary life coverage from five to six times total annual pay will not be subject to evidence of insurability requirements. All other increases in supplementary life coverage amount will be subject to evidence of insurability.

THE ALLIANCE

Avaya Inc., the Communications Workers of America, and the International Brotherhood of Electrical Workers agree to continue to utilize the services of the Alliance for Employee Growth and Development (The Alliance). The services provided by the Alliance and the eligibility for participation in Alliance programs are described in Attachment A.

For the period May 28, 2006, through September 30, 2009, inclusive, Avaya agrees to fund the Alliance on the basis of \$2,200,000 annually. Funds will be made available each month for the Alliance on the basis of one-twelfth (1/12th) of the annual funding level. Avaya shall credit these funds to an account designated for the Alliance and its activities within fifteen (15) days of the end of each month.

In addition to the annual funding described above, an additional amount of up to \$1,700,000 in FY2007, \$475,000 in FY2008 and \$450,000 in FY2009 will be made available to fund Alliance-sponsored technician certification training courses and programs.

Avaya Inc. and the Unions agree that the funds made available to the Alliance will be exclusively used to cover the cost and delivery of training programs for Avaya employees who are represented by the CWA or the IBEW System Council T-3.

ATTACHMENT A

THE ALLIANCE FOR EMPLOYEE GROWTH AND DEVELOPMENT

- 1 Avaya Inc. and the Communications Workers of America (CWA) mutually acknowledge their pride in the talents, abilities, creativity and commitment of Avaya's work force. The parties share a vision of the work environment in which all employees are encouraged to develop their skills, abilities and talents to the fullest extent possible and are furnished every opportunity to take the initiative to do so. Such an environment will not only offer the maximum opportunity to employees to attain their employment goals, but will also lead to increased commitment by employees to devote their maximum energies to improving Avaya's productivity and competitiveness. It is anticipated that this level of employee commitment will contribute significantly to marketplace success for Avaya and to the increased employment security for employees associated with such success.
 - (a) To help achieve this vision, a separate and distinct jointly administered entity, known as the Alliance for Employee Growth and Development (the Alliance), will continue to operate as a not-for-profit corporation. The mission of the Alliance is to make available learning experiences to employees which will enhance their represented and work group skills; provide opportunities for personal and career development; stimulate and sustain their contributions to Avaya's success through improved communication skills, motivation, improved work habits and enhanced interpersonal skills; familiarize them with state-of-the-art technology, based on the present or anticipated needs of the business; and increase the probability that if they face displacement or dislocation, they will find alternative employment, either in Avaya or in the outside job market.
 - (b) The Alliance focuses on both Personal/Career Development and Job Displacement Training curricula. It is envisioned that the Alliance will generally arrange and/or underwrite these curricula by contracting with accredited outside parties for delivery. In some cases, it may provide the curricula directly.
 - (c) It is understood that the Alliance is not intended to replace Avaya's existing job-specific training, nor does it limit the right of the parties to provide educational and training programs on the same, similar or other subjects as they may deem appropriate.
 - (d) The Grievance and Arbitration procedures of this Agreement have no application to, or jurisdiction over, any matter relating to the Alliance.

2 Personal/Career Development Curriculum

The types of programs which the Alliance will underwrite to enhance the personal/career development of regular employees will include, but not be limited to:

- (a) career counseling
- (b) skills inventory and aptitude assessment
- (c) career training
- (d) personal growth training
- (e) training associated with skill development programs, such as QWL, which may not be directly related to the performance of an employee's current job.
- (f) certification training

3 Job Displacement Curriculum

Avaya will seek to identify those types of represented jobs in each of Avaya's major organizational units in which growth, as well as decline, are anticipated. From that information and other resources, the Alliance will recommend, arrange and/or underwrite training that will assist those employees who occupy jobs in which a decline is anticipated, or who may be displaced due to force surplus, to acquire new skills. The training will be designed to increase the probability that these employees will be in a position to compete successfully for new positions within Avaya, or to find alternative employment outside of Avaya.

- (a) Where appropriate, successful completion of Personal/Career Development or Job Displacement curricula which are relevant to a job will be considered by Avaya when selecting employees for job opportunities.

4 Curricula Development, Implementation and Delivery

In identifying areas on which Alliance activities should focus, the Alliance will consult with Avaya and CWA officials, as well as with professionals in such fields as higher education, industrial psychology and vocational training. In addition, the Alliance will confer with, advise and offer professional and financial assistance to local training/retraining committees, in such areas as:

- (a) identifying educational, training and retraining needs, as well as the resources available to meet those needs
- (b) developing programs designed to meet identified employee needs
- (c) publicizing and encouraging employee participation in Alliance activities

National Memorandum

- (d) undertaking to review, evaluate, and make recommendations on proposals for the use of Alliance funds by the local training/retraining committees
- (e) coordinating forums, seminars, and workshops for the exchange of ideas and concepts among the local committees
- (f) commissioning research into, and evaluation of, alternative approaches to training, retraining, and job placement
- (g) The Alliance will also contact appropriate governmental agencies - federal, state and local - to obtain other types of governmental assistance that may be available for Alliance activities

5 Eligibility for Participation in Alliance Programs

Regular full and part time employees will be eligible to participate in all Alliance activities. In addition, employees who have been displaced or who are on LAYOFF will be eligible to participate in Alliance activities provided that they commence such participation within six months of LAYOFF. A LAID OFF employee may continue participation in Alliance activities for a period extending one year beyond the number of weeks' Termination Allowance the employee is entitled to receive in accordance with Paragraph 2, ARTICLE 25, TERMINATION ALLOWANCES, or until they find alternative employment, whichever occurs first. The Alliance will continue to underwrite any activity that a participant commences within that period, provided that the Alliance initially committed to underwrite it.

- (a) Participation in either the Personal/Career Development or the Job Displacement curricula is voluntary and will be made available at convenient times and locations, such as after hours at the work site, local community colleges, or CWA offices. Time spent by participants in Alliance activities will be outside scheduled working hours, and not paid or considered as time worked. In selected instances, Avaya, at its discretion, may permit active employees to receive such training during working hours.

6 Reports

The Alliance will publish an Annual Report, detailing the training that was made available to Avaya employees, the number of participants who received such training, the funds expended and the manner in which funds were utilized.

**LABOR EDUCATION AND DEVELOPMENT FOR THE 21ST CENTURY
(LEAD 21)**

To prepare Avaya Inc. and its employees to compete in a constantly changing global environment, the Company and the Unions will continue an educational, training and academic program for employees, their children and their communities. This program previously labeled "LEAD 21" is renamed Labor Education and Development for the 21st Century (LEAD 21). The program, which includes the following features, will continue except as modified below:

- 2 A minimum of 40 hours of skill based or job related training each calendar year for all employees
 - Regular full-time (not temps or term) employees will be provided the opportunity for a minimum of forty (40) hours of education and training that is skill based or job related in the calendar year. The forty (40) hour minimum will be prorated for part-time employees, mid year hires, and employees who work less than a full year.
- 3 Training on Environmental Health and Ergonomic Awareness
 - Rename the program (which was formerly known as "Training on VDT Usage and Ergonomic Awareness") and update materials accordingly.
- 4 Time off for literacy or bilingual training volunteers
- 5 ConSern: Loans for Education
- 6 Tuition Assistance
- 7 Transition to Teaching Program - eliminated
- 8 The Avaya/CWA/IBEW Academic Award

Establish scholarships of up to \$6500 per year (renewal for up to four years) to be awarded to children of represented Avaya Inc. employees, for the 2007-08, 2008-09 and 2009-10 academic years.

Scholarships will be awarded to 50% of the qualified applicants, up to a maximum of fifteen (15) new awards per year and a minimum of five (5) new awards per year. In any year in which there are fewer than five (5) qualified applicants, only qualified applicants will receive scholarships.

Continue a Joint Academic Award Program Steering Committee consisting of two (2) Avaya representatives and two (2) Union representatives one (1) appointed by CWA and one (1) appointed by IBEW, who will provide administrative guidance for the program.

National Memorandum

ACADEMIC AWARDS

May 28, 2006

Mr. R. V. Maly, Vice President, CWA

Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Academic Awards

This will confirm our agreement regarding the eligibility of a child of a former employee to continue to receive previously awarded scholarship support under the Academic Awards Program.

In those situations where the union has grieved the Company's action in dismissing an employee for cause, and a child of that employee has been previously awarded a scholarship under the Academic Awards Program, the Company agrees to continue to provide such scholarship support for a period not to exceed six months from the date of the employee's dismissal.

The parties agree that any grievance and/or arbitration relating to the dismissal shall be processed as expeditiously as possible under the appropriate collective bargaining agreement and shall be concluded within six (6) months from the date of the dismissal.

If the former employee is reinstated as a result of such dispute, then the dependent will continue to participate in the program. Otherwise, the dependent will be disqualified from further participation in the Academic Awards Program.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3,
IBEW

TUITION ASSISTANCE

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Tuition Assistance

The Company and the Unions agree that tuition assistance to represented employees is an integral and important aspect of the overall Avaya Inc. employee developmental process.

Avaya, as it continues to seek ways to make tuition assistance more responsive to individual employee needs and to conform to government regulations, may at times find it necessary to alter certain aspects of the Tuition Assistance Plan. Where it becomes necessary to change the Plan to conform with applicable government regulations, the Company shall notify the Union in writing. Negotiations shall then take place if requested by the Union. In the event of such negotiations, the changes proposed by the Company shall not be implemented until (a) agreement is reached, or (b) the Company determines that timely action is required by law, regulation, order, determination or ruling whichever occurs sooner.

In all other cases, the Company agrees that it will not make any changes in the Tuition Assistance Plan which would reduce or diminish the benefits or privileges provided by such Plan for employees represented by the Unions without negotiating such changes with the Unions.

Neither the Tuition Assistance Plan nor its administration shall be subject to the grievance and arbitration provisions of the applicable collective bargaining agreements.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

ATP LETTER

May 28, 2006

Mr. R. V. Maly, Vice President, CWA

Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Avaya Transfer Plan (ATP)

This will confirm the discussions and agreement reached during 2006 Bargaining by the Unions and the Company concerning improvements to the Avaya Transfer Program. The Company and Unions agree that the Joint ATP Review Board is authorized to:

- Reestablish a task force to study, resolve problems and implement a process for staffing through the ATP positions requiring a security clearance.
- Remind Business Groups of the impacts and expenses of canceled job requisitions.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

AVAYA TRANSFER PROGRAM (ATP)

The parties agree to the following in respect to the Avaya Transfer Program (ATP) during the life of the 2006 Agreement.

1 PURPOSE

- (a) The ATP provides Eligible Represented Employees an opportunity to request new career opportunities on a current or future basis and provides surplus employees with increased opportunity to continue employment with Avaya. Temporary employees and non-payroll workers are excluded from the program. All employee movement under the ATP is voluntary through a self-nomination process and should not be construed to be a force adjustment, force rearrangement, assignment or reassignment initiated by the Company.
- (b) The ATP also provides former employees who were laid off by the Company with recall rights, or who left under a Facility Closing Program (FCP), or employees who left the Company because of an authorized hardship or an Avaya trailing spouse condition an opportunity to nominate for openings for up to three (3) years from the date of termination.
- (c) This plan does not replace any existing recall rights to which former employees may be entitled in accordance with applicable local labor agreements, but the rehiring of a former employee under the ATP satisfies the company's recall obligation.
- (d) The ATP does not replace any contractual internal movement of personnel procedures contained in applicable collective bargaining agreements. As to those bargaining units, the ATP supplements those movement of personnel procedures.

2 DEFINITIONS

- (a) **Basically Qualified**
An employee who meets the minimum qualifications for a given title as specified in the ATP job brief.
- (b) **Career Placement**
The placement of an eligible represented employee who is seeking a career change.
- (c) **Career Rehire Placement**
The placement through the ATP of a former regular full-time or regular part-time represented employee who is seeking a position with the Company.

National Memorandum

- (d) **Demotion**
Movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a lower numeric value.
- (e) **Eligible Employees**
Regular full-time and part-time represented employees and full-time and part-time term employees assigned to work locations in the U.S. and covered by this Agreement.
- (f) **Force Freeze**
A temporary limit or prohibition of represented movement through the ATP.
- (g) **Lateral**
Movement from an employee's current Level Equalization Group to a position in the same Level Equalization Group.
- (h) **Local Placement Area (LPA)**
A geographic area consisting of one (1) or more cities grouped together to allow employees greater flexibility in requesting information on positions in an area of interest through the ATP.
- (i) **Placement Request**
A request for consideration for an ATP vacancy. The request may be for either Career or Surplus Placement. Career Placement Requests may be for specific vacancies or for future vacancies by title or level and location. Surplus Placement Requests are for specific vacancies only.
- (j) **Promotion**
Movement from an employee's current Level Equalization Group to a position in a Level Equalization Group of a higher numeric value.
- (k) **Recall Candidate**
Former regular employees who held the advertised job title (or its successor title or a title of equivalent status for which they qualify) within the hiring organization and the GCA/RCA in which the open position exists.
- (l) **Surplus Placement**
The placement of a regular full-time or regular part-time represented employee who has been identified surplus and has submitted a Surplus Placement Request.
- (m) **Surplus Rehire Placement**
The reemployment of a former regular full-time or regular part-time represented employee who has submitted a Surplus Placement Request and is placed during his/her minimum surplus eligibility period.

(n) **Time-in-Location**

The minimum number of months that an employee must serve in a location to be eligible for voluntary movement.

(o) **Time-in-Title and Grade**

The minimum number of months a represented employee must serve in a specific job title and job grade to be eligible for voluntary movement.

3 ELIGIBILITY

(a) Active Eligible Represented Employees

- (1) After local movement of personnel procedures have been applied, the ATP provides the means by which active Eligible Employees may request consideration for transfer to represented positions within and between the bargaining units which are covered by this Agreement.
- (2) Temporary and term positions are not filled through the ATP. However, a term employee is eligible to participate in Career Placement within the ATP.
- (3) The ATP does not preclude the Company from making Company initiated transfers, force adjustments, reassignments or rearrangements. Nor shall anything in the ATP preclude the Company from applying a Force Freeze if the Company determines that excessive movement from any organization or work group would impair the operation of the business. A Force Freeze will not exceed sixty (60) days under the ATP. An employee covered by a Force Freeze may self-nominate for vacancies if the report date occurs after the last day of the Force Freeze. A Force Freeze shall not be applied in sale situations, nor in a facility closing which is covered under the Facility Closing Program.
- (4) Initial employee participation in the ATP shall require the employee to verify, supply, or update personal data relative to work experience, education or training. An employee may not claim work experience, education or training gained while on a temporary promotion.
- (5) In order for an employee to move voluntarily within the ATP, the employee must have fulfilled both Time-in-Title and Grade and Time-in-Location requirements as specified on the ATP Job Brief for the employee's current title and grade.
 - (i) Time-in-Title and Grade must be fulfilled each time an employee voluntarily moves to a different title and grade
 - (ii) Time-in-Location must be fulfilled when:
 - (A) an employee voluntarily moves outside his/her LPA or

National Memorandum

- (B) an employee voluntarily moves to a new Business Unit/Division within the same LPA.
- (iii) An employee moved involuntarily by the Company will carry his/her cumulative Time-in-Title and Grade and Time-in-Location to the position to be filled.
- (6) An employee may participate in the ATP as a Career or Surplus Placement candidate.
 - (i) An employee who is not Surplus must have satisfied any applicable Time-in-Title and Grade and Time-in-Location requirements for movement from his/her job, as specified on the ATP Job Brief for the employee's current title and grade.
 - (ii) An employee who is Surplus will have his/her Time-in-Title and Grade and Time-in-Location requirements waived for both Career and Surplus Placement.
- (b) Rehire Candidates
 - (1) Former employees who were laid off by the Company with recall rights, or who left under a Facility Closing Program (FCP), or employees who left the Company because of an authorized hardship or an Avaya trailing spouse condition will be able to nominate for openings for a period of three (3) years from the date of termination.
 - (2) To participate, a former employee must provide or update personal data relative to work experience, education, or training.

4 JOB ADVERTISEMENT AND SELECTION PROCEDURES

- (a) General
 - (1) The Company will provide eligible represented employees information on current job vacancies on a real-time basis and, if qualified, employees may self-nominate for current or future openings.
 - (2) All vacancies will be advertised for six (6) work days.
 - (3) Job vacancies submitted to the ATP for current open positions expire thirty (30) calendar days after receipt of a candidate list or upon the selection of a candidate for the ATP vacancy, whichever occurs first.
 - (4) The employee has two (2) work days, not including the day of the offer, to accept or reject a job offer.
 - (5) The hiring organization may reject any candidate, surplus or career, who has received a disciplinary suspension for conduct or performance within the six (6) months prior to the job advertisement end date.

National Memorandum

- (6) The hiring organization may reject any surplus candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's final disciplinary step prior to dismissal because of attendance. The hiring organization may reject any career candidate whose chargeable attendance record would result in the employee being placed on the hiring organization's disciplinary step which is two (2) steps or fewer from dismissal because of attendance; in the case of a three (3) step attendance program, the hiring organization may reject a career candidate whose chargeable attendance record would result in the employee being placed on step two (2) or greater of the attendance program in the hiring organization.
- (b) Career Placements
- (1) Qualified eligible represented employees seeking Career Placement can request to be considered for current open positions or file for future ATP openings. Employees may have up to eight (8) Career Placement Requests at any one time.
 - (2) Employee Career Placement Requests will remain on file, but on inactive status, during leaves of absence, temporary promotions to management, and disabilities in excess of one (1) year.
 - (3) Employees on short term [less than one (1) year] disability may submit Placement Requests. They will be considered for positions provided they can report to the job within thirty (30) days of the job report date.
 - (4) Career Placement Future Requests will remain on file for three (3) years from the date of receipt, but will be canceled upon the occurrence of any of the following:
 - (i) the employee no longer meets the ATP eligibility criteria,
 - (ii) the employee is placed into another job via the ATP, a local voluntary intra-business unit lateral transfer, or any other Avaya voluntary job placement process,
 - (iii) the employee withdraws the request(s),
 - (iv) the employee leaves the Avaya payroll, or
 - (v) the employee is no longer a regular full-time, or regular part-time represented employee, including term.
 - (5) If an employee seeking Career Placement refuses a job offer which matches a request he/she has made, then that request is canceled; and it, or any other request for the same title and grade/wage level and location, may not be resubmitted for a period of four (4) months from the date of refusal.

National Memorandum

- (6) When an employee accepts a job offer made under the ATP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (c) Career Rehire Placement
- (1) Eligible, qualified former employees seeking reemployment can request to be considered for current open positions as Career Rehire candidates. They may have up to eight (8) Career Rehire Placement Requests at any one time.
 - (2) Career Rehire Placement Requests will be canceled upon occurrence of any of the following:
 - (i) the former employee is rehired into a regular full-time or regular part-time job (not term or temporary) via the ATP or any other employment process, or
 - (ii) the former employee withdraws the request(s), or
 - (iii) expiration of the three (3) year rehire eligibility period.
 - (3) The former employee has two (2) work days, not including the day of the offer, to accept or reject a job offer.
 - (4) If a former employee seeking rehire placement refuses a job offer for a placement request he/she made, then that request is canceled; and it, or any other request that would include the same title or grade/wage level and location, may not be resubmitted for a period of four (4) months from the date of the refusal.
 - (5) When a former employee accepts a job offer made under the ATP, all other requests on file shall be canceled and the employee may not submit any ATP Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (d) Surplus Placement
- (1) The Surplus Placement features of the ATP are activated when a surplus is declared in accordance with provisions of any applicable collective bargaining agreement.
 - (2) Eligible employees who are at risk of losing their jobs if the surplus is not otherwise resolved will be given surplus status in the ATP.
 - (3) Surplus employees may submit an unlimited number of Surplus Placement Requests for vacancies which are laterals or demotions.

