September 19, 2012

9/19/12 9/19/12

2012 COMMON ISSUES
MEMORANDUM OF UNDERSTANDING

BETWEEN

VERIZON NEW YORK INC.
EMPIRE CITY SUBWAY COMPANY (LIMITED)
VERIZON AVENUE CORP.
VERIZON ADVANCED DATA INC.
VERIZON CORPORATE SERVICES CORP.
VERIZON NEW ENGLAND INC.
VERIZON SERVICES CORP.
AND

COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

This Memorandum of Understanding ("2012 MOU") is agreed to by and between the above-named companies (herein the "Company" or "Companies," as context requires) and the Communications Workers of America, AFL-CIO (herein the "Union" or "CWA") with respect to the following CWA-represented bargaining units:

1. CWA Plant (Verizon New York, VSC, ECS, VZA, VZAD, VCSC)
2. CWA District 1 (VSC)
3. CWA Local 1104 (Downstate Accounting) (Verizon New York, VCSC)
4. CWA Local 1105 (Downstate Commercial) (Verizon New York, VCSC, VSC)
5. CWA Local 1108 (Downstate Traffic) (Verizon New York, VCSC, VSC)
6. CWA Local 1104 (Upstate Traffic) (formerly Local 1112) (Verizon New York)
7. CWA Local 1113 (Upstate Accounting) (Verizon New York, VCSC, VSC)
8. CWA Local 1302 (Central Order Bureau) (Verizon New England)
9. CWA Local 1395 (VSC)
10. CWA Local 1400 (New England Service Centers) (Verizon New England, VCSC, VSC)

It is agreed that existing collective bargaining agreements covering the above-named bargaining units, which were extended pursuant to the parties' August 19, 2011 Return to Work Agreement, will be terminated effective 11:59 p.m. on the date this 2012 MOU is ratified. New collective bargaining agreements covering the above-named bargaining units (including without

to reflect an expiration date of August 1, 2015 unless the parties have expressly agreed to a different expiration date or that such letters or provisions will not remain in effect. All letters of agreement or provisions in the parties' 2008 collective bargaining agreements (including without limitation the 2008 MOU and all attachments to the 2008 MOU) that were valid and enforceable immediately prior to the Effective Date that contain dates other than expiration dates will be changed as necessary to ensure the continued enforceability of such agreements unless the parties have expressly agreed that such letters or provisions will not remain in effect. Provisions of this 2012 MOU, including the attachments, will be incorporated, by reference or otherwise, into the appropriate collective bargaining agreements.

To the extent that any provision of this 2012 MOU is inconsistent with or contrary to any provision of the 2008 MOU, any local collective bargaining agreement, or any other agreement, policy or past practice, such 2012 MOU provision will govern and will supersede the inconsistent or contrary provision of the 2008 MOU, any local collective bargaining agreement, or any other agreement, policy or past practice, except that a written agreement regarding a specific term newly agreed to, modified or eliminated in 2011-2012 negotiations at a local bargaining table will govern and supersede an inconsistent or contrary provision in this 2012 MOU with respect to that specific term if the local parties specify in such specific term that it supersedes the 2012 MOU.

Dated: Sept. 19, 2012

FOR THE COMPANIES

Patrick Prindeville

PATRICK PRINDEVILLE
Chairperson, Common Issues Bargaining

FOR COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

Dennis G. Trainor

DENNIS TRAINOR
Assistant to the Vice President

III. CORPORATE PROFIT SHARING

The Corporate Profit Sharing ("CPS") Plan is modified as follows:

Section 2. Plan Years: The CPS will provide awards for results in calendar years 2011, 2012, 2013 and 2014 with awards payable in 2012, 2013, 2014 and 2015.

Section 6. CPS Distribution Calculations

(a) Standard Award: The "Standard" CPS Distribution will be as follows:

Performance Year	Standard CPS Distribution	Year Payable
2011*	$500	2012
2012	$500	2013
2013	$500	2014
2014	$500	2015

***

(c) Notwithstanding paragraphs (a) and (b) above, the minimum distribution for Performance Years 2011, 2012, 2013 and 2014 will be $700, subject in all cases to prorating under Section 3.

* The Company distributed the CPS Award for Performance Year 2011 prior to the Effective Date.