National Memorandum

- (4) A Surplus Employee is no longer eligible for Surplus Placement treatment in the ATP if any of the following occurs:
 - (i) the employee is no longer surplus,
 - (ii) the employee is placed into another job via the ATP or other voluntary transfer or placement process other than the Extended Compensation Option,
 - (iii) the employee is placed into another job via a contractual force adjustment or rearrangement article,
 - (iv) the employee leaves the Avaya payroll, or
 - (v) the employee is no longer a regular full-time or regular part-time represented employee.
 - (5) A Surplus Employee may refuse without penalty one (1) position for which he/she requested Surplus Placement consideration through the ATP. If, during the same surplus, an employee refuses a second position for which he/she requested Surplus Placement consideration, the employee can no longer participate in the Surplus Placement feature of the ATP. However, if the employee meets the Career Placement eligibility criteria, he/she may participate in that portion of the ATP as long as the employee is on the Avaya payroll.
 - (6) If an employee is no longer eligible for Surplus Placement as per paragraph 4(d)(4) or 4(d)(5) above, all Surplus Placement Requests are canceled; they are not automatically converted to ATP Career Placement Requests.
 - (7) A Surplus Employee shall have a minimum of 60 days surplus status within the ATP.
 - (8) When a Surplus Employee accepts a job offer made under the ATP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (e) Surplus Rehire Placement
- (1) A former employee who has been laid off with recall rights and has not completed sixty (60) day of surplus eligibility in the ATP by the off roll date, will retain surplus eligibility until he/she has achieved 60 days of surplus eligibility.
 - (2) A former employee who is a candidate for Surplus Rehire Placement will be subject to the same requirements and treatment that apply to Surplus Placement as set forth paragraph 4(d) above, except that his/her surplus status will end when any of the following occur:

National Memorandum

- (i) the former employee is rehired into a regular full-time or regular part-time job (not term or temporary) via any employment process, or
 - (ii) the former employee, during the same surplus declaration, refuses a second position for which he/she requested Surplus Placement consideration through the ATP, or
 - (iii) the former employee completes his/her sixty (60) days of surplus eligibility.
- (3) The former employee has up to two (2) work days, not including the day of the offer, to accept or reject a job offer.
- (4) When a former employee accepts a job offer made under the Surplus Rehire feature of the ATP, all other requests on file shall be canceled and the employee may not submit any new Career Placement Requests until the applicable Time-in-Title and Grade and Time-in-Location requirement(s) for the position to be filled have been met.
- (5) Upon the completion of sixty (60) days of surplus eligibility or the loss of surplus eligibility as described in 4(e)(2)(ii):
- (i) any Surplus Placement Requests and Career Requests for current vacancies which the former employee has on file will continue;
 - (ii) any future Career Placement Requests will be canceled; and
 - (iii) the former employee may continue to participate as a Career Rehire candidate, as specified in paragraph 4(c) above, for the remainder of the three (3) years.

5 REQUESTS FOR TIME-IN-TITLE AND GRADE AND TIME-IN-LOCATION WAIVER OR RETREAT FROM PROMOTION

(a) Time-In-Title and Grade And Time-In-Location Waivers

Employees requesting Time-In-Title and Grade and Time-In-Location waivers as trailing spouses or because of a hardship, may participate in the ATP without meeting Time-in-Title and Grade or Time-in-Location criteria, if approved by the Company. However they are subject to all other ATP eligibility criteria.

(b) Retreat from Promotion

An employee who accepts a Promotion through the ATP to a position in any Avaya organization may, within six (6) months of placement, request to return to his/her former job, or equivalent job if the former is not available. The Company shall consider any such request, and if approved, the employee will not have to meet Time-in-Title and Grade and Time-in-Location for movement to his/her former job or an equivalent. If the employee has moved to different LPA, he or she may

request such treatment in his/her former or new LPA. An employee so returned will be required to satisfy anew any applicable Time-in-Title and Grade or Time-in-Location requirement(s) for eligibility under the ATP before again submitting a Career Placement Request.

6 ORDER OF CONSIDERATION AND SELECTION CRITERIA

(a) Order of Consideration

Represented vacancies covered by the ATP that are not filled under contractual or legal obligations (e.g. Return from Military, Recall under applicable collective bargaining agreements, etc.) will be staffed using the following order of consideration:

- (1) Voluntary ATP Surplus Candidates within the same LPA or Recall (Operations only)
- (2) Voluntary ATP Surplus Candidates outside the local LPA
- (3) Voluntary ATP Regular Career Candidates
- (4) Voluntary ATP Career Rehire Candidates
- (5) Voluntary ATP Term Employee Candidates
- (6) New Hires

(b) Selection Criteria

- (1) The senior basically qualified Surplus Placement or Recall (Operations only) candidate(s) will be selected.
- (2) In selecting non Surplus Placement candidates for vacancies, the selection criteria of better/basic tests, skills and seniority, in that order, will govern. The Company maintains the right to interview for determination of the candidate's depth of knowledge in skills.
- (3) On a multiple vacancy job requisition after any surplus and recall (Operations only) candidates have been handled, if there are five (5) or more vacancies remaining, the hiring organization may fill a minimum of 30% of the remaining vacancies by hiring.
- (4) As an alternative to hiring, where no ATP Career candidates have requested a specific job vacancy and all surplus and recall (Operations only) obligations have been met, the Company shall have the option to promote from within the immediate work group of the Senior Manager initiating the job vacancy, without regard to Time-in-Title and Grade or Time-in-Location criteria provided the employee meets the selection criteria of better/basic tests, skills and seniority, in that order.

National Memorandum

- (5) Eligible, represented employees, including former employees, not test qualified for positions being sought via the ATP will be provided the opportunity to take such test(s) in the same order of consideration applicable to filling job vacancies subject to the availability of testing resources and the job vacancy activity rate for the position(s) being sought. Within each step of the order of consideration if there are more requests for a specific test than can be accommodated on the test schedule, employees requesting the test will be scheduled in seniority order, most senior first.
- (6) Voluntary Rehire candidates will be subject to the same selection criteria as other non surplus candidates, but subject to hiring authorization.

7 WAGE TREATMENT/PROTECTION

Wage Treatment for employees for movement through the Avaya Transfer Program within and between bargaining units:

- (a) Wage Treatment: An employee's new Standard Rate will be determined as follows:
 - (1) Employees who move within or between collective bargaining agreements and within the same wage table to another location where a different wage area is applicable shall have their Standard Rate adjusted to conform to the schedule in the new locality.
 - (2) Employees who move to a different wage schedule with fixed periodic steps:
 - (i) Promotion - move from present Standard Rate to a whole step above the nearest step on the new schedule
 - (ii) Lateral - move from present Standard Rate to nearest step on new schedule insuring no loss in pay
 - (iii) Demotion - move from present Standard Rate to the nearest step on new schedule insuring no gain in pay
 - (3) Employees who move to a wage schedule with no fixed periodic steps shall be placed in the new wage range at the same Standard Rate as their old schedule.
 - (4) In no event shall an employee's new Standard Rate be above the maximum rate of the new schedule.
 - (5) Local collective bargaining agreements may have specific wage treatment provisions affecting the rate of an employee moving from one collective bargaining agreement to a title in another collective bargaining agreement.

(b) Wage Protection Allowance

Surplus Employees moving through the ATP who receive a reduction in their rate of pay (whether through an Promotion, Lateral or Demotion) shall have their rate of pay reduced over a period of time based on the difference between the Adjusted Rate of the old assignment and the Standard Rate of the new assignment. These reductions in pay are effective at specific periods following the effective date of the new assignment, as shown below:

Number of weeks after effective date of the assignment	Reduction to be applied
0 -10 Years N.C.S.	
Weeks 1 thru 4	No reduction
Weeks 5 thru 8	1/3 reduction
Weeks 9 thru 12	2/3 reduction
Weeks 13 & thereafter	Full reduction
10 - 15 Years N.C.S.	
Weeks 1 thru 30	No reduction
Weeks 31 thru 34	1/3 reduction
Weeks 35 thru 38	2/3 reduction
Weeks 39 & thereafter	Full reduction
15 Years N.C.S. and over	
Weeks 1 thru 56	No reduction
Weeks 57 thru 60	1/3 reduction
Weeks 61 thru 64	2/3 reduction
Weeks 65 & thereafter	Full reduction

8 RELOCATION EXPENSES

- (a) Represented employees, shall bear any costs and expenses associated with relocation under the Career Placement features of the ATP, unless the employee is surplus at the time the Career Placement job offer is accepted.
- (b) A former represented employee shall bear any costs and expenses associated with relocation under Career Rehire Placement features of the ATP.
- (c) A Surplus Employee who accepts a position within his/her current LPA shall bear any costs and expenses associated with relocation under the ATP.

National Memorandum

- (d) A former represented employee who accepts a position within his/her current LPA under the Surplus Rehire Placement features of the ATP shall bear any costs and expenses associated with relocation under the ATP.
- (e) A Surplus Employee or Surplus Rehire candidate who accepts a position that is outside his/her LPA is eligible for a lump sum relocation allowance provided the new reporting location exceeds thirty-five (35) road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location.
- (f) Provided the eligible employee elects to relocate his/her residence within six (6) months from the effective date of the transfer, the allowance will be the lesser of:
 - (1) the termination allowance for which they would have been eligible upon layoff, with a minimum relocation allowance of \$5,000, or
 - (2) \$15,000.
- (g) An employee who meets the above criteria and elects not to relocate his/her residence, shall be entitled to receive a one-time lump sum allowance of \$2,000 in lieu of such moving expenses provided this election is made within six (6) months of the date of transfer.
- (h) Surplus employees who are placed via the ATP Surplus or Career Placement Program, meet the ATP relocation criteria, and are compensated for actually relocating their residence, shall be offered the opportunity to move back to the former location with relocation compensation for the lesser of:
 - (1) the termination allowance for which they would have been eligible upon layoff, or
 - (2) \$15,000,
 - if the following conditions are met:
 - (i) the employee is laid off at the new site within three (3) years of placement; and
 - (ii) the employee relocates back to the original geographic location; and
 - (iii) the employee does not qualify for any other Avaya provided relocation compensation program.

9 OVERSIGHT AND REVIEW BOARD

- (a) The Company and the Unions will establish a Joint ATP Oversight and Review Board. This Board will be comprised of one (1) CWA representative, one (1) IBEW representative and one (1) representative from the Company. The responsibilities of the Board will include:
 - (1) monitoring the ongoing operation of the ATP,
 - (2) analyzing overall ATP results, and
 - (3) addressing concerns raised as to the staffing of positions through the ATP.
- (b) The Board shall meet on a regular basis, but not less than once each quarter.
- (c) The Communications Workers of America and the International Brotherhood of Electrical Workers shall each appoint one (1) person to be the ATP Board Coordinator whose duties shall include assisting the Union members of the ATP Review Board in preparing cases that were not resolved in the appropriate grievance procedure. Additional appropriate duties will be identified.
- (d) The Company's decision made pursuant to the ATP shall be subject to the grievance procedure contained in any applicable local collective bargaining agreement. Issues not resolved in such grievance procedure may be presented to the Joint ATP Oversight and Review Board for final and binding resolution. Issues concerning the Company's decision involving the placement of ATP Rehire candidates may be presented directly to the Joint ATP Oversight and Review Board which shall have the sole responsibility for final and binding resolution. Neither the ATP, nor its administration shall be subject to arbitration.

National Memorandum

Attachment A

LEG TIME-IN-TITLE/GRADE AND TIME-IN-LOCATION

Level / Grade / Title	Level Equalization Group	Time In-Title/Grade	Time In Location
AR	5	24	12
CCA-1	2	12	12
E-3	2	12	12
HSA	4	18	12
LSDD	4	9	9
MS	6	36	12
MSLFA	2	9	9
MSLFB	1	9	9
S-1	3	18	12
S-2	4	18	12
SCC	6	36	12
SR-C	5	24	12
SRTECH	6	36	12
SS-1	2	15	12
SS-2	3	15	12
SUPPC	4	18	12
SVCD4	3	15	12
SVCTG3	4	18	12
TECH	6	36	12
TG-3	1	9	9
TG-4	2	12	12
TG-5	3	15	12
TG-6	4	18	12
TG-7	5	24	12

AVAYA CAREER TRANSITION OPTION PROGRAM (ACTOP)

The parties agree to the following in respect to the Avaya Career Transition Option Program (ACTOP) during the life of the 2006 National Memorandum. Regular full-time and part-time represented employees covered by this 2006 National Memorandum are eligible for the provisions of ACTOP. The provisions of ACTOP are not intended to alter, modify or eliminate the force adjustment provisions of the local contracts.

If the Company notifies the Union in writing of a surplus which will necessitate layoffs, the Company may, to the degree necessary to resolve the surplus, in order of seniority, offer employees in the surplus universe the opportunity to elect one (1) of the following options, provided they meet the conditions of the option selected.

1. Special Leave Program, or
2. Optional Termination Pay, or
3. Extended Compensation Option, and/or
4. Transition Leave of Absence

1 Special Leave Program

- (a) The Company will continue to provide the Special Leave Program (SLP) for eligible represented employees. This program is designed to encourage the development of individual skills, enable employees to pursue career changes and/or personal goals and to allow the Company to alleviate force imbalances, while at the same time maintaining ties between the Company and the employee.
- (b) To be eligible for a SLP, an employee must meet the following requirements:
 - be a regular full-time or a regular part-time represented employee (i.e., no temporary, occasional or term employees are eligible), and
 - have at least five (5) years of net credited service, and
 - be in a universe which is the subject of a surplus declaration.
- (c) The SLP is without pay and shall be for a period of not less than nine (9) nor more than twenty-four (24) consecutive months. The SLP may be extended beyond its original termination date, provided it did not previously exceed twenty-four (24) months in duration, in a minimum of three (3) month increments but in no event beyond twenty-four (24) months.
- (d) Eligible employees may elect SLP during the applicable SLP enrollment window, provided the election precedes the employee's off payroll date and such election shall be in lieu of termination pay. Employees who choose not to return to work at the conclusion of the SLP will not be granted termination payments. Employees shall be guaranteed

National Memorandum

reinstatement at the end of the leave to a job of like status and pay. However, employees on SLP who, but for the leave, would have been laid off and who complete the leave and return to the payroll at the end of the leave will be terminated and receive termination pay upon their return to the payroll. Employees declared surplus upon returning to the active payroll will be given normal surplus treatment.

- (e) Service credit for the period of the SLP shall be granted to those individuals who return to the Company payroll at the end of the leave, except that such credit shall not be granted or recognized for force adjustment purposes and pension purposes (including eligibility, benefit accrual and calculation); however, the period of the leave shall be counted in the years of service to determine termination pay that the employee may receive thereafter.
- (f) Except as indicated below, while on the SLP, an employee shall be covered, pursuant to the same conditions and to the same extent as a comparable employee active on the payroll, by the following benefit plans and programs:
 - Death Benefits - Company continues coverage for the period of the leave,
 - Basic Group Life Insurance - Company pays the premium for the period of the leave,
 - Medical Expense/Managed Care - Company provides coverage for the period of the leave,
 - HMO - Company pays premium up to the same amount it pays for company medical plan,
 - Dental/DMO - Company provides coverage for the period of the leave,
 - Vision - Company provides coverage for the period of the leave,
 - Legal - Company pays premium for period of the leave,
 - Child/Elder Referral - Company provides service for the period of the leave,
 - Supplementary Group Life Insurance - Available at the employee's expense,
 - Dependent Group Life Insurance - Available at the employee's expense,
 - Savings Plan participation is suspended during the leave. Employee obligation under the loan provision continues,
 - Tuition Assistance - Continues under the same guidelines that apply to active employees.

- (g) While on SLP, an employee cannot be employed by or render services to Avaya or any of its affiliates, subsidiaries, joint ventures or entities, any of their competitors, any companies involved in divestiture related mandatory portability or interchange agreements or companies with which there may be an agreement for the interchange of benefit obligations.

2 Optional Termination Pay

- (a) Regular full-time or regular part-time represented employees (not term or temporary employees) who are part of a surplus universe may, to the degree necessary to relieve the surplus and in order of seniority, request Optional Termination Pay on a voluntary basis provided they have two (2) or more years of net credited service at the time of the request.
- (b) An employee who elects this option shall leave the payroll without recall rights on a date determined by the Company and receive any vacation pay to which the employee is entitled plus a lump sum payment calculated on the termination payment schedule computed in accordance with the appropriate collective bargaining agreement not to exceed \$42,500.
- (c) Under no circumstances will the Optional Termination Pay be greater than \$42,500, including any night differential. An employee who is receiving Optional Termination Pay shall not be eligible to the Termination Pay provided for laid off employees under the terms of the applicable collective bargaining agreement.

3 Extended Compensation Option

- (a) Regular full-time and regular part-time represented employees (not term or temporary employees) who are part of a surplus universe and have completed five (5) years of net credited service may elect to participate in the Extended Compensation Option.
- (b) Employees who select this option shall be reassigned to the Avaya Job Match Center (JMC) for a period not to exceed the number of weeks, based on net credited service, provided for in the termination pay schedule in the collective bargaining agreement of the sending organization, provided they were "at risk" of being laid off; for those individuals who were "not at risk" of layoff but were part of a surplus universe, such period of participation will be based on the Optional Termination Pay schedule not to exceed \$42,500.
- (c) Extended Compensation Payments shall be based on the methods used to compute termination allowance as determined by the applicable Collective Bargaining Agreement for the position held by the employee immediately prior to reassignment to the JMC. Such payments are subject to deduction of appropriate taxes and Union dues as applicable.

National Memorandum

- (d) As long as the participants remain eligible for Extended Compensation Payments, the Company agrees to render weekly compensation for a period of time not to exceed the number of weeks provided for in the termination schedule of their former position's collective bargaining agreement or the Optional Termination Pay schedule not to exceed \$42,500.
- (e) To remain eligible for Extended Compensation Payments an employee must agree:
 - (1) to accept work assignments within the Local Placement Area (LPA) in all job titles for which they are qualified, not just the title held when declared surplus,
 - (2) to accept the appropriate wage rate at the location for the position they are filling on a temporary basis, in addition to Extended Compensation Payments.
 - (3) that such pay shall not be used in the computation of any benefits, which shall be based solely upon Extended Compensation,
 - (4) to remain in same pension band applicable to the employee immediately prior to reassignment to JMC,
 - (5) to accept the unused portion of the Extended Compensation as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of Avaya Inc., if the employee was "at risk" when selecting this option,
 - (6) to accept the unused equivalent portion of the Optional Termination Pay Schedule 2(b) as a lump sum termination payment should eligibility be lost and the employee is required to leave the payroll of Avaya Inc., if the employee was part of a surplus universe but "not at risk" when this option was selected, and
 - (7) not to accept employment or render services to competitors of Avaya Inc. or an Interchange Company in which the employee is eligible for portability of service.
- (f) Employees electing this option will be active employees while eligible for Extended Compensation payments and may, if eligible, participate in ATP. At risk employees with surplus status in ATP, prior to reassignment to JMC, shall maintain their surplus status while participating in the Extended Compensation Option.
- (g) Extended Compensation will be offset by any payments made under the [Avaya Disability Plan or Sickness and Accident Disability Plans] coverage and the programs run concurrently.

National Memorandum

- (h) Employees must elect to schedule and take their vacation, non-designated EWD's and Floating Holidays prior to transferring into JMC (business needs permitting), and/or receive a lump sum payment for any balance of vacation not taken. JMC employees do not accrue vacation time or Excused Work Days but are compensated for holidays or Company designated EWD's when worked.
- (i) While participating in the Extended Compensation Option, each participant may reject one (1) assignment in any continuous twelve (12) month period, as well as designate any full one (1) week period in any consecutive three (3) months as "unavailable" time.
- (j) Acceptance of a regular, temporary or term position with Avaya Inc. terminates participation in the Extended Compensation Option.
- (k) JMC Review Board
 - (1) Temporary assignments of Avaya Inc. employees participating in JMC may be reviewed using the following two (2) step review process.
 - (i) Step One (1): Grievred directly to the designated JMC manager within fifteen (15) calendar days of the assignment or action which is the subject of the grievance. The grievance must identify the issue and the remedy sought.
 - (ii) Step Two (2): If the issue is not resolved at Step One (1), the case may be appealed within fifteen (15) calendar days of the management decision at Step One (1) to a joint review panel established by the Company and the Unions. This panel will be called the JMC Review Board and all decisions of the Board shall be final and binding. The Board will be comprised of one (1) CWA representative, one (1) IBEW representative and one (1) representative appointed by the Company. The Board shall meet on a regular basis but no more frequently than once each quarter.
 - (2) Grievances under the Extended Compensation Option, shall be limited to disputes and appropriate remedies regarding the selection or non selection of an Avaya Inc. employee participating in JMC for a JMC assignment, and questions relating to work rules, for which the collective bargaining agreement covering the temporary position to which the employee is assigned shall be controlling.
 - (3) Neither JMC nor its administration nor any grievance under the review process described above shall be subject to arbitration.

National Memorandum

- (l) It is further understood that when an employee who is participating in the Extended Compensation Option is not assigned to a JMC assignment, the provisions of the applicable collective bargaining agreement for the position held by the employee immediately prior to assignment to the JMC shall apply to those matters not directly related to the employee's participation in the Extended Compensation Option.

4 Transition Leave of Absence

- (a) A Transition Leave of Absence (TLA) is granted to employees voluntarily or involuntarily separating from the Company under an Avaya Inc. plan or program for reducing force surplus. The TLA option serves as a mechanism for allowing these employees to qualify for a service pension under certain conditions.
- (b) An employee separating (voluntarily or involuntarily) under an Avaya Inc. force surplus plan or program is eligible for a TLA if he/she is within one (1) year of actual age and/or service requirements for service pension eligibility under the Avaya Inc. Pension Plan as of the Company specified separation date (i.e., must meet age and service requirements for pension eligibility no later than the one (1) year calendar anniversary date of the Company specified separation date).
- (c) The minimum combination for age/service requirements for TLA eligibility, based on the current service eligibility requirement of the Avaya Inc. Pension Plan and if not otherwise service pension eligible, is as follows:

AGE	NCS
any age	29 years
49	24 years
54	19 years
64	9 years

The service and age attained during the TLA are counted only for service pension eligibility and not for computing the amount of the service pension.

- (d) A TLA shall not exceed one (1) year from the date the leave starts (i.e., leave expires on the calendar date anniversary of the Company specified separation date), but in any case, will end on the earliest of:
 - (1) the date the eligible employee returns to work for the Company, a Participating Company, an Avaya Controlled Group entity, or any other Avaya Subsidiary or the eligible employee becomes employed by an Interchange Company in which the employee is eligible for portability of service,
 - (2) the date the employee attains required age and/or service to become service pension eligible, or
 - (3) death of the employee.

- (e) The TLA will be canceled effective with the date of (re)hire or death and pension entitlements will be those as of the day before the effective date of the TLA.

5 Involuntary Termination Due To Layoff

- (a) Employees involuntarily terminated due to layoff will have the termination payment schedule, as well as the method of payment computed in accordance with the appropriate collective bargaining agreement. In addition, regular full-time and regular part-time employees (not term or temporary employees) who have been involuntarily terminated pursuant to the force adjustment procedures of the applicable collective bargaining agreement and have a minimum of one (1) year net credited service as of the date of termination are eligible for up to \$2,500 in funds for certain education, training, out placement and relocation expenses. These funds will be available through the Funds for the Alliance Distribution (FAD) program.

National Memorandum

EXTENDED COMPENSATION PARTICIPANT IN ALLIANCE

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Extended Compensation Participant in Alliance

This is to confirm our mutual understanding that an eligible represented employee who has chosen to participate in the Extended Compensation Option of the Avaya Career Transition Option Program and is available for temporary assignments through the Avaya Job Match Center, and who is also a participant in an Alliance training program, may reject a Job Match Center temporary assignment if that assignment conflicts with a verified Alliance training program in which the employee is participating at the time.

It is also the Company's intent to develop administrative practices for the Avaya Job Match Center that foster a reasonable approach to unanticipated personal situations beyond the control of the employee which result in the declination of a Job Match Center temporary assignment.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

EMPLOYEE RESOURCE CENTERS

Purpose

- 1 Avaya, the Communications Workers of America (CWA), and the International Brotherhood of Electrical Workers, System Council T3 (IBEW SC T-3) continue to recognize that, where practicable, the provision of certain services associated with employee training, career development, and various personnel and benefit programs should be made more readily available to employees.
 - (a) In an effort to achieve this objective, Avaya and the Unions have agreed to continue to support and fund Employee Resource Centers during the term of the 2006 Agreement.
 - (b) Each Employee Resource Center will continue to represent strong physical evidence of the joint concern that Avaya and the Unions have for employees and their welfare, which is manifested by a shared commitment of the parties to jointly administer and staff the Centers.
 - (c) Each Center will continue to augment services already provided by Avaya and serve as a means to centralize those information and service resources which most personally affect employees. The role of the Center is to assist employees in making decisions about future training and career plans, interfacing with various personnel programs and providing assistance and referral for employee benefit issues.

Services

- 2 The Employee Resource Center will continue to provide services to employees which include the following:
 - education and training
 - career and personal counseling;
 - resource data for local area jobs and skills required;
 - interface with Avaya Transfer Program and the Facility Closing Program;
 - assistance and referral concerning benefit programs;
 - other services and counseling deemed to be appropriate by the local Joint Labor Management Oversight Committee.
- (a) It is recognized that certain services provided in the Center are provided for at the location by the Alliance for Employee Growth and Development (Alliance) or Avaya. It is not intended that such services be duplicated but rather that the Center will centralize and focus the services to facilitate access by employees.

National Memorandum

- (b) Employees interested in visiting the Employee Resource Center will, upon request, normally be granted reasonable time off with pay during their SCHEDULED DAILY TOUR to visit the Center. However the parties recognize that the job situation may require that such requests be accommodated at a time other than when initially requested.
- (c) In recognition of the parties' shared commitment to the joint administration of the Employee Resource Center, such Center will be referred to as the "Avaya/("CWA", or "IBEW SC T-3") Employee Resource Center. This title shall be used in all references to this operation at the location and shall be prominently displayed at the entrance to the Employee Resource Center facility.

Staffing

- 3 Each Employee Resource Center will continue to be staffed by a mutually agreed upon number of UNION appointees. The selection of Employee Resource Center personnel is a Union responsibility.
 - (a) Represented employees appointed to work in the Center will retain the Job Classification and wages they were receiving immediately prior to the assignment. For those coordinators within the Operations Job Classification who are assigned to the ATP/Operations ERC Coordinator title, the pay will be \$68,186 per year (GWI will apply in years 2007 and 2008) and a pension band of 126 for the time in which they remain in the ATP/Operations ERC Coordinator title.
 - (1) If such an employee subsequently accepts a promotion to another Job Classification within the bargaining unit, he or she may be retained on the Employee Resource Center assignment. In such case, the employee will be assigned the Job Classification and wages which would have been applicable on the Job Classification to which promoted.
 - (2) For movement of personnel purposes, such employees shall be exempt from displacement by surplus employees outside the Employee Resource Center but shall be subject to LAYOFF in accordance with the contract as a result of a lack of work situation in the bargaining unit.
 - (3) In those instances where the employee would otherwise have been displaced, he or she shall be assigned the Job Classification and wages which would have been applicable as a result of such displacement.

Structure

- 4 The National Employee Resource Center Steering Committee established by Avaya and the Unions will continue to include one representative each from the IBEW SC T-3 and the CWA, and two Avaya representatives. The members of this Committee shall be appointed by the Chairpersons of the National Bargaining Committees for the CWA, IBEW SC T-3 and Avaya. The Committee shall meet quarterly.
 - (a) The Joint National Steering Committee will continue to be responsible for the implementation, coordination and review of Employee Resource Center activities. The Committee's specific responsibilities will include:
 - determining at which locations an Employee Resource Center will be implemented;
 - establishing the timetable for implementation at designated locations;
 - determining the staffing level requirements for each Employee Resource Center;
 - monitoring Coordinator expenses and travel;
 - overseeing the services and activities provided by the individual Employee Resource Centers.
 - (b) At each location having an Employee Resource Center, a local Joint Labor- Management Oversight Committee comprised of an equal number of COMPANY and UNION members will be established. These committees will coordinate Alliance activities at the local/national level and be responsible for the implementation, staffing and administration of the local Employee Resource Center.

FUNDING THE EMPLOYEE RESOURCE CENTER

- 5 The cost of constructing an Employee Resource Center and all ongoing tenant expenses shall continue to be the responsibility of the COMPANY.
 - (a) The COMPANY will directly pay for the salaries, loadings and related expenses of the Employee Resource Center employees.

Reports

- 6 The Joint National Steering Committee will publish an Annual Report summarizing the status of Employee Resource Centers, the funds expended and the manner in which the funds were utilized.

National Memorandum

**OPERATIONS ERC/ATP COORDINATORS AND MANAGED CARE
PROGRAM COORDINATORS**

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

**Re: Operations ERC/ATP Coordinators and Managed Care Program
Coordinators**

This will confirm our discussions and agreement reached in 2006 Bargaining, that effective upon ratification, there will be two (2) Operations ERC/ATP Coordinator positions during the life of this agreement, one (1) CWA and one (1) IBEW.

There will be two (2) Managed Care Program Coordinator positions during the life of this agreement. The CWA and IBEW will each select one person to fill the Managed Care Coordinator position.

Job duties and responsibilities for the Operations ERC/ATP Coordinator and the Managed Care Program Coordinator are outlined in Attachments A and B.

Other terms and conditions associated with these positions are as follows:

- eligibility for these titles is limited to Avaya regular full-time employees,
- the Unions will recommend the employees to be assigned to these positions, and these titles will not be staffed using the Avaya Transfer Program or the article(s) or any applicable collective bargaining agreement,
- employees will be temporarily assigned to these titles,
- time spent in these titles will count towards time-in-title/grade and time-in-location in the title from which the employee was temporarily assigned,
- if a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to his/her regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the appropriate Coordinator title,

National Memorandum

- Coordinators will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in ATP. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of a Labor Relations Senior Manager or his/her designee,
- Coordinators will be paid at the annual rate of \$68,186 (\$32.78/hr) with a 126 pension band. Standard General Wage Increase formula will apply in 2007 and 2008.
- Coordinators will be eligible for applicable Represented Avaya Award for Represented Employees.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

Attachment A

OPERATIONS ERC/ATP COORDINATOR

The incumbent will be responsible for contributing to the successful operation of the Avaya Transfer Program (ATP) and the effective participation of eligible Avaya employees represented by the CWA or the IBEW in ATP. Additionally, the incumbent may provide support for other aspects of Avaya Inc. Career Transition Programs for eligible Avaya represented employees represented by the CWA or the IBEW. The incumbent will also act as the Employee Resource Center Coordinator supporting employees covered under the Operations agreements.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Monitor the on-going operation of the ATP.
- Review ATP performance, policies and procedures in order to assist the ATP Review Board in assessing the effectiveness and efficiency of the program.
- Address concerns raised as to the staffing of positions through the ATP.
- Interface with local and national union officials, employees represented by the CWA or the IBEW, staffing and/or testing personnel, and Labor Relations in connection with ATP problems and resolutions.
- Provide ATP program and system information and assistance to union officials and employees represented by the CWA or the IBEW.
- Participate in ATP Review Board and other ATP meetings when appropriate.
- Participate on implementation and/or process improvement teams in connection with the ATP and other career transition programs.
- May provide Avaya Career Transition Option Program (ACTOP) assistance to local and national union officials and eligible employees represented by the CWA or the IBEW.
- Review ATP and ACTOP employee information packages in order to assist in improving and/or assuring its effectiveness and ease of use for employees.
- Provide Job Match Center administrative support
- May act as a liaison between Labor Relations and the Unions on ATP and ACTOP issues.
- Education and training;
 - career and personal counseling;
 - resource data for local area jobs and skills requires;

National Memorandum

- o interface with Avaya Transfer Program and the Facility Closing Program;
- o assistance and referral concerning benefit programs;
- o other services and counseling deemed to be appropriate by the local Joint Labor-Management Oversight Committee.
- Effective January 2, 2007, the ERC/ATP Coordinator will assume responsibility for tasks performed in response to requests from ATP participants , including, but are not limited to:
 - o Provide information on jobs currently being advertised, and enter placement requests into the ATP system
 - o Refer test requests to Staffing Office
 - o Update profiles
 - o Enter requests for profiles and other requested ATP material
 - o Provide status of open requisitions
 - o Provide information on ATP policy and procedures
 - o Assist in use of the ATP system and encourage self-service to employee participants.
- Hours of operation and service standards to be determined by ATP Review Board.

Attachment B

MANAGED CARE PROGRAM COORDINATOR

The incumbent will be responsible to assist the Joint Health Care Committee (JHCC) in the introduction and on-going maintenance of the Managed Health Programs for Avaya employees represented by the CWA or the IBEW.

JOB DUTIES GENERALLY INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Develop and maintain a working knowledge of the represented Managed Health Programs and related provisions under the 2006 National Memorandum of Understanding.
- Assist JHCC members in reviewing quality related communications to represented employees regarding Managed Health Programs.
- At the direction of the JHCC, participate in meetings to communicate features of the Managed Health Programs.
- Collect general information on network operations and provide feedback to the JHCC on specific areas of network performance.
- Assist JHCC members in evaluating network expansions for represented employees represented by the CWA or the IBEW.
- Assist in monitoring ongoing network performance.
- Identify and recommend areas for review by the JHCC that may improve the quality, efficiency and effectiveness of the Managed Health Programs for active represented employees represented by the CWA or the IBEW.
- At the direction of the JHCC, participate in various ad hoc sub-committees to provide perspective and input into issues confronting the JHCC.
- At the direction of the JHCC, acts as a liaison between the JHCC, local networks and represented employees represented by the CWA or the IBEW during network implementations and expansions.

EXTENSION OF CONSTRUCTIVE RELATIONSHIP TRIALS

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Extension of Constructive Relationship Trials

The Company and the Unions agree that for the life of the 2006 Memorandum of Understanding all Constructive Relationship Councils (CRCs) approved trials shall be extended.

Either party to the trial may discontinue a trial, upon fifteen (15) days advance written notice to their counterpart with a copy to the CRC(s).

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

**MEMORANDUM OF UNDERSTANDING REGARDING
NEUTRALITY AND CONSENT ELECTION**

This agreement between CWA, IBEW and Avaya Inc. addresses Union organizing and consent elections in those job titles and occupations in Avaya organizations that are not covered by the 1986 Union-Management Relations Agreement, separately attached hereto.

The Unions and the Company recognize that it is in their mutual interest to operate in the spirit of partnership and common vision. 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.

The parties also recognize the Unions' goal of growing membership. In order to maintain this perspective and to also avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and consent election will be applicable to all wholly owned Avaya Business Operating Groups and Divisions throughout the country and shall be the exclusive means by which the Unions, their locals, or individuals acting on their behalf, will conduct an effort to organize non-management employees in the covered Avaya Business Operating Groups or Divisions.

1 Employee Choice

Both the Unions 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 local management and local Union officials, i.e., those directly impacted by these discussions. The local Union and management officials may request a meeting with the appropriate Union and Company headquarters representatives at the beginning of this process.

2 Neutrality

The Company and the Unions agree that an organizing drive should be and will be met by Company conduct that neither helps nor hinders organizing efforts. This statement is consistent with and reinforces the previously established principle of employee choice. The environment is intended to foster employee choice and information communicated by either party should be fact based and not misleading, distorted or disparaging. Neutrality means the following:

National Memorandum

- (a) Management will not be anti-Union nor will the Union be anti-management.
- (b) Management will not advocate that employees should vote against Union representation.
- (c) The Union(s) will be afforded reasonable opportunities for access to communicate with employees.
- (d) Management may respond to individual employee questions, and may 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 simultaneously shared with the other. The parties' communications with employees will be in accordance with this agreement.
- (g) Neither party will hire or seek the assistance of consultants who encourage an adversarial relationship.
- (h) Neither managers nor Union representatives will be personally attacked, by name or by descriptive reference, in campaign literature or discussions.
- (i) Neither the Union nor the Company will be attacked as institutions.
- (j) The Company will not conduct "captive" audience meetings.

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

3 Election Procedures

The procedures to be followed are listed below:

- (a) The Union must show that a majority of employees in a unit appropriate for collective bargaining have signed show of interest cards indicating their desire for a representation election. The cards must be dated within three months of the date they are presented to the Third Party Neutral (TPN). Cards signed by persons who are no longer employed by Avaya at the time of submission to the TPN will not be valid.
- (b) If an election is conducted and the Union is not successful, another election will not be scheduled for twelve months. During this time, no Union organizing campaign for that unit will be permitted.
- (c) A majority of those who vote, validated by the TPN, will determine the outcome.
- (d) The TPN will resolve any issue concerning challenged ballots by following the NLRB's rules and decisions.

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 the 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 outside of the workplace. If the employees vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and any resulting collective bargaining agreement will apply only 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 any obligations and responsibilities of the parties
- (c) correcting any inaccuracies or misstatements or any employee misunderstandings of information disseminated during the campaign process.

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 persons or entities during any part of this process. One way to ensure this objective is to have an NLRB conducted election.