IV. PENSION BENEFIT AND OTHER CHANGES

A. PENSION PLAN.

The Verizon Pension Plan for Associates (to the extent that it covers New York and New England Associates) (the "Pension Plan") will be amended as follows:

Any associate who is first hired as a union-represented associate on or after October 28, 2012 ("Pension New Hire") will not be eligible to participate in the Pension Plan. Any associate who returns from layoff on or after October 28, 2012 pursuant to contractual recall rights, other

not eligible to earn pension benefits, subject to the additional requirements described below. An eligible associate would not have to contribute to the NY/NE Associate Savings Plan to be eligible for the Discretionary Contribution. Eligible associates would have to be employed as eligible associates on the last day of the plan year to be eligible for the Discretionary Contribution. The Discretionary Contribution would be between 0-3% of eligible compensation actually paid during the plan year to each such eligible associate and would be set at the same percentage as the performance-related contribution for wireline management employees under the management savings plan for the same plan year. The Company would determine each applicable plan year whether the Discretionary Contribution would be made in cash and/or Verizon stock invested in the Verizon stock fund under the NY/NE Associate Savings Plan. Discretionary Contributions invested in the Verizon stock fund would be subject to participant investment diversification in accordance with the current terms of the NY/NE Associate Savings Plan. Discretionary Contributions would not be available for in-service withdrawal, and they would be subject to the same vesting schedule as Company matching contributions.

VII. LONG TERM CARE INSURANCE

The Companies will continue to make available to eligible employees the opportunity to purchase long term care ("LTC") insurance coverage under the Verizon Long Term Care Insurance Plan for New York and New England Associates (the "LTC Plan"), so long as the current LTC provider continues to offer the existing level of coverage to participants in the LTC Plan.

If such provider ceases to offer the existing level of coverage to participants in the LTC Plan, the Companies may continue to make available the opportunity to purchase LTC insurance,

Verizon Vision Care Plan for New York and New England Associates (including VDT User Eyecare Program).

Verizon Pension Plan for Associates (to the extent that it covers New York and New England Associates)

Verizon Sickness and Accident Disability Benefit Plan for New York and New England Associates of Non-Regulated Companies

Verizon Post-1995 Collectively Bargained Retiree Health Plan (Pre-1993 Retirees)

Verizon Post-1995 Collectively Bargained Retiree Health Plan (Post-1992 Retirees)

2. CHANGES TO EXISTING HEALTH CARE BENEFITS, INCLUDING PRESCRIPTION DRUG COVERAGE, FOR ACTIVE ASSOCIATES

The provisions of the Verizon Medical Expense Plan for New York and New England Associates (the "VMEP") regarding medical and prescription drug benefits, and the Verizon Alternate Choice Plan for New York and New England Associates (a component or subplan of the VMEP), for active associates who participate in the VMEP, will be amended as follows effective January 1, 2013, except where otherwise noted:

A. Dependent Eligibility Changes Applicable to the VMEP.

Effective as of the Effective Date, the definition of Dependent in Article 2 and Sections 3.7 and 4.5.5 of the VMEP will be amended to provide that no new Class II Dependent or Sponsored Child may be enrolled in or added to coverage under the VMEP. An eligible Class II Dependent or Sponsored Child who is enrolled in the VMEP on the Effective Date will continue to be covered under the VMEP, provided that such Class II Dependent or Sponsored Child remains continuously eligible and enrolled in the VMEP.

B. Medical and Prescription Drug Benefit Changes Applicable to VMEP.

The provisions of the VMEP regarding medical benefits and prescription drug coverage for active associates who participate in the VMEP shall be amended as set forth in this Section VIII.2.B. of this 2012 MOU.

family for 2015. The family annual deductible is satisfied when any combination of individual family member deductibles equals the applicable family annual deductible, within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amount. (Amend the following section of the VMEP: Section 6.1.1.)

c. **Out-of-Pocket Maximum.** The out-of-pocket expense maximum applicable to covered services or supplies obtained on an in-network basis under the HCN Option during any calendar year will be $1,000 for each of 2013 and 2014 and $1,050 for 2015 per individual and $2,500 for each of 2013 and 2014 and $2,625 for 2015 per family. The out-of-pocket expense maximum applicable to covered services or supplies obtained on an out-of-network basis under the HCN Option during any calendar year will be $1,800 for each of 2013 and 2014 and $1,850 for 2015 per individual and $4,500 for each of 2013 and 2014 and $4,625 for 2015 per family. Expenses that apply towards the out-of-pocket maximum are aggregated between in-network and out-of-network expenses to reach the applicable out-of-pocket maximum. The family annual out-of-pocket maximums can be satisfied by any combination of family members within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amount. (Amend the following section of the VMEP: Section 6.1.4.)

d. **Preventive Care Services.** Preventive care services and routine well-baby and well-child care (pediatric exams) will be covered on an in-network basis at 100% of the Network Negotiated Fee ("NNF"). In-network preventive care services will be covered according to the coverage, age, and frequency provisions of the Affordable Care Act. Preventive care services and routine well-baby and well-child care (pediatric exams) will be covered on an out-of-network basis at 80% of the MAA not subject to the deductible. While not legally applicable to out-of-network services, out-of-network services will be covered according to the coverage, age, and frequency provisions applicable to in-network preventive care benefits under the Affordable Care Act. (Amend the following sections of the VMEP: Sections 6.1.3 and 9.16.)