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

- (a) The Unions shall initiate the consent election process by providing to a third party neutral (TPN) proof of support by means of show of interest cards as described in Paragraph 3(a), above. The TPN will then notify Avaya and request a list of names, job titles and work addresses. The Company will furnish the list within three business days. The applicable 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(s) has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.
- (b) The election process will be supervised by a mutually selected TPN, whose role it is to ensure the integrity of the process itself, and will be conducted within two (2) 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 secret ballot election. The TPN will count the votes and advise the parties of the outcome. Consistent with Paragraph 3(c) of this agreement, a majority of those who vote will control. Each party may have an observer present when the TPN counts the ballots.
- (c) 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 in which 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 the TPN and/or of using a neutral site will be shared equally by the parties.

If there is a dispute as to the composition of the unit, the TPN shall either decide the issue within an additional seven days or order an election as described above with the decision as to the composition of the unit to follow the election within no more than seven days.

7 Access Agreement

As soon as reasonably practicable after a request by the Union(s) for access, local management and Union representatives will meet to discuss the details related to reasonable access to the unit by Union representatives. The Union(s) will be allowed reasonable opportunities for access to Avaya facilities. It is the intent and commitment of the parties that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of Avaya generally and, specifically, the unit which is the subject of the organizing campaign. Access agreed upon will be in non-working areas and during employee non-working times.

If Avaya and the Union(s) are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other Avaya units will be looked to for guidance as to what works and is reasonable. Avaya and the Union(s) commit that they will negotiate an access agreement 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, local Avaya management and appropriate Union representatives. It is the intent and desire of Avaya and the Union(s) that such matters be dealt with and are best 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 still remains unresolved, the process described below will be utilized.
- (b) The TPN will resolve disputes in the manner set forth in this agreement. The TPN must be an active or retired attorney who has experience in, and is familiar with, NLRB procedures and precedents regarding unit determination issues. Either Avaya or the Union(s) 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 business days' written notice to both the other party and the TPN. The notice will provide a complete 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 themselves.
- (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 access problem. However, in no event will the TPN take longer than five (5) 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 the TPN and an expeditious hearing shall be conducted. 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 National Labor Relations Board 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. Avaya and the Unions believe that these matters are best handled by and between the parties themselves and resort to a TPN should be necessary in only a limited number of cases.

Avaya and the Union(s) 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 issues subject to resolution pursuant to this process.
- (g) All expenses resulting from the use of the TPN process shall be shared equally by Avaya and the Union.

9 Acquisitions And Ventures

The parties recognize the rapidly changing nature and structure of the communications equipment industry. Avaya may acquire 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 these entities may be unrepresented, represented in whole or in part by the CWA or IBEW, 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. Nevertheless, Avaya will, after an initial transition period of one year following the closing on an acquisition, and subject to any contrary legal or contractual requirements, apply this Neutrality and Consent Election agreement to any wholly owned subsidiary.

10 Annual Review

On an annual basis, the Avaya Vice President of Labor Relations, the President of the CWA and the President of the IBEW may review whether there has been substantial compliance with the provisions of this Agreement and, if the parties find repeated instances of violations or repeated instances of interference during the period up to the review, may implement a process for recognition based on "card check" to replace elections in all cases or, if not, this Agreement shall continue in effect for the remaining term of the Agreement.

National Memorandum

TRIAL MAIL BALLOT

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Trial Mail Ballot

This will confirm our agreement that during the life of this collective bargaining agreement, the Union may request and the Company will agree to trial a Mail Ballot process to replace the Consent Election process in the Neutrality and Consent Election agreement in the 2006 Memo. It is further agreed that this trial will occur in a smaller unit (i.e., 50 or fewer employees).

Following this trial, the Union and the Company will meet to review the success of the trial and to consider possible future use of the mail ballot process.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

UNION MANAGEMENT RELATIONS

May 28, 2006

Mr. R. V. Maly, Vice President, CWA

Re: Union Management Relations

The attached National item that was agreed to in 1986, and continued in 1989, 1992, 1995, 1998 and 2003, will continue in effect in accordance with its original terms until the termination of the 2006 CWA/IBEW/Avaya National Memorandum of Understanding dated May 28, 2006

It does not apply to any Avaya organization covered by the Neutrality and Consent Election procedure negotiated by the parties during 2006 bargaining.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

UNION MANAGEMENT RELATIONS

AT&T organizations will neither help nor hinder efforts by the CWA to organize and represent employees who occupy job titles or occupations in which other employees in the same AT&T organization are already represented by CWA as of the date of this Agreement; provided, however, that the Company is not precluded from responding to employees' inquiries related to the issue of union representation.

When the Union represents that a majority of such employees have signed authorization cards designating the Union as their exclusive bargaining agent in an appropriate unit, the Company will recognize the Union as the bargaining agent of such employees without an NLRB-supervised election, provided the following conditions are satisfied:

- (a) The Company and the Union have mutually agreed that the bargaining unit in which the Union seeks recognition is an appropriate bargaining unit; and
- (b) The Company and Union have mutually agreed upon the number and identity of the employees eligible for representation in such a unit; and
- (c) The Union submits to a mutually selected third party signed authorization cards from a majority of the employees in the agreed upon bargaining unit, all of which expressly state that by signing the card the employee designates the Union as his/her exclusive bargaining representative and, further, understands that if a majority of the employees in the unit also sign such cards, the Company will recognize the Union without an NLRB-supervised election; and
- (d) The Union's majority status in the agreed-upon bargaining unit is confirmed by the mutually selected third party.

If the Company and Union fail to agree upon either of the conditions set forth in Paragraphs (a) and (b), above, the matter may be referred to the NLRB for determination.

Card check recognition shall not be granted in situations in which the Company is aware that representation of employees is sought by two or more unions.

EMPLOYEES ON UNION LEAVE OF ABSENCE– BENEFITS

The following benefits shall be available to employees on a union leave of absence as set out below:

Avaya Service Anniversary Award

Employees on a union leave of absence shall participate in the Avaya Service Anniversary Award on the same terms and conditions as active employees.

Life Insurance

The annual amount of basic life insurance which the company provides to employees who are actively at work on union business while on a union leave of absence will be determined based on the amount of the employee's current pay.

Employees who are actively at work on union business while on a union leave of absence may purchase an amount of supplementary life insurance under the Avaya Inc. Supplementary Life Insurance plan that will be determined based on the amount of the employee's current pay.

Savings Plan

An employee on a union leave of absence shall be able to make fund exchanges among his or her accounts in the Avaya Inc. Savings Plan in the same manner and with the same frequency as participants who are active employees of the company.

National Memorandum

UNION DUES PORTABILITY

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

RE: UNION DUES PORTABILITY

As you are aware, our current labor contracts contain provisions for continuing the deduction of dues for employees who authorize deductions.

Avaya has a single payroll system for all U.S. employees and the system has been configured to ensure continuation of deductions for employees for as long as they are in jobs represented by the same union, irrespective of the individual labor contract. In addition, the Avaya Payroll has been configured to reactivate the deductions following periods of separation from their represented universe.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

COPE PAC DEDUCTIONS - CWA

May 28, 2006

Mr. R. V. Maly, Vice President, CWA

Re: COPE PAC DEDUCTIONS - CWA

The Company will continue procedures, which became effective January 1, 1987, to permit CWA-represented employees to contribute to the CWA-COPE Political Action Committee ("CWA-COPE PAC") through payroll deductions. Such procedures shall continue in effect during the term covered by this Memorandum of Understanding.

As provided for in the regulations of the Federal Election Commission, the Union will reimburse the Company for the costs of development, implementation and administration of the payroll deduction system for CWA-COPE PAC. The parties agree that such costs, during the term of this Memorandum of Understanding, have been projected and included, as advance reimbursement, in the amount of the economic settlement contained in this Memorandum of Understanding, as a debit to the Union and a credit to the Company.

Payroll deductions authorized pursuant to this Agreement will be transmitted to the Treasurer of CWA-COPE PAC on a monthly basis.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

National Memorandum

Attachment CWA

**COPE DEDUCTION
IMPLEMENTATION AND ADMINISTRATION COST SUMMARY**

Union	Employees	Monthly Deductions	Annual Deductions
CWA	263	\$1260.92	\$15,131.04
IBEW	1	\$ 4.00	\$ 48.00
TOTAL	264	\$1,264.92	\$15,179.04

Administrative support approximately two hours per month. Includes data input, and validating deduction and remittance.

1. 2 hour per month X 12 months = 24 hours
2. 24 hours X \$ 55 = \$1,320 annually
3. 3 years = 3 X \$1,320 = \$3,960.00

Additional expenses include a \$38.25/mo. maintenance fee to the payroll software vendor, and \$1.17/mo. for check printing and distribution. Over three years, these additional expenses total \$1,419.12.

Total estimated cost over life of contract:

$$\mathbf{\$3,960.00 + \$1,419.12 = \$5,379.12}$$

DRUG TESTING

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Drug Testing

This will confirm our agreement concerning drug testing of employees pursuant to current regulations of the Department of Defense (DOD) and Department of Transportation (DOT).

The Company and the Unions recognize that, during the life of the agreement, certain of the Company's employees will be or may become subject to such laws or regulations. The Company and the Unions agree that drug testing including, but not limited to, random drug testing, of bargaining unit employees may be conducted as required by law or government regulation. The Company and the Unions further recognize that current DOD and DOT regulations do not require the imposition of sanctions or disciplinary action against any employee to be found to be using drugs illegally. Accordingly, the Company further agrees that it will take no adverse action against such an employee, as a direct and immediate result of information obtained in a test applied under DOD or DOT regulation, other than to transfer the employee from a position that is subject to the regulations. In the event an employee sues the Union and/or the Company because of the enforcement or Company's compliance with such regulations, the Union shall be held harmless by the Company.

The Company further agrees to notify the Unions if it enters into a contract with the DOD which includes the "Drug-Free Work Force" clause currently prescribed by DOD regulations or has positions which are subject to regulations under the DOT, and to submit in written form its proposal regarding any testing program. Upon such notification, the Unions agree to enter into negotiations concerning the program. Should agreement not be reached within thirty days from such date of notification, the Company may implement the program only to the extent necessary to meet the requirements of the Drug-Free Work Force clause and applicable DOD/DOT regulations.

Please confirm your agreement below and return one signed copy to us.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

STANDING JOINT SUBCOMMITTEE ON TESTING

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Standing Joint Subcommittee on Testing

This will confirm our understanding reached during 2006 Bargaining that a CWA-IBEW-Avaya standing joint subcommittee on testing will be formed. The subcommittee, to be appointed by the bargaining chairs, will consist of two (2) representatives from the Unions, one (1) from IBEW and one (1) from CWA, and two (2) representatives from the Company.

Measurement and Selection Systems (M&SS), part of Avaya's Labor Relations organization, is the organization with sole responsibility for the development or selection, validation, and authorization of all tests and policy and procedures used in the selection of candidates for Avaya represented positions. M&SS is responsible to ensure that such tests meet Federal and professional standards for relevance and non-discrimination.

If the committee identifies a test currently in use which has not been authorized by M&SS, the test will be suspended pending the outcome of a review and report to the committee by M&SS.

At least thirty days prior to implementation, M&SS will notify the members of the committee of the intent to implement a new test or to revise a test or critical test score. M&SS will communicate to members of the committee the following pertinent information concerning the test:

- the purpose
- the objective
- the need for the test or change
- the title(s) for which it will be a requirement
- the business groups which will use it

After receiving the information described above, if the committee so requests, a meeting will be held to explore appropriate ways for the Company and the Unions to make available opportunities to assist employees in development of the new skills or job knowledge. The committee will also be expected to identify and recommend ways to maximize the many advantages and resources offered through the Alliance and ERCs in meeting the goals described above.

In addition, the committee may explore other issues with M&SS, including such matters as an apparent low percentage of employees qualifying on a specific test. Where the Committee agrees, a Third Party Neutral (TPN) may be selected to review any disputed new or revised test for relevancy and validity, applying

National Memorandum

appropriate legal standards. The TPN shall guarantee confidentiality of all tests under review and shall not release test items or scores to any person or entity. The TPN shall make recommendations to the Committee about the disputed test or score. Nothing herein shall prevent the implementation or use of a test during the TPN review.

The committee will meet upon request of the members, but no less than four (4) times a year to review new or revised tests.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

TECHNOLOGY CHANGE COMMITTEE

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Technology Change Committee

It is acknowledged that one of the responsibilities of the Constructive Relationship Council(s) includes reviewing broad technological developments taking place in the industry in order to provide the parties with a deeper understanding of the future impacts of technology on bargaining unit employees and the business. Where appropriate, Avaya subject matter experts will be consulted on such matters.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

ATTACHMENT A
TECHNOLOGY CHANGE COMMITTEE

- 1 The Company and the Union recognize that technological changes in equipment, organization, or methods of operation have a tendency to affect job security and the nature of the work to be performed. The parties, therefore, will attempt to diminish or abolish the detrimental effects of any such technological change by creating a joint committee to be known as the Technology Change Committee to oversee problems and recommend solutions of problems in this area as set forth below.
 - (a) Such Committee will consist of not more than four (4) representatives of the Company and not more than four (4) representatives of the Unions (2 CWA, 2 IBEW). Such committee may be convened at the option of either party at mutually agreeable times.
 - (b) The purpose of the Committee is to provide for discussion of technological changes (including changes in equipment, organization, or methods or operation) which may affect employees represented by the Unions. The Company will notify the Unions at least six (6) months in advance of planned technological changes.

Meetings of the Committee will be held as soon thereafter as can be mutually arranged. At such meetings, the Company will advise the Unions of its plans with respect to the introduction of such changes and will familiarize the Unions with the progress being made.
 - (c) The impact and effect of such changes on the employees shall be appropriate matters for discussion. The Company will discuss with the Unions:
 - (1) What steps might be taken to offer employment to employees affected:
 - (i) In the same locality or other localities in jobs which may be available in occupations covered by the collective bargaining agreements between the parties.
 - (ii) In other occupations in the Company not covered by the collective bargaining agreement.
 - (iii) In other Avaya Companies or any of its affiliates, subsidiaries or entities.
 - (2) The applicability of various Company programs and agreement provisions relating to force adjustment plans and procedures, including ACTOP, Reassignment Pay Protection Plan termination payments, retirement, transfer procedures and the like.

National Memorandum

- (3) The feasibility of the Company providing training for other assignments for the employees affected. (Example: sponsorship of typing training on Company time).
- (d) The Committee shall not formulate policy or arrive at binding decisions or agreements, but rather shall be charged with the responsibility to develop facts and recommendations so that the Company can make well-informed decisions regarding the matters covered by these provisions.

CONSTRUCTIVE RELATIONSHIP

Over the years, the Company and the Union have developed and maintained a mutually constructive, responsible relationship characterized by trust, respect, and cooperation. Recognizing that the best interests of the Company, the Unions, employees, managers, and shareowners depend on vigorous and total commitment to product and service quality and customer satisfaction, it is the mutual goal of the parties to ensure that their relationship continues to improve in a positive, constructive manner consistent with the provisions of the collective bargaining agreement, and that such a relationship promotes superior quality and customer satisfaction.

The parties firmly believe that through a positive, constructive relationship they can best fulfill their respective responsibilities. These responsibilities include meeting the service and financial goals of all parties; improving employment security and corporate and business unit effectiveness and competitiveness; nurturing member and customer satisfaction; achieving continuous quality improvement; removing barriers to successful operations; and building involvement, commitment and motivation among both managers and employees.

To fulfill these responsibilities the Company and the Union are committed to a relationship where information is openly exchanged; problems are solved mutually and cooperatively; critical differences are accepted and accommodated; agreements are developed in good faith; commitments are honored; and day-to-day contacts at every level are stable and reliable.

During recent years profound changes have had major impacts on the operations and resources of both the Company and the Union. Such changes will continue, and it is understood that jointly anticipating and responding constructively and cooperatively to change is the key to both Union and Company vitality and prosperity.

The parties recognize that integrity, trust, respect, and cooperation in their relationship depend on action at all levels, particularly at local levels. Local union officers and managers are encouraged to identify and develop new approaches to issues which are appropriate for cooperative efforts. It is expected that progress in improving constructive relationships and taking initiative on cooperative efforts will be a primary mutual objective.

To sanction and encourage the initiation, growth, and perpetuation of cooperative activities and to sponsor the continuing exchange of useful information between the parties regarding such activities, a Constructive Relationships Council consisting of six (6) members (two Company - CEO and Labor Relations, two CWA and two IBEW) from the bargaining committee will meet once each year.

At each meeting at least one member of the senior leadership team of the Company's business groups shall participate in a CRC meeting. At the meeting, the business leader will review with the Union's leadership the state of the business, technological developments and projected initiatives that are expected

National Memorandum

to take place. The Union will be provided the opportunity to suggest and recommend alternatives to the anticipated initiatives and to discuss the impact of these technological developments upon employees the Unions represent and the Company agrees to give serious consideration to the Unions' suggestions and recommendation. The discussions are not intended to preclude the Company from decision making but allow the parties the opportunity to conduct open and thorough dialogue in understanding both the Company's business needs and the Unions' institutional needs. The parties may agree to schedule additional meetings with individuals in business groups or organizations to discuss issues raised in the meeting.

CERTIFICATION PROGRAM

The Company and the Unions have agreed to implement and administer a Certification Program for the following titles: Senior Technician, Senior Software Associate, and Staging Technician ("Covered Titles"). The Certification Program is designed to be a long-term program that provides added incentive for employees in the covered titles to grow their skills and knowledge in IP and converged products and technologies. The Company and Unions agree to implement and communicate the Certification program by October 1, 2006.

The Certification Program includes the following features:

- 1 The program is voluntary and available to employees in all Covered Titles.
- 2 Employees in the Covered Titles will be eligible to participate in the Certification Program, regardless of whether the course is applicable to the employee's current job assignment.
- 3 Participants may take courses through both the Alliance and Avaya. CWANett and IBEW training programs will be used where available.
- 4 Certification bonuses associated with achievement of various levels will be subject to the following:
 - a) Bonuses will not be part of the employee's standard rate of pay or basic wages for purposes of differential or benefits payments.
 - b) Bonuses will be paid on a semi-annual basis in June and December.
 - c) Bonuses will be pro-rated based on the employee's first full month in the new level.
 - d) Bonuses will be subject to recertification requirements.
 - e) Employees who resign or are terminated for cause are not eligible to receive the bonus.
 - f) Bonuses are not cumulative and will not be added to bonuses for lower levels of certification; employees may only receive the bonus associated with the highest level that they have attained.
 - g) Bonuses are subject to normal taxes and withholdings.

National Memorandum

Attainment Levels	Certification Requirements	Semi-Annual Bonus
<p>Level 1 (Achieve 3 of the items to the right; w/ minimum of 1 ACA)</p> <p>Level 2 (Achieve 5 items to the right)</p>	<p>1. Comptia A+ 2. Comptia Net+ 3. Communications Network Exam (CNE) -OR - Convergence Technologies Professional (CTP) -OR- Convergence Plus (Under development; ~09/06)</p> <p>1. Avaya Certified Associate (ACA) with IP Telephony 2. Avaya Certified Associate (ACA) with IP Office 3. Avaya Certified Associate (ACA) with Modular Messaging Future/new ACA product certifications to be added.</p>	<p>Level 1 \$400</p> <p>Level 2 \$900</p>
<p>Level 3 (Achieve Level 2 and 2 of the 3 items on the right)</p> <p>Level 4 (Achieve Level 2 and all 3 of the items on the right)</p>	<p>Level 2 requirements plus:</p> <p>1. Microsoft Certified Professional (MCP) (2000/2003 Server) 2. Linux (Level 1/Linux Plus) 3. Cisco Certified Network Associate (CCNA)</p>	<p>Level 3 \$1500 (Total)</p> <p>Level 4 \$2200 (Total)</p>

- 5 Each employee in the Covered Titles will be eligible for a minimum of 20 hours of training in support of Certification curriculum components, in addition to the 40-hour Lead 21 requirements. Additional Company-paid training time will be provided as business conditions permit. Employees may elect to pursue additional training, certification, and certification advancement on personal time.
- 6 When a Certification Program training opportunity is presented, the most senior participant in the workgroup with the recommended pre-learning for the course or class will be offered the training. If circumstances will not allow the most senior participant to attend, then that employee will be offered the next opportunity provided that employee has completed the recommended pre-learning for the training opportunity.

- 7 Employees will be provided appropriate time for recertification prior to the expiration date of a certification. Employees will be provided a 60-day "grace period" from the expiration date of the certification to insure sufficient opportunity to complete re-certification. If the employee is provided the opportunity and is unsuccessful in completing re-certification within the 60-day period, the employee will revert, effective the certification expiration date, to the highest level for which the employee remains certified and will be eligible for the bonus associated with that level. No past bonuses will be affected.

- 8 The Certification Program will be supported by the following:
 - (a) Program Oversight Committee

The Oversight Committee, consisting of 3 Union members and 3 Company representatives, will address certification issues, examine new technology and market changes, and provide dispute resolution that cannot be handled at the local level.
 - (b) Union Coordinators

The two Coordinators will be responsible for supporting the maintenance of the Program, and be contacts and subject matter experts for participants. The following will apply to the Coordinators:

 - (1) eligibility for this title is limited to Avaya regular full-time employees,
 - (2) the Unions will recommend the employees to be assigned to these positions, and this title will not be staffed using the Avaya Transfer Program.
 - (3) employees will be temporarily assigned to these titles,
 - (4) time spent in these titles will count towards time-in-title/grade and time-in-location in the title from which the employee was temporarily assigned,
 - (5) if a surplus is declared in the force adjustment universe from which the employee was assigned, the employee will be returned to his/her regular title for the period of the surplus. At the conclusion of the surplus, if the employee neither is laid off nor selects a voluntary option program, then the employee may be temporarily assigned back to the appropriate Coordinator title,
 - (6) Coordinators will be covered by the collective bargaining agreement which applies to the position from which the employee was temporarily assigned except they will not be entitled to: differentials, allowances, reimbursement provisions or participation in ATP. In addition, they will not be authorized to work overtime or holidays without the prior written agreement of a Services Senior Manager or his/her designee,

National Memorandum

- (7) Coordinators will be paid at the annual rate of \$68,186 (\$32.78/hr) with a 126 pension band. Standard General Wage Increase formula will apply in 2007 and 2008.
- (8) Coordinators will be eligible for applicable Represented Avaya Award for Represented Employees.

9 Objectives

The Company has set objectives for attainment of Level 3 (and above) of 35% of the employees in Covered Titles by the end of Fiscal Year 2008 and 50% of the employees in Covered Titles by the end of Fiscal Year 2009. Within the framework of the Oversight Committee, the Company and the Unions will work cooperatively to encourage participation in the Certification Program, to monitor progress towards objectives, and to explore opportunities for continuous improvement in attainment rates.

- 10 On-line tools will be used to support Program's participation, questions and answers, and required reporting.
- 11 The Program is subject to updates and changes to certification offerings. Industry and Avaya certification requirements are periodically updated and changed. New certifications may be added to the Program to address changing needs or new product offerings.

LABOR ADVISORY FORUM

Recognizing that rapid changes are occurring and will continue to occur in the information and telecommunications industries, the parties express their intent that forums of common interest be held at appropriate operational levels in order to promote the principles of a cooperative Union-Management business alliance, specifically Labor Advisory Forums, will serve the following purposes:

- 1 Establish a business alliance by providing a framework for early communications and discussion between the parties on business developments of mutual interest and concern to the parties and their constituencies, including regulatory and legislative issues.
- 2 Discuss and review innovative approaches to equip the Company to maintain historic levels of excellence and success in the face of rapidly increasing competition, in both traditional and newly emerging and evolving technological markets, thereby improving the employees' competitive responsiveness, while protecting and enhancing opportunities for employment security.
- 3 Improve understanding of and relationships between the parties and thereby avoid unnecessary disputes by cooperatively addressing significant changes and developments in both the Union's and Company's environments.
- 4 Provide an opportunity for the Unions to discuss various work operations being contracted out and to offer suggestions as to how employees in a particular location might perform this same work in a practical and effective manner which meets the cost and time completion objectives of the business. The Company must consider such suggestions and, as appropriate, the parties may mutually agree that such discussions be continued between designated local Management and Union representatives.

Equal number of key Union and Management persons shall constitute the Forum. It is anticipated that Management members of the Forum will include the Business Unit Heads for Sales and Services and one (1) upper-level Manager with legislative and/or regulatory responsibilities. Union members of the Forum will include Local Officers and/or CWA/IBEW Staff whose positions within the CWA and IBEW influence a broad range of responsibilities. Meetings will be convened by the parties at mutually agreeable places and times, but no less often than quarterly unless mutually agreed. Otherwise, the members of the Forum shall determine its composition, structure, agenda and operation.

National Memorandum

SALES REFERRAL PROGRAM

By October 1, 2006, the Company and the Union agree to communicate and implement a voluntary Sales Referral Program, by organization, for represented employees who provide sales referrals or leads that result in additional revenue to Avaya.

Under the Program, an employee who, acting beyond his/her normal job responsibilities, provides a lead or referral that results in additional revenue to Avaya will be awarded up to \$120 following recognition of the revenue generated as a result of the lead or referral.

Sales referrals or leads of service work by these employees are to be used to develop additional work for represented employees. Such referrals or leads shall not benefit Avaya's distributors, "Business Partners" or subcontractors that do not utilize represented employees for the services related to that lead or referral.

A Business Partner that fails to utilize represented employees to perform installation or services work generated as a result of the referral or lead will not be eligible to receive future sales referrals or leads under the Sales Referral Program.

The Company and the Union will encourage represented employees to participate in the Sales Referral Program. The Company and the Union will jointly participate in the roll-out of the Program.

The Union will have the ability to monitor leads and track status of leads. The Certification Coordinators will share responsibility for monitoring the Program to ensure its integrity

JOB SECURITY

May 28, 2006

Mr. R. V. Maly, Vice President, CWA
Mr. R. F. Morrison, Vice Chairman, System Council T-3, IBEW

Re: Job Security

The Company and the Unions agree that, through May 31, 2007, there will be no layoffs in any titles in the Global Technical Services organization and in the titles of Senior Technician, Senior Technician-Journeyman, Staging Technician and Senior Software Associate, except due to a refusal to accept transfer under Article 16 of the CWA Agreement or Article G24 of the IBEW Agreement.

The Company and the Unions further agree that for one year from the date of ratification, a single watermark of two hundred and eighty (280) will apply to the titles in the Global Customer Care Centers (Norcross, GA, Oklahoma City, OK and Maitland, FL) and the Services Operation Support Centers (Norcross, GA, Oklahoma City, OK and Highlands Ranch, CO). During that time, the total number of represented employees within those organizations shall remain at or above 280.

Sincerely,

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Terrence J. Nolan
Director, Labor Relations

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Robert F. Morrison
Vice Chairman, System Council T-3, IBEW

National Memorandum

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(A) ELIMINATION OF CERTAIN ARTICLES AND TITLES

During 2006 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles including their history, intent and meaning in the 2006 Agreement, while not including them in the actual memorandum.

Below is a list of Titles and/or Articles as numbered in the 2003 Agreement which are now archived:

Article 31 – Support

Administrative Clerk-C	General Service Senior Clerk
Analytical Clerk	Office Clerical Assistant-C
Customer Contact Agent-1	Special Reports Clerk
General Service Clerk	

Article 32 – Communications Equipment

CSSO Technician

Article 33 –Communications Services – entire article will be placed in archives

Building Technician
Operations Mechanic

Other Agreements

(B) ELIMINATION OF CERTAIN ARTICLES AND TITLES

During 2003 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles including their history, intent and meaning in the 2003 Agreement, while not including them in the actual memorandum.

Below is a list of Articles as numbered in the 1998 Agreement which are now archived:

Article 30 – Computer Services

Customer Engineer III

Article 32 – Sales

Customer Representative	Sales Representative – I
Lead Catalog Associate – N	Senior Catalog Associate
Sales Associate – N	Senior Catalog Support Clerk
Sales Representative – C	

The two remaining active titles in this Article, Account Support Rep and Customer Care Representative, are moved into Article 33 (1998 article numbering).

Article 34 – Information Management Services

Data Processing Associate I (DPA I)	Data Processing Associate III (DPA III)
Data Processing Associate II (DPA II)	Data Processing Associate IV (DPA IV)

While Article 33 of the 1998 agreement will remain in effect (new article number to be determined) in the 2003 Agreement, the titles listed below within this Article are archived by this letter:

Article 33 – Support

Account Assistant	Order Writer
Clerical Stenographer	Records Clerk – C
Combination Typist	Senior Account Service Representative
Contract Clerk	Senior Data Processing Clerk
Correspondence Clerk	Senior File Clerk
Data Processing Clerk	Senior Office Associate
Desktop Publishing Coordinator	Senior Secretarial Associate
Desktop Publishing Specialist	Staff Assistant II
Office Clerical Assistant – I	Word Processing Specialist

(C) ELIMINATION OF CERTAIN ARTICLES AND TITLES

During 1998 negotiations, the parties were unable to come to agreement concerning the continuation of titles and articles listed below which at the time were unpopulated. In an effort to make the Agreement more "user friendly," the parties agree this letter serves the purpose of recognizing the existence of these articles and titles in the 1998 Agreement, while not including them in the actual memorandum.

Below is a list of Articles as numbered in the 1995 Agreement:

Article 32 - Messaging Application Services

Article 37 - Operator Services

Article 39 - Commission Sales

Below is a list of titles within Articles as numbered in the 1995 Agreement:

Article 32 - Messaging Application Services

Administrative

Administrative Associate - I
Administrative Associate - II
Drafting Associate
Reprographics Associate

Financial

Billing Associate - II
Billing Associate - III

Technical

Computer Center Plant Engineer
Computer Network Associate – II
Computer Network Associate – III
Customer Support Technician – II

Technical Support

Computer Network Clerk
Customer Service Associate – I
International Process Associate

Article 37 - Operator Services

Bi-Lingual Operator
Communications Assistant
Operator

Service Assistant
Teleconference Specialist

Article 39 - Commission Sales

Communications Associate

Store Clerk

Article 33 - Computer Services

Administrative Clerk – Data

Clerical Typist - Data
Customer Engineer I
Customer Engineer II

Customer Service
Representative-Data
Data Service Coordinator
Dispatch Clerk - Data
Inventory Specialist – Data

Article 35 - Sales

Account Representative

Accounts Receivable Specialist
Business Inquiry Representative
Catalog Support Clerk
Commercial Account Specialist
Commercial Telemarketing
Representative

Customer Sales Associate - Bi-
Lingual
Federal Account Representative
Federal Business Representative
Federal Sales Representative
Marketing Associate
Marketing Support Specialist

Other Agreements

Customer Representative -
Business
Customer Representative -
Residence
Customer Sales Associate

Sales Representative - C -
Commission
Telecommunications Attendant

Telemarketing Sales
Representative

Article 36 - Support

Apparatus Cleaner
Assistant Graphics Specialist
Bi-Lingual Billing Clerk

Lounge Attendant
Mechanic - I
Network Security
Representative
Office Associate
Office Clerk
Office Support Clerk
Operator Service Center Clerk

Bill Processing Clerk
Billing Clerk
Building Attendant
Business Systems Service
Representative

Order Typist
Revenue Results Clerk
Secretarial Associate
Secretarial Stenographer

CSDG Assembler
CSDG Technician
Clerical Assistant
Commercial Sales Support
Associate

Communications Operator
Credit Representative
Credit Support Clerk
Customer Service Clerk
Customer Support Associate

Security Clerk
Security Reports Clerk
Security Representative
Senior Bill Processing Clerk
Senior Communications
Operator
Senior Facilities Clerk
Senior Graphics Specialist
Senior Office Clerk
Senior Operator Service Center
Clerk

Engineering Associate
Engineering Data Clerk
Estimate Clerk
Facilities Clerk

Facilities Engineering Clerk
Federal Administrative Clerk
Federal Graphics Specialist
Federal Office Assistant
Federal Order Administrator
Federal Records Clerk
Federal Senior Clerk
Federal Senior Graphics Specialist
General Clerk
Graphics Assistant
Graphics Specialist
Leasing Associate

Senior Stenographer
Service Bureau Assistant
Service Order Administrator
Service Order Typist
Services Associate
Special Billing Clerk
Staff Assistant I
Stenographer
Subpoena Clerk
Subpoena Management Clerk
Teller
Traffic Routing Clerk

Other Agreements

Article 41 - Communications Services

Operations Employees

Communications Technician
Customer Contact Agent - C

Customer Service Support
Agent
Mechanic - C
Network Order Administrator
Operations Clerk

Construction Employees

Construction Technician
Senior Construction
Technician

Other Agreements

(D) CONVERSION OF TERM EMPLOYEES IN GCCC TO PERMANENT REGULAR EMPLOYEE STATUS (2006 NEGOTIATIONS)

The Company agrees to re-classify all current Term Employees in the Global Customer Care Centers (GCCC) to "permanent" (non-Term) Regular Employee status under Article 3.3(b) of the Agreement.

Pursuant to Article 3.3 (d) of the Agreement, unless engaged for a specific project or for a limited period of normally not less than one (1) nor more than three (3) years, all new hires for GCCC will be hired as permanent (non-Term) Regular Employees.

(E) DOCTOR'S NOTE PROCESS (2006 NEGOTIATIONS)

The Company and the Unions agree that the "Doctor's Note Process," under which employees in the Global Technical Services and Global Customer Care organizations are required, under certain circumstances, to substantiate a personal illness as a condition for payment for a personal illness-related absence, will be discontinued.

The Company agrees to sustain all grievances related to non-payment of personal illness absence arising under the Doctor's Note Process and will pay employees for any prior personal illness absences that are covered by those grievances

The Union agrees to withdraw, with prejudice, any arbitration appeals related to the Doctor's Note Process.

(F) OPTIONAL FOUR-DAY/TEN-HOUR DAY WORK WEEK (2006 Negotiations)

The Company and the Union agree that an optional four-day/ten-hour day work week schedule will be made available for Global Customer Care Center employees.

The parties further agree that the committee established under Article 20.2(b)(3) of the Agreement will investigate and discuss the feasibility of four day work-week scheduling in the Global Technical Services and Services Operation Support Center groups .

(G) MILEAGE REIMBURSEMENT

June 2, 2006

Gerald Souder
CWA Staff Representative
Communications Workers of America

Dear Gerald:

Effective September 1, 2006 mileage reimbursement amount will increase to the IRS allowable amount. Each year of this Agreement, when the IRS announces the allowable personal vehicle usage mileage reimbursement rate for that year, the Company will implement that rate within the next month after the IRS announces it.

Sincerely,

/s/ Martha Tirrell
Labor Relations Manager

Other Agreements

(H) ACCESS TO UNION WEBSITES (2006 NEGOTIATIONS)

The Company agrees that employees will be permitted to view the CWA National website and the applicable Local website on the same basis as an employee would view the Union bulletin board, without discipline, provided that employees accessing Union websites do so during non-work time. The electronic access may occur from either the employee's workstation or at a designated location, if one is specified at that location.

(I) CONSOLIDATION OF THE CWA REPAIR, DISTRIBUTION AND SERVICE AND SUPPORT NO. 2 (RDS&S) AGREEMENT INTO THE CWA OPERATIONS AGREEMENT AND THE ARCHIVING OF THE AFFECTED RDS&S TITLES

During 2003 Bargaining the Company and the Union agreed to move the Avaya employees remaining in the parties' 1998 RDS&S Agreement into the parties' Operations Agreement, thereby discontinuing the RDS&S Agreement. These remaining employees, who held the Expediter title (Level R30) in the RDS&S Agreement, will convert to the Special Reports Clerk title (Level TG-6) in the Operations Agreement.

The parties agree to archive the Titles of Expediter, Coordinator, Departmental Clerk and any other titles that had formerly been staffed in Avaya and listed in the RDS&S Agreement for the Maintenance Service Group (MSG) in Houston, TX. Also archived are the provisions of the RDS&S Agreement applicable to those titles so that if the parties should agree, during the 2003 Agreement, to reactivate any of those titles, the parties would refer to the archived language to guide them in the implementation of such reactivation.

(J) NEW WORK OPPORTUNITIES

The Company and the Union(s) agree to establish a Joint Committee to explore new and existing work opportunities for employees in various Call Centers consistent with the employees' abilities and the Company's business needs. The Committee will be National in scope and must be in place within 90 days after ratification of this Agreement.

If the Company and Union agree in the Committee to a means to expand such work opportunities for the employees, then the Committee shall be empowered to facilitate the implementation of the agreed upon initiative(s).

(K) RESOLUTION OF MEDICAL DISAGREEMENTS

June 6, 1998

Ms. Janine Brown
CWA Staff Representative
Communications Workers of America

Dear Ms. Brown:

This will confirm the Company's intent regarding medical disagreements over an employee's ability to return to work.

The following administrative procedure will be followed where a difference in professional medical opinion exists between an employee's doctor and the Company Medical Organization, involving an employee's fitness to return to work, which cannot be reconciled by the two parties involved.

While the Company Medical Organization's recommendation is final, the Company nevertheless will endeavor to reconcile such differences through contact with the employee's attending physician. If, in the Company's judgment, the opinion of a doctor specializing in the field of the employee's ailment may be of value in resolving the difference, a third doctor may be selected by the Company to examine the employee.

Sincerely,

/s/ Charles R. Reichold
District Manager
Workforce Relations

Other Agreements

(L) SUBCONTRACTING SUBCOMMITTEE STRUCTURE AND GUIDELINES

In an effort to reach a better understanding of the complex issue of subcontracting, the parties agree that it is in their mutual interest to establish appropriate subcommittee(s) for advanced information sharing and open and thorough discussions of matters involving subcontracting.

Accordingly, on this 30th day of May, 2003, Avaya Inc. (the "Company") and IBEW Systems Council T-3 and the CWA (the "Union") have agreed to establish a Subcontracting Subcommittee during the life of the 2003 collective bargaining agreement.

During 2003 negotiations, the Company and the Unions expressed mutual concerns over the employment security of on-roll Avaya employees represented by the Unions and their desire to retain work traditionally performed by those employees. The parties also understood the Company's need to maintain flexibility in making business decisions involving subcontracting of work traditionally performed by represented employees and the potential that such decisions may have a detrimental effect on the employment security of on-roll Avaya employees.