e. **Covered Medical Services and Supplies**

i. **Physicians' Services.** The Company will implement a $20 copay for each primary care physician's home or office visit and a $25 copay for each specialist's home or office visit on an in-network basis. The copay for an individual who is eligible for Medicare will be $10 for each primary care physician's home or office visit and $15 for each specialist's home or office visit on an in-network basis. (Amend the following section of the VMEP: Section 6.1.2.)

ii. **Radiation Therapy, Chemotherapy, Electroshock Therapy and Hemodialysis.** The Company will implement a $20 copay for radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided

viii. **Skilled Nursing Facility Services.** Care in a skilled nursing facility will be limited to 120 days per plan year, regardless of whether such care is provided in-network or out-of-network. For purposes of the 120 day per plan year benefit limitation, each day of confinement in a skilled nursing facility will count as one half day. (Amend the following section of the VMEP: Section 7.2.)

ix. **Hospice Care.** Bereavement counseling visits will not be covered as hospice care on an in-network or out-of-network basis. However, coverage for bereavement counseling visits may be covered under the mental health care benefit provisions of the VMEP, to the extent that such visits are determined by the TPA to be a covered service or supply under the VMEP. Hospice care will be subject to a lifetime benefit limitation of 180 days, of which no more than 60 days may be for inpatient hospice care, regardless of whether such care is provided in-network or out-of-network. If the 180 day limitation is exhausted and the individual would otherwise have to be admitted to a hospital, then up to an additional 45 days of hospice care may be authorized, as determined by the TPA, to be used for either home or inpatient hospice care, provided the 60 day inpatient limit has not been exhausted. (Amend the following sections of the VMEP: Sections 2, 6.1.3, 6.3 and 11.)

x. **Surgery and Anesthesia.**

- Inpatient surgery will be covered on an in-network basis at 90% of the NNF. (Amend the following section of the VMEP: Section 6.1.3.)

- The Company will implement a $20 copay for each outpatient surgery performed in a primary care physician's office and a $25 copay for each outpatient surgery performed in a specialist's office on an in-network basis. The copay for an individual who is eligible for Medicare will be $10 for each outpatient surgery performed in a primary care physician's office or $15 for each outpatient surgery performed in a specialist's office on an in-network basis. Outpatient surgery performed in a facility will be covered on an in-network basis at 90% of the NNF. Precertification will be required for outpatient surgery performed on an out-of-network basis. (Amend the following sections of the VMEP: Sections 6.1.2 and 6.1.3.)

- Anesthesia will be covered on an in-network basis at 90% of the NNF. (Amend the following section of the VMEP: Section 6.1.3.)

- The Company will implement a $20 copay for each second opinion provided by a primary care physician and a $25 copay for each second opinion provided by a specialist on an in-network basis. The copay for an individual who is eligible for Medicare will be $10 for each second opinion provided by a primary care physician or $15 for each second

- The Company will implement a $20 copay for outpatient mental health care and substance abuse treatment provided on an in-network basis. For an individual who is eligible for Medicare, the Company will implement a $10 copay for outpatient mental health care and substance abuse treatment provided on an in-network basis. For outpatient mental health care and substance abuse treatment received on an in-network basis, the maximum charge of $15 per week that an associate or eligible dependent pays will no longer apply. Outpatient mental health care and substance abuse treatment will be covered on an out-of-network basis at 70% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.3 and 11.4.)

xvii. **Radiology and Diagnostic Laboratory Tests.** The Company will implement a $20 copay for outpatient radiology and diagnostic laboratory tests performed in a physician's office or at an outpatient facility on an in-network basis. The copay for an individual who is eligible for Medicare will be $10 on an in-network basis for outpatient radiology and diagnostic laboratory tests performed in a physician's office or at an outpatient facility. (Amend the following sections of the VMEP: Sections 6.1.2 and 9.6.)