In recognition of these mutual concerns, the parties agree that a process should be developed to address the issues. Thus, it is agreed that the Unions will be provided, in advance, pertinent information such as but not limited to, the economics, skills necessary to perform the work, and the impact such subcontracting may have on the employment security of on-roll Avaya employees. In addition, the Unions will be given an opportunity to discuss such matters relating to the Company's intentions to subcontract work traditionally performed by members of the affected bargaining unit. It is further agreed that any process cannot interfere with the Company's right to make timely decisions consistent with the overall interests of the business, including the employment security of on-roll Avaya employees.

Subcommittee Structure and Purpose

A Joint Subcontracting Subcommittee will be established consisting of up to (4) four representatives from the Union, ((2) two designated by the CWA and (2) two designated by the IBEW) and four (4) representatives from the Company designated by the Business Group Vice President or appropriate mutually agreed upon group.

The purpose of the subcommittee is to give the parties the opportunity to conduct open and thorough discussion concerning the Company's intention and rational on subcontract work presently performed by on-roll Avaya employees.

Subcommittee Information Sharing Guidelines

Sharing information on the Company's intention and rationale to subcontract will include the following:

- 1 The establishing of subcommittees at the Services General Manager level for the purpose of sharing information in more detail. Such information will include items such as amount of hours or jobs, the names of the contractors being utilized, locations of contracted work, (more specific than a zip code level), discussions of the quality of such work, and other pertinent information pertaining to the subcontracting of traditional work that has been regularly performed by members of the bargaining unit in the geographic area.
- 2 Advance information of intention to subcontract consistent with the principles established above will be provided to local unions or GM level subcommittee union representatives as appropriate.
- 3 List of Avaya employees on re-call or the extended compensation option under the Avaya Option Plan.
- 4 Economic conditions of such subcontracting
- 5 Skills that are necessary to perform the work
- 6 Impact subcontracting may have upon on-roll Avaya employees at the affected location(s).
- 7 Other pertinent information (e.g. time constraints, market conditions, hiring opportunities via Avaya Transfer Plan or job advertisements, flexibility, other and viable alternatives)
- 8 Identify specific areas or locations where hours of subcontracted work performed in the previous (6) month period are sufficient for the purpose of hiring new employee / employees .

Role of Labor Relations

Corporate Labor Relations will have the final responsibility to assure that the Information Sharing Guidelines are followed. Any dispute that may arise as to whether the Information Sharing Guidelines have been followed shall be submitted to the Labor Relations Vice President for final resolution.

Other Agreements

(M) SUBCONTRACTING - CWA OPERATIONS

May 27, 1995

Mr. J. E. Irvine, Vice President, CWA

The attached Bahr letter dated May 27, 1989, concerning subcontracting was a National item that was agreed to in 1989 and continued in 1992 as supplemented by Dispute Resolution - Subcontracting (CWA Operations) for certain bargaining units, will continue in effect in accordance with its original terms until the termination of the 1995 National Operations Memorandum of Understanding between AT&T, CWA and IBEW, dated May 27, 1995.

/s/ B. E. DeLury
Labor Relations, V.P.

Concurred:

/s/ J. E. Irvine
Vice President, CWA
Attachment

Attachment

May 27, 1989

Mr. Morton Bahr, President
Communications Workers of America
1925 K Street, NW
Washington, DC 20005

Dear Mr. Bahr:

I am writing to respond to the expressions of concern raised at the Operations bargaining table regarding the Company's contracting out of work, which have focused on situations in which a layoff is pending or has occurred (and ex-bargaining unit members retain recall rights) within the same force adjustment area where the work is to be contracted, and in job titles whose occupants would traditionally have performed such work.

I do not believe that CWA and AT&T have diverse views on this subject.

As to such work normally performed by our employees, we have always preferred not to contract such work out if it would otherwise be performed by bargaining unit employees in job titles in a geographical commuting area (1) where layoffs of such employees are pending; or (2) where a layoff has already occurred and such laid off bargaining unit members retain recall rights and are available to perform such work.

In the future, the Company will not contract out such work, under the conditions outlined above, except when it has no other reasonable alternative. Under such circumstances, the Company will discuss its decision with the Union.

Very truly yours,

/s/ RAYMOND E. WILLIAMS

Other Agreements

(N) DISTRIBUTION TECHNICIAN CAREER PATH ENHANCEMENT

- 1 The Wage Schedules for Distribution Technicians (DTs) will be changed from the existing thirty-six (36) month four (4) zone structure to coincide with the first 48 months' schedule of the appropriate Wage Areas for the Tech Level Wage Table in Appendix 3. Existing Distribution Technicians will be moved to the corresponding wage step to the Tech Level Wage Table that is appropriate for the Wage Area and location in the following manner:
 - (a) DTs who were in progression on the former 36 month schedule just prior to 8/30/98 will be advanced one step on the new schedule on 8/30/98, and
 - (b) DTs who were at the maximum of the former 36 month schedule before 8/30/98 will be advanced to the maximum of the new schedule on 8/30/98.
- 2 Consistent with the needs of the business, the Company shall upgrade the senior qualified DT within a Geographical Commuting Area (GCA), who is Customer Systems Engineer (CSE) test qualified, to fill a vacancy for a regular full time position for the title of CSE in that GCA without utilizing the procedures of the Avaya Transfer Program.
- 3 This Agreement reaffirms that the job functions formerly performed by Technician Assistants (TAs) and DTs were combined and that these guidelines establish job functions to be performed by the DT title under this agreement, including conditions when DT will be required to perform a "higher classification" of work and when a differential for a "higher classification" will apply in the title.
 - (a) **Premises Distribution Media Work**

DTs will continue to perform the full range of Premises Distribution Media functions in support of CPE system sales, including data type media work which may encompass testing of the media transmission capabilities. In Large Customer markets, DTs will continue to be organized largely in "Construction Crews" to support the large job nature of this work. In the Small Customer market, DTs may be assigned to the service crews to support this function.

Some work associated with CPE common equipment (mounting, terminating or testing of related equipment) may, at times, be performed by DTs for the purpose of job efficiency. Such work will apply toward a higher job classification differential in accordance with Article 32.4(h).

(b) **Station Work**

DTs, as a part of their normal job duties, may work alone in performing functions previously performed by the TA title, including station placement work as well as placement of individual wires and speakers. The Company agrees that there will be no surplus declarations of CSEs as a result of allowing DTs to perform former TA functions without direction of a CSE.

Work associated with working circuits or wiring related to working stations (placing, rearranging or testing) and work associated with CPE common equipment (mounting, terminating or testing of related equipment) may, at times, be performed by DTs for the purpose of job efficiency. Such work will apply toward a higher job classification differential in accordance with Article 32.4(h).

(c) **Backfilling or Supplementing CSE Work**

Consistent with the needs of the business, DTs may be trained and assigned to supplement certain types of work typically performed by CSEs. This flexibility should enable DTs to gain CPE training and experience and to provide the Company an alternative to contracting this type of work. It is the intent of the Company that this type of assignment will be limited to CPE provisioning, moves and changes, or station replacement maintenance functions. Such work or training will be applied toward a higher job classification differential in accordance with Article 32.4(h). The Company does not intend to utilize this flexibility to displace or otherwise reduce the requirement for regular CSE positions.

- 4 DTs will be covered by the collective bargaining provisions as outlined in Article 32, except that the following paragraphs in Article 42 of the 1995 Agreement will be included in Article 32 to apply to DTs:

Paragraph 4(d)	RESPONSIBILITY FOR THE WORK OF OTHERS
Paragraph 6	TRAVEL & OTHER ALLOWANCES
Paragraph 7	TOOL CARTAGE
Paragraph 10	CONTRACTING LETTERS

- 5 This agreement will settle grievances concerning the work of DTs.
- 6 DTs who are currently Term employees shall be reclassified to Regular Full-Time DTs based on their seniority, abilities of the employees and the needs of the business

Other Agreements

(O) MVUP TRIAL - SOFTWARE ASSOCIATES

June 6, 1998

Ms. Janine Brown
CWA Staff Representative
Communications Workers of America

Dear Ms. Brown:

During 1998 bargaining, the parties discussed entitling the provision of the Motor Vehicle Usage Plan (MVUP) to employees in the title of Software Associate. In locations where the Company and Union mutually agree to a MVUP trial, a joint request should be sent to the Constructive Relationship Council (CRC).

Sincerely,

/s/ Charles R. Reichold
District Manager
Workforce Relations

(P) AGENCY TEMPORARIES

The Company and the Union understand and agree that Agency Temporaries who hold a position normally filled by a bargaining unit employee will be removed from that position at the end of three months unless there is agreement otherwise between the Union and the Company.

The Company, as appropriate, shall provide information to the Union on the use of agency temporaries.

(Q) ELECTRONIC MONITORING

Sampling of service, used in the spirit of trust and respect, is a valuable tool to enhance customer service. To assure courteous treatment, accurate information and superior service customer calls may be monitored to assist in the training and development of employees, identification of customer needs and product evaluation.

Feedback of calls sampled will be provided to the employee before the end of the second scheduled daily tour after the sampled call. The employee will be notified of exceptional service or gross customer abuse immediately.

No employee shall be disciplined, nor documentation made in any personnel or Company record, as a result of service sampling except for gross customers abuse, fraud, violation of privacy of communications, or when developmental programs have not been successful. A developmental program will be jointly developed by the associate and the coach to bring the best quality service to the customer.

Process monitoring is defined as any call sampling other than individual call sampling. Employees will not be disciplined as a result of process monitoring. However, if gross customer abuse is observed and the specific employee can be identified, it may be documented and reviewed with the employee in an effort to correct the behavior. Such documentation will not be placed in the employee's file.

It is agreed that all past practices and local letters of agreement which restrict the practice of service observing and monitoring are eliminated. The Company will continue to comply with any applicable laws regarding service monitoring or observation.

Company utilization of any technology that enables the recording of customer calls and computer screen activity during the calls, is for training and developmental purposes only.

For the purpose of ongoing monitoring, call observation shall not exceed more than ten (10) calls per month for each employee in any center unless unusual or unforeseen circumstances exist.

Once the recorded calls and screens are reviewed, the employee will have the option to delete them from the recording system or have the option to save them

Other Agreements

for a short period of time for training purposes in conjunction with their development plan.

Disputes regarding a violation of this agreement will be subject to the grievance procedure. If the case is not settled it may proceed to arbitration.

In the instance of a case involving the recording technology if the arbitrator upholds the grievance, the Union and the Company agree that the remedy could include, but not be limited to the following:

- Expunge the case file of any reference to the aggrieved issue and make grievant whole, and
- For the first occurrence by an individual manager within a work center, the Arbitrator could suspend the usage of the utilization of the system for that manager's team for a period of thirty (30) days, and
- For any further occurrences by management within a work center, the Arbitrator may suspend the usage of the utilization of the system for that work center for a period of sixty (60) days.

This procedure shall be the sole and exclusive means by which to resolve disputes arising out of this Agreement.

(R) ALTERNATE WORK SCHEDULES

In order to implement Alternate Work Schedules, modifications to certain contract articles will have to be made. In addition, new provisions for Hourly Time Bank and Residual Time will have to be added. The parties recognize the following contract areas may be changed as a result of local negotiations to implement a four day basic work week and a rotating three and four day basic work week. The Constructive Relationship Council shall approve each specific plan for alternative work schedules negotiated at the local level, including trials and implementation. The following uniform provisions shall apply for all Alternate Work Schedules:

Four Day Work Week (FDWs)

The hours of a Scheduled Daily Tour will be based on the normal hours of the location divided by four. A Basic Work Week will consist of either four 10 hour days, four 9.375 hour days, or four 8.75 hour days.

Continuous Operations (ConOps) [Rotating Three and Four Day Work Week]

The hours of a Scheduled Daily Tour will be twelve (12). A basic work week will consist of either three 12 hour days or four 12 hour days and will be scheduled on a rotating basis so that over a three week period an employee will average forty (40) hours of work.

Other Agreements

Hourly Basic Rate

Is determined by dividing the five (5) day weekly basic wage rate by the number of hours contained in the Scheduled Weekly Tour for the location (i.e., 40, 37.5, 35).

Night Tour

1. For FDWs is a tour which falls within the time period beginning at 6:00 p.m. and ending at 6:00 a.m.
2. For ConOps schedules there shall be one (1) Day Tour and one (1) Night Tour. Starting and stopping times of each tour are to be determined locally.

Overtime

For those employees on the Four Day Work Week:

1. Daily overtime will be paid after ten (10) hours in a day.
2. Weekly overtime will be paid after forty (40) hours in a week
3. Double time will be paid after eight (8) overtime hours (paid at 1.5) have been worked, (subject to successful negotiation of "Payroll Simplification").

For those employees on the ConOps Rotating Three and Four Day Work Week:

1. Daily overtime will be paid after twelve (12) hours in a day.
2. Weekly overtime will be paid after forty (40) hours in a week.
3. Double time will be paid after eight (8) overtime hours (paid at 1.5) have been worked, (subject to successful negotiation of "Payroll Simplification").

Hourly Time Bank

Vacations, Excused Work Days, Designated Holidays and Floating Holidays will be converted to an hourly total and taken on an alternate tour length basis. Any remaining time (time less than an AWS Scheduled Tour) will be designated as "residual time" and will be credited to the employee's Hourly Time Bank.

Residual Time

Time remaining in the Hourly Time Bank after an employee has taken either a holiday, vacation day, or excused work day on an alternate tour length basis. Residual Time may be taken as excused paid time in conjunction with Vacation, Designated Holiday Time, Floating Holiday Time or Excused Work Day Time.

If, at the end of a calendar year, the total Residual Time in an employee's Hourly Time Bank is equal to or greater than the number of hours in such employee's AWS Scheduled Daily Tour, the employee must take the necessary number of days off to reduce the number of hours to below the number of hours in such employee's Scheduled Daily Tour. If total Residual Time is less than the number of hours in such employee's AWS Scheduled Daily Tour, the employee may take

Other Agreements

the Residual Time as excused paid time in one or more increments, of no less than 2 hours each.

Residual Time that is not used in accordance with the previous provisions may be "Bought Out" by the Company at the basic hourly rate (including any evening or night differentials when applicable). This will be limited to a single buy out per calendar year. In no case will the amount of Residual Time that is to be bought out be greater than the number of hours in an employee's Scheduled Daily Tour.

"Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death will also apply to Residual Time.

Leave of Absence

Employees on leaves of absence will be changed to the five day, standard hours per day for their location for the duration of the leave.

Termination Payment

For an employee assigned to an Alternate Work Schedule, Termination Payment shall be computed based on the standard weekly tour at that employee's location.

Employee Benefits

For an employee assigned to an Alternate Work Schedule, Sickness or Accidental Disability shall be based on the standard weekly tour at that employee's location.

Personal Illness

Sickness Wait Period will be converted from days to hours based on the existing articles contained in the local agreements.

Discretionary absence, whether paid or unpaid, will be charged to the employee at the alternate daily tour hour basis.

Rest Period

For FDWs and for ConOps employees one (1) rest period of 20 minutes during each one-half Scheduled Daily Tour.

Incidental Absences (Jury Duty, Military Duty, Death in Family, etc.)

Payment will be made for the number of days specified in the local labor agreement. Incidental absences will not be converted to hours.

(S) APPEARANCE GUIDELINES

The parties recognize and agree that, consistent with the professional image vital to the Company, all employees are expected to be neat and well groomed at all times. Appearance should be appropriate for the community in which the employee works, in keeping with the job assignment, and consistent with what is acceptable for employees in other similar type business establishments.

Explicit in the parties' expectations is a recognition between the Company and the Union that all employees should wear appropriate attire for the work assignment expected to be performed.

In the event of a dispute concerning whether appearance guidelines promulgated or in effect in a particular office or facility are consistent with these expectations, the grievance procedure shall be utilized. If the parties are unable to resolve the dispute in the grievance procedure, the Union may proceed to arbitration pursuant to the provisions of Article 10 of the Agreement. The arbitrator shall determine whether the appearance guidelines promulgated or in effect are reasonable.

(T) ARTICLE 16 TRANSFERS AND RECLASSIFICATIONS TO PART-TIME DURING SURPLUS

During our recent negotiations, we have discussed the Union's claim that individuals have been reclassified to part-time or laterally transferred from a title in which there is an impending surplus to a title that will not be affected by the impending surplus declaration, for the purpose of protecting the employee from the surplus declaration. Both the Company and Union agree that such a practice is not in the best interest of employees and the Company will not support or condone such a practice.

If the Union believes that such a transfer or reclassification has occurred, it may, notwithstanding any contrary provision of Article 9 - Grievance Procedures, notify the Company, in writing, of its claim within 30 days of the involved surplus declaration. Representatives of the Company and the Union will meet, within seven days of the Company's receipt of the written notice, to review and attempt to resolve the Union's claim. If the parties are unable to resolve the dispute, the Union may submit its claim to arbitration and the Company agrees it will process the demand for arbitration in an expeditious manner. The provisions of this paragraph shall not apply to employee movement pursuant to the Avaya Transfer Program.

Other Agreements

(U) COMPENSATORY TIME

Employees who, on May 26, 1989, were covered by Article 29, Paragraph 29.25 or Article 34, Paragraph 34.23 of the 1986 Agreement between AT&T Communications and Communications Workers of America shall continue, for the term of the 1998 Agreement, to be eligible for the scheduling and compensation treatment provided therein on the same terms, conditions and requirements that were applicable to them on that date.

COVERAGE

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Compensatory Time as provided by Articles 29.25 and 34.23, will continue to be eligible for Compensatory Time pursuant to the conditions of Article 29.25 and 34.23 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (in List A) previously entitled to Compensation Time under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (in List A) to Compensatory Time under the 1986 AT&T-C/CWA Contract to another title previously entitled to Compensatory Time (in Attachment A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Compensatory Time (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in Attachment B.

LIST A

**TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
COMPENSATORY TIME**

1 ADMINISTRATIVE EMPLOYEES

Clerical Employees - Group B

Administrative Clerk	Records Clerk
General Service Clerk	Reports Clerk
General Services Senior Clerk	Senior Records Clerk
Office Clerical Assistant	Special Reports Clerk

2 OPERATIONS EMPLOYEES - GROUP A

(a) **Technician**

Building Technician

(b) **Others**

Customer Software Administrator	Operations Mechanic
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Other Agreements

(V) DESIGNATED HOLIDAYS

During the term of the 2006 Agreement, the Local Unions which were entitled under the terms of the 1986 AT&T Communications Agreement, shall continue to be eligible to designate holidays under the terms and conditions, procedures and requirements as were applicable under the terms of paragraph (z)(5) of the 1992 Settlement Memorandum with the following changes.

In 2006, Locals shall designate 1 day (except in New York where the Locals may designate 2 days) for each of the years 2007, 2008 and 2009 respectively, rather than the current practice of designating holidays in each calendar year. The parties recognize the designated day need not be the same day for each of the 3 years.

(W) EMPLOYEE TRAINING

The parties mutually recognize that it is in the best interest of the Company, its employees and customers that employees be provided the opportunity to participate in training which will enable them to maintain and improve job skills and qualifications. The Company retains its right to assign training to employees within a title. However, when making decisions concerning training, the Company will take into account length of service (Net Credited Service as determined by the Employee Benefit Committee) and expressions of interest of all affected employees insofar as the conditions of the business and the abilities of the employees permit.