2) **Health Care PPO Benefit Changes.** The medical benefits provided to associates and their eligible dependents enrolled in the Health Care PPO Option on and after January 1, 2013 will be as described in the VMEP, with the following modifications:

a. **Maximum Allowed Amount.** The term Reasonable and Customary Amount ("R&C") will be replaced by the term Maximum Allowed Amount ("MAA"). MAA is defined as 315% of the national Medicare schedule. (Amend the following section of the VMEP: Section 2.)

b. **Deductible.** For associates and their eligible dependents enrolled in the Health Care PPO Option, an annual deductible will apply for covered services or supplies obtained on an in-network basis of $400 for 2013, $450 for 2014 and $475 for 2015 per individual and $1,000 for 2013, $1,125 for 2014 and $1,187.50 for 2015 per family. For associates and their eligible dependents enrolled in the Health Care PPO Option, an annual deductible will apply for covered services or supplies obtained on an out-of-network basis of $650 for 2013, $700 for 2014 and $725 for 2015 per individual and $1,625 for 2013, $1,750 for 2014 and $1,812.50 for 2015 per family. Expenses that apply towards the deductible are aggregated between in-network and out-of-network expenses to reach the applicable deductible. The family annual deductible is satisfied when any combination of individual family member deductibles equals the applicable family annual deductible within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amount. (Amend the following section of the VMEP: Section 6.2.1.)

deductible is met. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2 and 9.20.)

iii. **Physical, Occupational and Speech Therapy.** Outpatient physical, occupational and speech therapy will be covered on an out-of-network basis at 70% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2 and 9.13.)

iv. **Chiropractic Services.** The Company will implement a $20 copay for services with a licensed chiropractor on an out-of-network basis. The maximum benefit payable for services with a licensed chiropractor will be limited to $92 per visit on an out-of-network basis. In addition to an associate's responsibility for the copay, an associate will be responsible for the cost of the visit, if any, in excess of $92. Chiropractic services will be subject to an aggregate limit of 60 visits per plan year regardless of whether coverage is provided in-network or out-of-network (chiropractic service visits will not exceed 1 visit per day). (Amend the following sections of the VMEP: Sections 6.2, 6.2.2 and 9.4.)

v. **Home Health Care.** Home health care will be covered on an out-of-network basis at 70% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 7.2.)

vi. **Inpatient Hospital Services.** Semi-private hospital room and board will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. Any in-patient hospital physician's visits, newborn baby care, x-rays, diagnostic laboratory tests and other medically necessary ancillary services and supplies provided during a covered hospital confinement will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2, 7.1 and 9.9.)

vii. **Maternity and Newborn Care.** The Company will implement a $20 copay for maternity care (pre and post-natal), at the initial visit only, on an in-network basis. The copay for an individual who is eligible for Medicare will be $10, at the initial visit only, on an in-network basis. Maternity care (pre- and post-natal) will be covered on an out-of-network basis at 70% of the MAA after the deductible is met. Birthing center charges will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. Newborn baby care will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2 and 9.9.)

eligible dependent is admitted to the hospital. (Amend the following section of the VMEP: Section 6.2.)

xii. **Urgent Care.** The Company will implement a $20 copay for each in-network or out-of-network visit to an urgent care facility. The copay for an individual who is eligible for Medicare will be $10. (Amend the following section of the VMEP: Section 6.2.)

xiii. **Ambulance Services.** Ambulance services for emergency services will be covered on an in-network basis and out-of-network basis at 90% of the submitted amount, in each case, after the deductible is met. Ambulance services will be covered for non-emergency services on an in-network basis at 70% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 9.1.)

xiv. **Durable Medical Equipment and Prosthetic Devices.** Durable medical equipment (DME) and prosthetic devices will be covered on an in-network basis at 80% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. Precertification on an in-network and out-of-network basis will be required if the cost of purchase or rental of durable medical equipment, or the cost of a prosthetic device, is more than $5,000. (Amend the following sections of the VMEP: Sections 6.2.2, 9.7 and 9.18.)

xv. **Infertility Treatment.** Advanced reproductive technologies and fertility treatments will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 9.19.)

xvi. **Covered Mental Health/Substance Abuse Services and Supplies.** The provisions of Sections 6.2.2 and 9.11 of the VMEP that set forth visit limits for mental health care and substance abuse treatment will be deleted. Mental health/substance abuse services and supplies will be covered as follows:

- Inpatient mental health care and substance abuse treatment will be covered on an in-network basis at 90% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 9.11.)

- The Company will implement a $20 copay for outpatient mental health care and substance abuse treatment on an in-network basis. The copay for an individual who is eligible for Medicare will be $10 on an in-network basis. Outpatient mental health care and substance abuse

a. Copay for an office visit to a primary care provider (including OB-GYN) will be no greater than $20.

b. Copay for a specialist office visit will be no greater than $25.

c. Copay for an emergency room visit will be no greater than $75.

d. Copay for inpatient hospital admissions will be no greater than the copay applicable to the respective HMO Options on the Effective Date of this 2012 MOU.

e. Coinsurance and deductible(s) applicable to the respective HMO Options will not change during the term of this 2012 MOU.

5) **Prescription Drug Benefit Changes Applicable to Associates and Eligible Dependents.** The prescription drug coverage currently offered to associates and eligible dependents will be amended by the provisions outlined in Section VIII.2.B.5 of this 2012 MOU. (Amend the following sections of the VMEP: Sections 6.4.1, 6.4.2, 6.4.3, 12.4 and 12.5.)

a. **Out-of-Pocket Maximum.** The provisions of Section 6.4.3 of the VMEP that set forth the $400 annual out-of-pocket expense maximum under the Health Care PPO Option for pharmacy prescription drug coverage will be eliminated. An annual out-of-pocket expense maximum under the Health Care PPO Option will apply to prescription drugs purchased at mail order pharmacies of $600 for 2013, $700 for 2014, and for 2015 and each calendar year thereafter, the annual out-of-pocket expense maximum will increase by 6% when compared to the annual out-of-pocket expense maximum for the prior year. Any expenses incurred as a result of the provisions of Section VIII.2.B.5)(d) regarding a member paying the difference between the cost of a brand name and a generic drug when a generic equivalent is available will not count toward the out-of-pocket maximum.

b. **In-Network Pharmacies.** The following prescription drug coverage will apply for prescription drugs purchased at in-network pharmacies for up to a 30-day supply:

- The copay for generic drugs will be the Discounted Network Price ("DNP") for the original prescription and each refill, with a maximum copay of $8 for each of 2013 and 2014 and $9 for 2015.

- The copay for single-source and multi-source brand name drugs will be 30% of the DNP for the original prescription and each refill, with a maximum copay of $25 for each of 2013 and 2014, and for 2015 and each calendar year thereafter, the maximum copay will increase by 6% when compared with the maximum copay for the prior Plan Year.

- If an associate purchases a brand name drug when a generic equivalent is available, the associate will pay an amount equal to (a) the DNP, up to a

- The copay for generic drugs will be the DNP for the original prescription and each refill, with a maximum copay of $16 for each of 2013 and 2014, and $18 for 2015.

- The copay for single-source and multi-source brand name drugs will be 30% of the DNP for the original prescription and each refill, with a maximum copay of $50 for each of 2013 and 2014, and for 2015 and each calendar year thereafter, the maximum copay will increase by 6% when compared with the maximum copay for the prior Plan Year.

- If an associate purchases a brand name drug when a generic equivalent is available, the associate will pay an amount equal to (a) the DNP, up to a maximum of $16 for each of 2013 and 2014, or $18 for 2015, plus (b) 100% of the cost difference between the brand name and generic drug, and the fixed dollar maximum copays described above will not apply. If the associate's treating physician certifies that the associate is medically unable to take the generic medication and such exception is approved by the TPA's procedures for approval of treatment or services, then the single source and multi-source coverage will apply.

e. **Over-the-Counter Medication.** Over-the-Counter medication will not be covered by the VMEP unless required by law.

6) **Cost-Containment Features; Health Management Program.** In addition to the cost-containment and health management programs set forth in Section 10 of the VMEP, the Company may provide associates and eligible dependents with an additional health management program, pursuant to which the Company may, from time to time, offer and implement health management and educational programs and initiatives that address effective health care utilization, health conditions, disease management and patient safety. The health management program may include the following programs that help manage health as set forth below. The Company will retain the discretion to add, eliminate and make changes to the programs offered from time to time in consultation with the TPA. The TPA will be Anthem. (Amend the following section of the VMEP: Section 10.)

a. Inpatient care advocacy (Voluntary Participation). If an associate or eligible dependent is hospitalized, the TPA works with the associate or eligible dependent's physician to make sure that he or she is getting the care needed and that the physician's treatment plan is being carried out effectively.

b. Readmission management (Voluntary Participation). This program serves as a bridge between the hospital and home if an associate or eligible dependent is at high risk of being readmitted.

c. Risk management (Voluntary Participation). If an associate or eligible dependent has certain chronic or complex conditions, this program addresses such health

1, 2012 through December 31, 2012). Effective November 1, 2012, the Monthly Employee Contribution required by associates will commence and be as specified below for the 2012 Plan Year:

Coverage Category Elected	Monthly Employee Contribution
Employee Only	$30
Employee + Family	$60

Effective January 1, 2013, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Health Care PPO Option Monthly Employee Contribution (Tobacco User Rate)	Health Care PPO Option Monthly Employee Contribution (Non-Tobacco User Rate)	HCN Option Monthly Employee Contribution (Tobacco User Rate)	HCN Option Monthly Employee Contribution (Non-Tobacco User Rate)	Other Medical Option Monthly Employee Contribution (Tobacco User Rate) – Up to a maximum of the amounts below	Other Medical Option Monthly Employee Contribution (Non-Tobacco User Rate) – Up to a maximum of the amounts below
Employee Only	$103.33	$53.33	$103.33	$53.33	$125.83	$75.83
Employee + Family	$148.33	$98.33	$148.33	$98.33	$193.33	$143.33

C. **Modification of Individualized Enrollment Process.**

The individualized enrollment process will be amended to provide that an associate will only be permitted to enroll in and/or modify the associate's health care benefit coverage elections on a plan year (calendar year) basis, and as permitted under the change in status rules under Section 125 of the Internal Revenue Code, or as otherwise required by law.