It is the intention of the parties through the above to achieve the mutual goals and objectives of the Union and the Company.

(X) EVENING MEAL ALLOWANCE AND EXPENSES

During the term of the 1998 Agreement, those employees who were employed on May 26, 1989 and who, on that date, were covered by the provisions of Paragraph 31.11 or Paragraph 36.11 of the Agreement between AT&T Communications and Communications Workers of America and who are not covered by a similar provision in the 1989 Agreement, shall continue to be eligible to receive the expense allowance described therein under the terms, conditions and requirements that were applicable to them on that date. Those employees who were employed on May 26, 1989 and who, on that date, were eligible to receive evening meal payments pursuant to the June 21, 1986 letter from Mr. C. L. Brumfield to Mr. R. J. Allen, reprinted as Letter of Agreement 9 appended to the Agreement between AT&T Information Systems and CWA and who are not eligible for a similar payment pursuant to the 1989 Agreement, shall continue to be eligible to receive the evening meal allowance described therein under the terms, conditions, and requirements that were applicable to them on that date.

COVERAGE - Previously AT&T Communications Only

Employees previously covered by the 1986 AT&T-C/CWA Contract who on May 27, 1989, were in titles in List A and who were entitled to Expenses Allowance Payments as provided by Articles 31.11 and 36.11 will continue to be provided Expense Payments pursuant to the conditions of Articles 31.11 and 36.11 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to expense allowance under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to expense allowance payments under the 1986 AT&T-C/CWA Contract to another title previously entitled to expense allowance (List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to expense allowance (in Attachment A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

Other Agreements

**LIST A
TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
EVENING MEAL ALLOWANCE AND EXPENSE PAYMENTS**

1 ADMINISTRATIVE EMPLOYEES

Clerical Employees - Group B

Administrative Clerk	Records Clerk
General Service Clerk	Reports Clerk
General Services Senior Clerk	Senior Records Clerk
Office Clerical Assistant	Special Reports Clerk

2 OPERATIONS EMPLOYEES - GROUP A

(a) **Technician**

Building Technician

(b) **Others**

Customer Software Administrator	Operations Mechanic
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(Y) EXTENDED VACATIONS

During the term of the 1998 Agreement, those employees who were employed on May 26, 1989 and who, on that date, were covered under the 1986 Agreement between AT&T Communications and Communications Workers of America will continue to be eligible for Extended Vacations under the terms, procedures, conditions and requirements that were applicable to them on that date.

COVERAGE

Except for employees covered by Article 37 - Operator Services of the 1995 Agreement, employees previously covered by the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in Attachment B and who were entitled to Extended Vacation as provided by Article 9.40, will continue to be eligible for Extended Vacation pursuant to the conditions of Articles 9.40 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Extended Vacation under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to Extended Vacation under the 1986 AT&T-C/CWA Contract to another title previously entitled to Extended Vacation (in Attachment B) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Extended Vacation (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

Other Agreements

LIST A

**TITLES FROM THE 1986 AT&T-C/CWA CONTRACT ELIGIBLE FOR
EXTENDED VACATIONS**

1 ADMINISTRATIVE EMPLOYEES

Clerical Employees - Group B

Administrative Clerk	Records Clerk
General Service Clerk	Reports Clerk
General Services Senior Clerk	Senior Records Clerk
Office Clerical Assistant	Special Reports Clerk

2 OPERATIONS EMPLOYEES - GROUP A

(a) Technician

Building Technician

(b) Others

Customer Software Administrator	Operations Mechanic
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(Z) SCHEDULING

During the term of the 1998 Agreement, those employees who were employed on May 26, 1989 and who, on that date, were covered by the provisions of Paragraph 28.34 or Paragraph 33.62 of the Agreement between AT&T Communications and Communications Workers of America, shall continue to be covered by the scheduling treatment described therein under the terms, conditions and requirements that were applicable to them on that date.

COVERAGE

Employees covered the 1986 AT&T-C/CWA Contract, who on May 27, 1989, were in titles in List A and who were entitled to Scheduling Provisions as provided by Articles 28.34 and 33.62 will continue to be provided Scheduling Provisions pursuant to the conditions of Articles 28.34 and 33.62 for the life of the 1998 Lucent/CWA Agreement subject to the employees meeting one of the following conditions:

- (a) The employees have remained in a title (List A) previously entitled to Scheduling Provisions under the 1986 AT&T-C/CWA Contract and that title has been carried forward and is currently contained in the 1998 Lucent/CWA Agreement, or
- (b) The employees were assigned via Article 16 by the Company or laterally transferred via ATS/LTP after May 27, 1989, from a title previously entitled (List A) to Scheduling Provisions under the 1986 AT&T-C/CWA Contract to another title previously entitled to Scheduling Provisions (in List A) under the same Contract, or
- (c) The employees were assigned by the Company or laterally transferred via ATS/LTP after May 27, 1989 from a title previously entitled to Scheduling Provisions (in List A) under the 1986 AT&T-C/CWA Contract to a title listed in List B.

Other Agreements

LIST A

**TITLES FROM THE 1986 AT&T-C/WA CONTRACT ELIGIBLE FOR
SCHEDULING PROVISIONS**

1 Clerical Employees - Group B

Administrative Clerk	Records Clerk
General Service Clerk	Reports Clerk
General Services Senior Clerk	Senior Records Clerk
Office Clerical Assistant	

(AA) 1992 LETTERS EXTENDED

The following items were agreed to in 1992 local bargaining and will continue in accordance with their original terms.

(a) LOCAL AGREEMENTS

Local agreements, other than those that are specifically provided for in the Agreement, that violate the provisions of the Agreement will be null and void immediately upon the effective date of the Agreement. Other local agreements will continue to effect unless and until either party gives 45-days written notice of their termination. During that 45-day period, either party may initiate negotiations pursuant to Article 2 (Collective Bargaining), Paragraph 2.10 of the 1992 Agreement. If no agreement is reached during that 45-day period, the local agreement will no longer be effective and binding upon either Company or the Union.

(b) INDEMNIFICATION

It is the policy of the Company to indemnify and hold harmless from liability, employees who are determined to be liable to others as a result of the actions and/or simple negligence of the employees arising in the scope of their employment. Employees who participate in the Motor Vehicle Usage Program will be considered to be acting within the scope of their employment while operating the Company-provided vehicle between work locations, and between work locations and their residences or other places of vehicle storage, provided that employees are traveling in a reasonably direct route between their work locations and their residences or other places of vehicle storage and are traveling within a reasonable period of time before or after the start or end of their work day.

(c) OVERTIME EQUALIZATION

For the term of the 1992 Agreement, the Company will continue existing overtime equalization agreements as they exist unless and until they are canceled pursuant to Item (a) of the Settlement Memorandum. All such agreements shall be subject to the grievance procedure of Article 9. Only those that were subject to the provisions of Arbitration of the 1989 Agreement shall continue to be subject to arbitration.

Other Agreements

(d) SCHEDULE CHANGE - PART-TIME EMPLOYEES

During our recent negotiations, we discussed the Union's concern that part-time employees' schedules were sometimes changed on very short notice resulting in fewer scheduled hours on a given day or for a given week. It is not the Company's intent to reduce the regularly scheduled hours of part-time employees without adequate notice.

(e) WAGE PROTECTION

Employees covered by Article 34 who, on May 27, 1992, were covered by the MMS Agreements and who were, on this date, receiving a wage "plug" (Special Supplementary Wage Treatment (SSWT) shall continue to receive the wage plug under the conditions formerly applicable to them unless and until they leave that title. Those employees will continue to have their Pension Band Differential included in the calculation of their pensions as long as they remain in the covered group to which reclassified in 1986.

(BB) 1989 PROVISION - GROUPS

For the term of the 1992 Agreement, the Company will continue to apply the following provisions of Part II of the 1989 Settlement Memorandum to work groups which were covered under the terms of those paragraphs on May 30, 1992, under the circumstances provided in those paragraphs:

- (1) Night Tour
- (2) Letter, California Release Time
- (3) Letter, 15% Differential, NY
- (4) Letter, Last Work Day Before Christmas, NJ
- (5) Letter, OT Work, Michigan
- (6) Letter, NY Vacation Schedule
- (7) Letter, Vacation Scheduling

(1) NIGHT TOUR

For employees assigned to a title listed in Article 32 (Sales) or Article 33 (Support), who are assigned to an administrative unit whose employees were, on May 26, 1989, covered under terms of the 1986 Agreement between AT&T Information Systems, Inc. and Communications Workers of America, the night tour shall be defined, for the term of the 1989 Agreement as a regularly scheduled tour which falls wholly or partially within the period from 6:00 PM - 6:00 AM. During the same period and for the same employees the day tour shall be defined as a regularly scheduled tour which falls wholly within the period from 6:00 AM - 6:00 PM.

Other Agreements

(2) CALIFORNIA RELEASE TIME

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

During recent negotiations we discussed the Union's demand that management in the States of California and Nevada continue the practice of releasing certain day tour clerical employees employed in the States from the last half hour of their scheduled eight-hour day tour.

It is our intent, for the duration of the current collective bargaining agreement, to allow managers in California and Nevada to so excuse such employees, when in the judgment of the Company work assignments have been completed. However, day tour clerical employees remain obligated to work eight hours and any such excused half-hour is a gratuitous act on the part of the Company and not a guaranteed right. Where management requires an employee to work any portion of the last half-hour of a scheduled eight-hour tour, no additional compensation will be paid.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

(3) 15% DIFFERENTIAL, NEW YORK

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning the payment of a 15% differential to certain employees who work on Saturday. The Company will continue, during the term of the 1989 Agreement, to treat those employees who were entitled to payment pursuant to Article 19.07 of the collective bargaining agreement between the Union and New York Telephone Company (dated December 2, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area in a manner consistent with language of the provisions of that Article 19.07.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

Other Agreements

(4) LAST WORK DAY BEFORE CHRISTMAS, NEW JERSEY

May 27, 1989

Mr. John Agee
Assistant to Vice President
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Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our recent discussions about our agreement, reached during recent collective bargaining negotiations, concerning the last workday before Christmas Day in New Jersey. Accordingly, this letter confirms that employees in the State of New Jersey, who were covered by the provisions of Paragraph 17 of the Letters of Agreement and Statements of True Intent and Meaning of the 1983 collective bargaining agreement between the New Jersey Bell Telephone Company and the Union, and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said Paragraph 17.

Regards,

/s/ Mary Anne Walk

Division Manager-Labor Relations

Note: This letter applies only to those work groups to which ATT-IS letter 19 applied on May 26, 1989.

(5) OVERTIME WORK, MICHIGAN

May 27, 1989

Mr. John Agee
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Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our recent discussions about our agreement, reached during recent collective bargaining negotiations, concerning administration of overtime work in the State of Michigan. Accordingly, this letter confirms that employees in the State of Michigan who were covered by the provisions of Article 41 of the 1983 collective bargaining agreement between Michigan Bell Telephone Company and the Union, and those employees hereafter engaged in the same or similar titles in the same geographical area shall continue to be treated in a manner consistent with the language contained in the said Article 41.

Regards,

/s/ Mary Anne Walk
Division Manager-Labor Relations

Note: This letter applies only to those work groups to which ATT-IS letter 21 applied on May 26, 1989.

Other Agreements

(6) NEW YORK VACATION SCHEDULE

MEMORANDUM AGREEMENT

Vacations (New York - IS Plant Locals)

For the 1984, 1985, and 1986 calendar years, the following shall be applicable:

- (i) In each calendar year, the summer period shall be a 12-week period. For the 1984 calendar year, it shall commence with the week ending June 23 and terminate with the week ending September 8. For the 1985 calendar year, it shall commence with the week ending June 22 and terminate with the week ending September 7. For the 1986 calendar year, it shall commence with the week ending June 21 and terminate with the week ending September 6.
 - 1. This 12-week summer period described in Article 23.01 of the Collective Bargaining Agreement may be shifted by local management to conform more closely with local school vacation schedules. Such adjustment will be decided upon by local management and any adjustment in the beginning of the 12-week summer period will result in a similar compensating adjustment in the closing date of the period.
- (ii) By November 15 of each year, the Company shall post vacation schedules for the following calendar year. Prior to the posting of these schedules, the Company shall afford the Union a period of fifteen (15) days during which period representatives of the Company and the appropriate Local Union shall discuss the vacation schedules for the following calendar year. Where any employee in any vacation group is required to take one week of vacation during the first four months of the calendar year in accordance with the schedules determined by the Company under Paragraph C of this Memorandum Agreement, the Company shall, during this 15-day period, give the appropriate Local Union the Company's reason for such requirement.
- (iii) Each employee in any vacation group who is entitled to take two (2) or more weeks of vacation in a calendar year may be required to take on of those vacation weeks during the first four (4) months of that calendar year in accordance with schedules determined by the Company. (These vacation groups are referred to hereafter as "affected groups").
 - 1. This one week of vacation which the employee may be required to take during the first four months may not be carried over into the following calendar year under Article 23.04 of the Agreement. However, employees may satisfy this one-vacation-week requirement with a vacation week carried over from the prior calendar year under Article 23.04 of the Agreement, provided that the week carried over is a week other than one required to be taken during the first four months of the prior calendar year.

Other Agreements

2. This one week of vacation which the employee may be required to take during the first four months may not be reserved as a vacation week for day-at-a-time vacation under Article 23.01 of the Agreement. Employees may not satisfy this one-vacation-week requirement with a day-at-a-time vacation week reserved from the prior calendar year under Article 23.01 of the Agreement.
 3. The number of vacation weeks the Company shall schedule in each affected group for the summer period in each of the 1984, 1985, and 1986 calendar years shall be 48% of the total number of vacation weeks that all employees in that affected group are entitled to take in each of those years. These summer vacation weeks (i.e., 48%) shall be distributed over the summer period in accordance with schedules determined by the Company. This percentage is subject to the limitations outlined in Paragraph I below.
 4. The minimum number of vacation weeks that shall be scheduled for each affected group in each week of the calendar year outside the summer period and outside of the first four months of the year shall be equal to the highest number of vacation weeks scheduled by the Company for that affected group in any week of the summer period, subject to the limitations outlined in paragraph I below.
- (iv) For vacation groups in which employees are not required to take one of their vacation weeks during the first four months of the calendar year, the percentages set forth in Paragraph C (3) above shall represent the minimum the Company will schedule in the summer period for the 1984, 1985, and 1986 calendar years, subject to the extent to which the vacation weeks in the summer period in any vacation group for any calendar year may be increased above the percentages set forth in Paragraph C (3) above shall be determined by the Company.
- (v) The weeks included in the percentage figures set forth in Paragraphs C (3) and D above shall include the one week each employee is entitled to take in the summer period under Article 23.01 of the Agreement. The Company shall not be obligated to schedule additional vacation weeks above those percentage figures for the purpose of making available to any employee in the vacation group the one week each employee is entitled to take in the summer period.
- (vi) Once an employee has selected his vacation weeks to be taken in the summer period:
1. He may not exchange any of his vacation weeks to be taken in the summer period for any vacation weeks that may become available in that period.
 2. He may not select additional weeks to be taken in the summer period that may become available in that period, except as follows:

Other Agreements

Employees in any vacation group who were restricted in the selection of vacation weeks in the summer period because at the time of their vacation selection the number of employees who had not selected equaled the number of remaining open summer weeks may then select, in order of seniority, any additional week that may become available in that period as a result of a less senior employee not selecting the one week the employee is entitled to take in the summer period.

3. He may exchange any of his selected weeks to be taken in the summer period for weeks selected to be taken in that period by other employees in his vacation group.
- G. An employee who is eligible for five (5) weeks of vacation must take one vacation week outside of the summer period. This one week may not be reserved as a vacation week for day-at-a-time vacation under Article 23.01 of the Agreement. The employee who is eligible for five weeks of vacation may be required by the Company to take one of those weeks during the first four months of the vacation year under Paragraph C above in accordance with schedules determined by the Company.
- H. Vacation schedules shall not have "blocked-out"* vacation weeks except where the vacation group involved historically has had vacation schedules with blocked-out weeks. However, vacation schedules may still have blocked-out weeks for vacation groups that may be subject to or involved with unusual service requirements or special projects within the meaning of Paragraph I below.
- **"Blocked-out" weeks shall mean weeks on vacation schedules for which it is indicated that no employee may take vacation.
- I. Notwithstanding Paragraphs C (3) and (4), and D above:
Where there are unusual service requirements, such as political conventions or Olympics, or where there are special projects, such as cutovers, then in any calendar year the Company may reduce the percentages set forth in Paragraphs C (3) and D above and reduce the minimum number of vacation weeks set forth in Paragraph C (4) above for all vacation groups that may be subject to or involved with those unusual service requirements or special projects. However, the Company shall not eliminate entirely the summer vacation weeks provided for under Paragraphs C (3) and (4), and D above because of these unusual service requirements or special projects.
- J. An employee will not be scheduled for an assignment on the Saturday before his or her vacation or be scheduled for assigned overtime on the Sunday after his or her vacation.
- K. Vacation weeks, vacation days, and "H" days will be selected by employees in that sequence in a number of circulations to be determined by the company.

Other Agreements

- L. The maximum number of employees on vacation and "H" day and vacation day at any one time will not exceed the maximum number of employees permitted to be off as determined by management.
- M. Vacation day conflicts will be treated in the same fashion as the Company now treats "H" day conflicts.
- N. This Memorandum Agreement shall be effective as of August 7, 1983 and shall continue in effect throughout the full term of the Collective Bargaining Agreement contained in the Stipulation dated December 2, 1983. This Memorandum Agreement shall automatically terminate simultaneously with the termination of such Collective Bargaining Agreement. Collective Bargaining with respect to amendment or modification of this Memorandum Agreement shall occur only at the time such Collective Bargaining Agreement is terminated.
Note: This applies only to those work groups to which ATT-IS letter #23 applied on May 26, 1989. And will continue for the life of the 1989 Agreement.

Other Agreements

(7) VACATION SCHEDULING

During the 1998 negotiations between Lucent Technologies and Communications Workers of America, the Union expressed a concern relative to service and coverage requirements in connection with vacation schedules and personal holiday schedules.

The Company recognizes the importance of vacations to our employees and believes that vacation schedules should be prepared in such a manner as to permit a maximum number of vacations during the most desirable vacation periods to the extent that service and coverage requirements permit.

It is also our belief that special consideration should be given to the traditionally observed holidays that were replaced with personal holidays in the 1989 Agreement. The new holiday language, in and of itself, should not change the coverage requirements for those days that were designated as holidays in past contracts. Every effort should be made by managers to make available as many of these days as possible for selection as personal holidays.

(CC) 1989 PROVISIONS - INDIVIDUAL

For the term of the 1992 Agreement, the Company will continue to apply the following provisions of Part II of the 1989 Settlement Memorandum to individuals which were eligible for coverage under the terms of those paragraphs and who were covered by these paragraphs on May 30, 1992, under the circumstances provided in those paragraphs:

- (1) Letter, Voluntary OT, Ohio and C&P
- (2) Letter, Overtime Payment Provisions
- (3) Letter, Overtime Limitations
- (4) Letter, Absence Control, New York
- (5) Letter, Absence Control, New York
- (6) Letter, Absence Control, New York
- (7) Letter, Voluntary Overtime, PNB

Other Agreements

(1) VOLUNTARY OVERTIME, OHIO AND C&P

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during our recent collective bargaining negotiations, concerning voluntary overtime in the State of Ohio and in the geographic operating area of the Chesapeake and Potomac Telephone Company ("C&P"). Those employees who we employed in the geographic territories of the Ohio Bell Telephone Company and C&P shall continue, for the term of our 1989 Agreement, to work overtime on a voluntary basis consistent with the voluntary basis that applied under the foregoing BOC contracts.