3. HEALTH REIMBURSEMENT ACCOUNT

A. Effective January 1, 2013, the Company will establish a Health Reimbursement Account (HRA), within the meaning of IRS Notice 2002-45 and related guidance, on behalf of each "Full-Time Employee" (as such term is defined in the VMEP) and each "Part-Time Employee" (as such term is defined in the VMEP) who is working at least 17 hours per week, in each case who has at least 3 months of net credited service and who is eligible for the VMEP. During the 2013 plan year, the Company will allocate a credit of $850 to each HRA for eligible "Full-Time Employees" as of January 1, 2013 and a credit of $425 to each HRA for eligible "Part-Time Employees" who are working at least 17 hours per week as of January 1, 2013, to reimburse otherwise unreimbursed eligible medical expenses (as defined in IRC section 213(d)) for the associate and his or her eligible IRS tax dependents, provided that the HRA may not be used to reimburse the associate for any premium or contribution under the VMEP or otherwise, including any Monthly Employee Contributions. An associate who is hired after January 1, 2013 will not be eligible for an HRA for the 2013 calendar year.

B. To the extent there is a positive balance in an associate's HRA after the 2013 plan year, the associate may continue to incur and receive reimbursement from the HRA until the balance in such notional account is zero.

C. If the associate terminates employment for any reason other than Retirement (as defined under the Pension Plan), claims incurred after the date of termination will not be eligible for reimbursement. Claims incurred before termination but not paid shall be eligible for reimbursement for three months following the date of termination. Any remaining balance after the run off period will be forfeited, unless the associate elects continued coverage under COBRA.

D. Upon the death of an associate, the remaining balance of his or her HRA account shall be used to reimburse claims incurred before the associate's death for eligible medical expenses of the associate or his or her IRS tax dependents. Claims incurred before the associate's death but not paid shall be eligible for reimbursement for three months following the date of death. Any remaining balance after the run off period will be forfeited, unless the surviving IRS tax dependent elects continued coverage under COBRA. In the event an associate is on a leave of absence, he or she shall continue to be eligible for credits to and reimbursements from the HRA in the same manner as an eligible associate who is not on a leave of absence.

E. The Company will have the sole and exclusive right to determine and implement applicable administrative details with respect to the HRAs, which include, without limitation claims processing procedures, communications, and establishment of applicable COBRA rates.

2) Notwithstanding the provisions of Sections VIII.2.B.5)(b), (c) and (d) regarding the copayment amount for multi-source brand name prescription drugs, the copay for Medicare-eligible Covered Retirees for multi-source brand name drugs will be as follows:

a. The copay for in-network retail pharmacies will be 40% of the DNP for the original prescription and each refill, with a maximum copay of $30.

b. The copay for mail order pharmacies will be 40% of the DNP for the original prescription and each refill, with a maximum copay of $60.

c. The copay for out-of-network retail pharmacies will be 50% of the DNP for the original prescription and each refill.

C. **EPO Enrollment Provisions.** Effective on the Effective Date, no new Covered Retirees may be enrolled in the EPO Option. A Covered Retiree who is enrolled in the EPO Option on the Effective Date will continue to be covered under the EPO Option provided that such Covered Retiree remains continuously eligible for the Verizon Alternate Choice Plan and VMEP and enrolled in the EPO Option. If a Covered Retiree changes medical options and is no longer enrolled in the EPO Option, the EPO Option will no longer be available to the Covered Retiree and his or her eligible dependents. If an associate is enrolled in the EPO Option at the time of retirement and is eligible for retiree medical coverage under the VMEP, the Covered Retiree and/or his or her eligible dependent(s) may remain continuously enrolled in the EPO Option provided that such individuals remain continuously eligible for the Verizon Alternate Choice Plan and VMEP and enrolled in the EPO Option and are not Medicare-eligible.