Regards,

/s/ Mary Anne Walk

Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

(2) OVERTIME PAYMENT PROVISIONS

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning certain overtime payment provisions. Those Company employees who, pursuant to their respective applicable 1983 BOC agreements or contracts, were entitled to be paid for overtime hours worked immediately preceding or following their regularly scheduled tour and/or following their normally scheduled work weeks, and those employees engaged hereafter in the same or similar titles in the same work groups, shall, during the term of the 1989 Agreement, continue to be paid for such overtime in a manner consistent with the applicable provisions of the 1983 BOC agreement or contract that pertained in the geographic area.

Regards,

/s/ Mary Anne Walk

Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

Other Agreements

(3) OVERTIME LIMITATIONS

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning limitations on the assignment of overtime work in certain circumstances during the term of the 1989 Agreement.

Those employees previously covered by the provisions of Article 17.06 of the agreement between the Union and New York Telephone Company (dated December 2, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 17.06.

Those employees previously covered by the provisions of Section 8, Article VI of the agreement between the Union and the Southwestern Bell Telephone Company (dated as of August 28, 1983), and those employees engaged hereafter in the same or similar titles in the same geographic area, shall continue to be treated in a manner consistent with the language contained in the provisions of Section 8, Article VI.

Those employees previously covered by the provisions of a letter dated August 16, 1980 from W. S. Pursell (General manager - Labor Relations and Personnel Administration of the Bell Telephone Company of Pennsylvania) to Mrs. Gale P. Dreves, and those employees engaged hereafter in the same or similar titles in

Other Agreements

the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letter.

Those employees previously covered by the provisions of separate letters dated August 23, 1983 from J. R. Lawrie, Division Manager - Labor Relations, Diamond State Telephone Company, to Charlotte Jamieson and to Robert J. Wehde, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letters.

Those employees previously covered by the provisions of Article 3.022 of the agreement between the Bell Telephone Company of Pennsylvania and the Union (formerly known as the Federation of Telephone Workers of Pennsylvania) (dated May 17, 1943 as last amended August 7, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.022.

Those employees previously covered by the provisions of Article 3.10E of the agreement between the Union and the South Central Bell Telephone Company (dated August 28, 1983), and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.10E.

Regards,

/s/ Mary Anne Walk

Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

Other Agreements

(4) ABSENCE CONTROL, NEW YORK

February 17, 1972

Mr. M. Don Sanchez, Area Director
Communications Workers of America
85 Worth Street
New York, NY 10013

Dear Mr. Sanchez:

This will confirm our understanding that before giving an employee a warning pursuant to the Absence Control Plan, the Company shall notify verbally the steward of the employee involved. If the employee does not object, the steward may be present when the employee is given the warning.

In addition, the Company agrees that before giving a final warning or a suspension prior to discharge under the provisions of this Plan, it shall notify verbally the Union Local. Unless the employee objects, an official of the Local may be present when such actions are taken.

Please indicate your agreement to the foregoing by signing and returning a copy of this letter to me.

Very truly yours,

/s/ R. E. Williams

Agreed
by:

/s/ M. Don Sanchez
Communications Workers of America
Dated February 17, 1972

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

(5) ABSENCE CONTROL, NEW YORK

August 24, 1983

Mr. Lawrence Mancino
Area Director
Communications Workers of America
80 Pine Street
New York, NY 10005

Dear Mr. Mancino:

This is to inform you of the Company's present intention to change administratively the guidelines for supervisors under the Company's Absence Control Program to reflect the following:

The first step of the Absence Control Program will not be applied to an absence of an employee which occurs after a year without any absences .

The Company will apply a seventh step to the absences of an employee with 25 or more years of net credited service.

Very truly yours,

/s/ A. M. Freije
Assistant Vice President

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

Other Agreements

(6) ABSENCE CONTROL, NEW YORK

September 19, 1977

Mr. M. Don Sanchez, Area Director
Communications Workers of America
85 Worth Street
New York, NY 10013

Dear Mr. Sanchez:

This is to advise you that whenever an accident on the job occurs and results in absence, the Company will give consideration to not stepping the employee on the Absence Control Program.

Very truly yours,

/s/ Bernard C. Sissler
Assistant Vice President

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

(7) VOLUNTARY OVERTIME, PNB

August 24, 1983

Mr. Frank E. Mailloux
Area Director, Washington-Idaho-Oregon-Alaska
Communications Workers of America, AFL-CIO
845 Industry Drive, Building 21
Tukwila, WA 98188

Dear Mr. Mailloux:

This will confirm our understanding of voluntary overtime as an alternate method of assigning overtime work. This agreement applies to Pacific Northwest Bell and not to other companies or entities where bargaining unit employees may transfer.

The basis for this agreement is our mutual desire to maintain a work environment where each employee may exercise a commitment to the needs of our business operations without undue impact on personal desires. This premise is the foundation of our willingness to set forth an alternative to the past practices involving overtime work.

As an alternative to existing contract provisions governing the distribution and payment of extra work opportunities, individual force groups may elect an alternate overtime process. Supervision and the Union must concur in the election and composition of the force group. The force group would generally consist of employees having a common organization and type of work within the same work location. Specific practices for this voluntary process will be jointly determined by the Union and Management. It is understood that the alternative process will include the following considerations:

The purpose is to assign extra work without causing employee hardship.

Whenever there appears to be insufficient volunteers, the Union and Company representatives will jointly determine what action will be taken to ensure that the priorities of the business are met.

Contract Section 25.16 concerning the distribution of premium work opportunities will not apply to the force group. However, there remains the need to maintain a reasonable distribution of the overtime payments among employees who are equally available for overtime opportunities.

Other Agreements

The premium rate for all overtime will be time and one-half and Contract Section 25.5 will not apply except that hours worked on a holiday will be paid as specified in Section 22.3(a).

The effective date will be as soon as the payroll process can accommodate this alternative.

This alternative overtime process may be cancelled for a force group by either the Union or Company with 24 hours notice. If cancelled, the alternative method cannot be re-established before 1 year has elapsed. However, management may interrupt these procedures for exceptional service demands such as storms and unusual service requirements and Contract Section 25.5 will apply.

If you concur with this understanding, will you please sign the original of this letter and return it to me.

Sincerely,

/s/ A. E. Manseth
Assistant Vice President
Sixteen Hundred Bell Plaza
Seattle, Washington 98191
Phone (206) 345-3920

Agreed by:

/s/ Frank Mailloux
Area Director
CWA, AFL-CIO
Date: August 28, 1983

Approved by:

/s/ G. E. Watts
President, CWA

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

DURATION OF AGREEMENT

The collective bargaining agreements between the parties shall terminate, unless extended by mutual agreement, at 11:59 PM on Saturday May 23, 2009.

In witness whereof the parties have caused this Settlement Memorandum to be signed in their respective names by their authorized representatives duly empowered in their behalf.

Company

Union

Agreed

Agreed

/s/ Thomas C. Burk
Vice President, Labor Relations

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Terrence J. Nolan
Director, Labor Relations

/s/ Gerald Souder
CWA Staff Representative

/s/ David W. Graepel
Manager, Labor Relations

/s/ Lois Grimes
CWA Staff Representative

//s/ Martha A. Tirrell
Manager, Labor Relations

/s/ Martha Flagge
CWA Staff Representative

/s/ Susan H. White
Manager, Labor Relations

/s/ Kevin Kimber
CWA Local 3204

/s/ Rich Meringolo
CWA Local 1101

/s/ Phil Pennington
CWA Local 4320

/s/ Mary Ellen Voelker
CWA Local 13000

Approved

/s/ Larry Cohen
President, CWA
Communications and Technologies

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INDEX

A

Absences	4, 9-12, 40, 43-46, 49, 60, 66-68, 74, 81, 88, 101, 163, 184, 205, 215, 220, 241, 266, 280, 309-310
Sickness.....	42, 66, 105, 280
Academic Award.....	197
Accidental Death.....	41-42, 186
Adjusted Rate.....	4-5, 20, 29, 39, 46-47, 52-54, 58-60, 64, 67, 72, 79, 81, 85-87, 93, 99-102, 108, 158, 164, 211
Agency Shop	12
Agent	91-92, 240
Alliance	193-196, 221-225, 246, 253
Allowances	6, 28, 33-34, 55, 67, 73, 80, 86, 89, 108, 196, 227, 255, 275
Anticipated Disability Leave.....	40, 163
Appearance Guidelines	281
Arbitration.....	15-25, 32, 42, 52, 63, 165, 194, 198-199, 213, 219, 281, 291
Avaya Career Transition Option Program (ACTOP)	215, 222, 228
Avaya Transfer Program (ATP)	58, 200-201, 210, 223-229, 255, 271, 274, 281

B

Basically Qualified.....	201
Benefit Plans	41-42, 66, 108, 186-188, 216
Bulletin Boards	10

C

Calendar	
Day	3
Day	3, 82
Week	2
Year.....	2, 9, 14, 40-44, 47-53, 67-69, 77, 83, 97, 176, 180, 197, 279-280, 284, 298-300, 2, 50, 176, 197
CAPS	180, 182
Career Placement.....	201-212
Career Rehire Placement	201, 206, 211
Child/Elder Care Reimbursement Account.....	41, 186
Collective Bargaining	1-2, 13-14, 24, 61-63, 105, 153, 198-201, 206, 209-210, 213, 217-221, 226-227, 233-234, 38, 249-251, 270, 275, 291, 294-296, 301, 304-306, 313
Compensatory Time	282
Constructive Relationship Council (CRC)	231, 248, 276, 278
Coordinator.....	57, 76, 110-122, 177, 213, 224-229, 255-258, 262-263, 268

INDEX

D

Daylight Savings Time	71, 78, 85, 98
Death	9, 19, 24, 40, 46, 50, 66, 163, 192, 220-221, 280
Deductible	105, 172-173, 178-179
Demotion	10, 20, 25, 32, 202, 210-211
Dental Expense Plan	41, 178, 186-188
Dependent.....	42, 160, 181, 186-188, 198, 216
Differential.....	5-6, 20, 28-29, 46-47, 52, 57, 58-59, 66-68, 72, 74, 79-82, 85, 88, 99, 102, 157-158, 164, 217, 253, 274, 275, 295
Discipline	10, 20-22, 24, 268
Dismissal	20-22, 25, 198, 205, 280
Downgrade.....	33, 61
Drugs	173, 179, 245

E

Education	176, 194-197, 203-204, 221, 223, 228
Election Board Service.....	45
Eligible Employees.....	162, 171, 202-203, 206, 215, 228, 277
Employee	
Regular.....	6, 195-197
Temporary.....	7
Term.....	7, 203
Employee Assistance Program (EAP)	189
Employee Resource Center (ERC)	223-225, 228
Employee Stock Purchase Plan	41, 185-186
Employment	
Layoff	8, 24, 33, 37, 51, 55, 57-58, 62-65, 171, 196, 212, 215-217, 221, 224, 259, 273, 280
Net Credited Service (NCS)	7, 18, 25, 30-31, 44, 46, 56, 58, 62, 66, 215, 217, 284
Term of Employment	7, 41, 49
Excused Work Days (EWD)	39-41, 46-47, 51, 219, 279
Expedited Arbitration.....	21-22
Extended Compensation Option (ECO).....	207, 215-220, 222, 271

F

Facility Closing Program (FCP)	201-204, 223, 229
FAED	221
Family	42, 46, 49, 163, 172-173, 178-180, 186-187, 190-191, 280
Force Freeze.....	202-203

G

Grievance.....	9, 15-25, 32, 42, 52, 63-64, 91-93, 95-96, 165, 198-199, 213, 219, 278, 281, 291
----------------	---

INDEX

H

Health Care	25, 26, 42, 174-177, 180, 183, 186, 190, 230
Chemical Dependency.....	174, 179
Medical	9, 13, 25-26, 41-42, 46, 163, 174,
.....	176-181, 186, 189, 216, 269
Out-of-Network.....	172-173, 178-179
Health Care Reimbursement Account.....	42, 186, 190
Holidays	39, 40, 51-54, 67, 219, 255, 279, 284, 302
Floating.....	39-40, 51, 53-54, 219

I

Illness	43-46, 74, 81, 88, 101, 189, 266
Immediate Family	46, 49
Indemnification	291
Insurance	
Basic Accidental Death and Dismemberment.....	186
Basic Life.....	41, 186, 241
Dependent Accidental Death and Dismemberment	186
Dependent Group Life.....	216
Dependent Life.....	186, 187
Group Legal Services Plan.....	9, 42, 186-187
Group Life.....	164, 216
Life Insurance Programs.....	9, 13, 41, 186, 192, 241
Savings Plan.....	158, 164, 184, 186, 216, 241
Sickness and Accident Disability Benefit Plan	186
Supplemental Accidental Death and Dismemberment.....	42, 186
Supplemental Life.....	41, 186
Vision Care Plan.....	42, 186, 187
Insurance Programs	41

J

Job Brief	201, 203-204
Job Classification.....	6, 8, 74, 82, 88, 224, 274-275
Lateral Reclassification.....	32, 205
Joint Health Care Committee (JHCC)	174
Jury Duty	45, 280

INDEX

L

Laws	1, 45, 104, 187, 245, 277
Layoff	55, 57, 62, 221
LEAD21	197, 254
Leaves of Absence.....	9, 12, 163, 205, 254, 280
Military.....	49, 66, 169, 208, 280
Reserve Time	51
Legal Plan	9, 42
Level Equalization Group (LEG)	202, 214
Life Insurance Programs	186
Local Placement Area (LPA).....	58, 202, 218
Long Term Care Plan	42, 186
Long Term Disability Plan	42, 186

M

Meal Period	3, 70, 72, 78, 79, 84, 86, 98-100
Mediation	15, 23, 24, 91, 92, 93, 236
Medical Disagreements.....	269
Medical Expense Plan (MEP)	13, 41-42, 172, 174, 176-178, 186, 188
Motor Vehicle Usage Program.....	93-94, 103, 276-277, 291
Moving Expenses.....	36-37, 55, 73, 80, 86, 89, 100, 212

N

Neutral Third Party	38, 63-64
Neutrality and Consent Election	232, 237-239
Normal Work Week	2, 4-7, 41, 45, 69, 76, 83, 97
Notices & Notification.....	8, 10, 17, 38, 43, 103, 234, 245

O

Officer	8, 11, 14, 16, 251, 257
Optional Termination Pay (OTP)	215-218
Orientation.....	11
Overtime Adjustment.....	6, 29, 108, 158, 164

INDEX

P

Pay for Performance.....	162
Payroll Deduction	13-14, 20, 105, 243
Pension Band	168-169, 218, 224, 227, 256, 292
Pension Plan	7, 42, 68, 168, 170-171, 186-188, 220
Personnel Records.....	25
Physician	172, 178, 269
Placement Request	202, 205-207, 229
Point of Service.....	174
Promotion	8-9, 31-32, 56, 74, 202-205, 208, 210-211, 224

Q

Quarantine.....	46
-----------------	----

R

Reassignment Pay Protection Plan (RPPP)	7, 31, 61, 104, 249
Recall	8, 33, 55, 57, 60-65, 89-93, 201-202, 204, 207, 209, 217, 273
Relief Period	3, 11, 70, 78, 84, 98
Relocation.....	37, 58, 211-212, 221
Resource Center.....	223-225, 228
Retired	178-180, 236

S

Safety	25-27
Savings Plan.....	29, 42, 184, 187
Seniority	8, 31-33, 51-52, 56, 70, 75, 77, 84, 209-210, 215, 217, 275, 300
Sickness	13, 40, 66, 186, 218, 280
Sickness and Accident Disability Benefit Plan	40, 42, 186
Special City Allowance.....	6, 108
Special Leave Program (SLP)	215
Stock Purchase Plan	29, 158, 164
Subcontracting.....	63, 91-93, 270-272
Supplementary Wage Treatment.....	292
Surplus Placement	58, 202, 204, 206-209
Surplus Rehire Placement	202, 207, 212

INDEX

T

Technology Change Committee	248-249
Temporary Assignment	6, 8, 35-36, 69, 74, 76, 82-83, 88, 102, 219
Termination	4, 12-13, 21, 23, 36-37, 40, 50, 55, 58-61, 66, 92, 102-103,105, 171, 201, 204, 212, 215-218, 221, 239, 249, 272, 291, 301
Termination Allowance.....	196
Testing	68, 89, 210, 228, 245-246, 274-275
Third Party Neutral (TPN)	233, 265, 246
Transfers	12, 31-35, 52, 55, 73, 80, 86, 89, 203, 281-282, 285, 287, 289
Transition Leave of Absence (TLA).....	215, 220
Travel	12, 33-36, 55, 72-73, 79, 80, 86-89, 99-100, 225, 275
Travel Time	12, 72, 79, 86
Tuition Assistance Plan (TAP)	7, 199, 216

U

Union	
Dues.....	12-14, 20, 29, 105, 158, 164, 217, 242
Local	11, 13, 23, 105, 153, 232, 291, 308
Recognition	1, 6, 109, 240
Representatives	1-2, 8-11, 15-18, 23, 26, 62, 90, 92, 235, 271
Union-Management Relations	232
Upgrade	274

V

Vacation	13, 47-55, 58, 102, 105, 217, 219, 279, 298-302
Carry Over.....	50
Values	162
Vested	170
Vision Care Plan.....	9, 41-42, 186-187
Voting	45, 232

INDEX

W

Wages	13, 20, 27, 96, 105, 153, 158, 164, 224
Double Time	5, 28, 54, 71, 74, 78, 81, 85, 88, 157
Increases	27-30, 34, 36, 74, 82, 88, 157, 162
Maximum Rate	29-32, 210
Minimum Rate	27, 29, 157
Overtime	3-5, 28, 39, 40, 64, 67, 71-74, 78-81, 85-88, 108, 157, 227, 279, 291, 297, 300, 304-306, 311-312
Progression	30, 159
Protection (WPA).....	4, 6, 211, 249
Schedules.....	27, 29, 30, 32, 274
Standard Rate	4, 24, 28-32, 38, 61, 108, 157-159, 164, 210-211
Work and Family Program.....	42, 186
Work Schedule	
Daily Tour	2-5, 17, 40, 48, 54, 71-74, 78-81, 85-89, 99-101
Night Tour.....	4, 99
Rest Period.....	100, 280
Scheduled.....	50, 69-70, 72, 79, 85, 97-100, 103, 196
Scheduled Daily Tour	17, 99, 224, 278, 279, 280
Scheduled Day	35, 45, 70, 77, 84, 97-99
Weekly Tour	2, 6, 12, 40, 61, 93, 157, 279
Work Schedules	50, 76, 278
Work Time	3, 11, 71-73, 78-80, 85-87, 96-100, 268
Work Week	
Four Day Week.....	278