D. **HMO Option.** To the extent that the Company determines to offer or retain any particular HMO at any time the following shall apply:

1) After the enrollment opportunity for 2012, if an associate is enrolled in an HMO Option at the time of retirement, the Covered Retiree and/or his or her eligible dependents can remain continuously enrolled in the HMO as long as the HMO is offered to Covered Retirees provided that such individuals remain continuously eligible for the Verizon Alternate Choice Plan and VMEP and enrolled in the HMO and are not Medicare-eligible. After the enrollment opportunity for 2012, if an associate is not enrolled in an HMO Option when the associate retires, the Covered Retiree cannot enroll in an HMO Option as a Covered Retiree. Notwithstanding the foregoing, the Company may provide Medicare-eligible retirees the opportunity to enroll in certain HMOs.

2) HMOs that cover Medicare-eligible retirees that require governmental approval will not be subject to the limitation on copays set forth in Section VIII.2.B.4)(a), (b) and (c) of the 2012 MOU.

E. **Changes to Contributions.**

1) **Retirees with Net Credited Service Date On or After August 3, 2008.** Any associate whose Net Credited Service date, as defined in the Pension Plan, is on or

(A) Effective January 1, 2013, the Retiree Monthly Contribution for Plan Years 2013 and 2014 shall be as follows:

	Pre-Medicare Retiree Monthly Contribution	Medicare-Eligible Retiree Monthly Contribution
Retiree Only	$35	$17.50
Retiree + 1	$60	$30
Retiree +Family	$60	$30

(B) For each Plan Year beginning on and after January 1, 2015, the Retiree Monthly Contribution for such Plan Year will increase by 6% when compared with the applicable Retiree Monthly Contribution for the previous Plan Year for each coverage category available to a Covered Retiree. For example, a Medicare-eligible Covered Retiree enrolled in the Health Care PPO Option who retires after January 1, 2013 will pay a Monthly Contribution in 2015 of $18.55 ($17.50 + 6%) for Retiree Only coverage for the 2015 Plan Year and will pay a Monthly Contribution in 2016 of $19.66 ($18.55 + 6%) for the 2016 Plan Year.

b. Calculation of Annual Contribution.

(i) The minimum contribution requirements for retiree medical coverage set forth in paragraph (a) of this Section VIII.4.E.2 will apply annually with monthly contributions.

(ii) For Plan Years 2012, 2013, 2014 and 2015, each such Covered Retiree will only be required to pay the monthly contribution amount relating to each Plan Year pursuant to paragraph (a) above, as applicable, and shall not be required to pay the excess, if any, of the cost of retiree medical coverage for the coverage category elected by such Covered Retiree over the Company's annual contribution limits set forth in Section VII.3.B of the 2008 MOU.

(iii) For Plan Years beginning on and after January 1, 2016, the Company's annual contribution toward the cost of coverage for the coverage category and medical option elected by a Covered Retiree shall be capped at the greater of (A) the Company's annual contribution limits set forth in Section VII.3.B of the 2008 MOU or (B) the COBRA contribution rate established in December 2014 for the 2015 Plan Year for pre-Medicare and Medicare-eligible retirees, as applicable, for the Health Care PPO Option, HCN Option, or for any Other Medical Option, an amount no greater than the COBRA contribution rate established for the HCN Option (the "2016 Company Contribution Cap"). Each such Covered Retiree's annual contribution toward the cost of retiree medical coverage (such amount to be paid by the Covered Retiree on a monthly basis) for each Plan Year beginning on and after January 1, 2016 will be equal to the greater of (1) the excess, if any, of the cost of coverage for the coverage category and medical option elected by such Covered Retiree for such Plan Year over the 2016 Company Contribution

("MSSCs") and any other or future center designed to combine or integrate the work of these existing Centers.

3. Except as provided in this provision, there will be no limitations, geographic or otherwise, on the Companies' right to transfer and route calls between and among the Centers, contractor locations and/or individuals working at home, performing like functions. Such calls (other than HSI technical support as described below) subject to this 2012 MOU shall first be routed to available union-represented employees at like-function call centers located in the state in which the calls originate. If no union-represented employees at like-function call centers located in the state in which the calls originate are available to handle calls, the calls will be routed to other union-represented employees in the Northeast. If no union-represented employees in the Northeast are available to handle calls, the calls will be routed to union-represented employees in Mid-Atlantic (except the Pennsylvania EVRC). If no union-represented employees in Mid-Atlantic are available to handle calls, the calls will be routed to union-represented employees in the United States in a call center outside of the Northeast or Mid-Atlantic footprint. If no union-represented employees in the United States in a call center outside of the Northeast or Mid-Atlantic footprint are available to handle calls, the calls will be routed to contractors.

4. Notwithstanding the foregoing, for the time periods of January 1, 2013 to December 31, 2013, January 1, 2014 to December 31, 2014, and January 1, 2015 to December 31, 2015 CSSCs, BSBCs, and MSSCs (collectively referred to in this provision as "Sales and Service Centers") in the New York/New England footprint will together handle an aggregate regional call volume that is equivalent to at least 82% of all calls originating from New York/New England footprint customers between January 1, 2013 and December 31, 2013,

to this paragraph. If the aggregate regional call volume percentage is less than 82% during the first six months of 2015, there shall be no layoffs during the last six months of 2015 of New York/New England footprint Sales and Service Center associates holding a job title that handles calls that are subject to this paragraph. If the aggregate regional call volume percentage is less than 82% during the last six months of 2015, there shall be no layoffs during the first six months of 2016 of New York/New England footprint Sales and Service Center associates holding a job title that handles calls that are subject to this paragraph.

6. For the time period of January 1, 2013 to December 31, 2013, EVRCs and FSCs (collectively referred to in this provision as "Tech Support Centers") in the New York/New England footprint will together handle an aggregate regional call volume that is equivalent to at least 59% of all fiber and copper calls (other than HSI calls that are initially routed by the ERS to contractors) originating from New York/New England footprint customers between January 1, 2013 and December 31, 2013 that are routed through the ERS to Tech Support Centers, contractor locations and/or individuals working at home. The Companies will provide the Union quarterly with the following information broken out by month: (a) the aggregate regional call volume percentage as described above, (b) the total number of New York/New England footprint tech support calls (other than HSI calls that are initially routed by the ERS to contractors) handled in Tech Support Centers, contractor locations and/or by individuals working at home, and (c) the total number of calls handled by Tech Support Centers in the New York/New England footprint and/or employees working at home in the New York/New England footprint. Upon request of the Local Union the Company will meet quarterly to discuss the information provided.

are initially routed by the ERS to contractors) originating from New York/New England footprint customers between January 1, 2015 and December 31, 2015 that are routed through the ERS to Tech Support Centers, contractor locations and/or individuals working at home.

11. If the aggregate regional call volume percentage is less than 60% during the first six months of 2015, there shall be no layoffs during the last six months of 2015 of New York/New England footprint Tech Support Center associates holding a job title that handles calls that are subject to this paragraph. If the aggregate regional call volume percentage is less than 60% during the last six months of 2015, there shall be no layoffs during the first six months of 2016 of New York/New England footprint Tech Support Center associates holding a job title that handles calls that are subject to this paragraph.

12. For purposes of this article, a calculation of "aggregate regional call volume," shall include all calls, regardless of geographic origin, handled by applicable Centers and/or employees working at home during the applicable time period, and "aggregate regional call volume percentage" shall include calls handled by both IBEW and CWA-represented employees in the New York/New England footprint. For example, if the regional call volume originating in the New York/New England footprint for calls routed through the ERS to Sales and Service Centers, contractor locations and/or individuals working at home is 40 million in 2013, Sales and Service Centers in the New York/New England footprint and/or New York/New England employees working at home will handle an aggregate of at least 32.8 million calls (82%) in 2013, which may originate anywhere in the country, provided those calls are routed consistent with the call routing provisions of this Article X – Sharing of Calls Among Centers. Nothing in this provision should be construed or interpreted as a guarantee that a certain amount of work will be performed in any single Center or location.

may be assigned to resolve are:

a. Customer requests out-of-service credit. The representative validates eligibility and submits credit.

b. Customer wants to order pay-per-view event. The representative would activate pay-per-view order.

c. Customer wants to add or change a channel package or to add a set top box. The representative would submit an order to add or change the feature or add a set top box.

d. Customer wants to update their records (e.g., billing address). The representative would access account record and make change.

e. Customer asks for product information. The representative would access product library to answer question.

f. Customer asks about bill payment options. The representative would provide options for payment location (web/phone/physical).

g. Customer requests last month's bill amount. The representative would review account information and advise the customer of the amount.

h. Customer questions installation charges. The representative would use system to open an investigation.

i. Customer wants to confirm an order and/or its status. The representative would review order information and change scheduled date, if needed.

j. Customer requests to add a Value Added Service (VAS) product to their account, such as VISS, Back-up & Storage. The representative would click the desktop tool and submit an order for the requested product.

k. Customer requests the need to create or change their account authentication PIN. The representative would review the account and access the desktop tool to submit the update/change request.

16. If the Companies wish to add additional cross functional duties beyond those set forth above, they will provide written notice to the Unions, and they will not implement the additional cross functional duties until 20 days after this written notice is provided. Any such additional cross functional duties will involve customer inquiries and requests that can be resolved by application of representative training comparable to that required for the above *lists.*

Internet Knowledge Test ("CIKT") will be offered to Customer Service Administrators ("CSAs") up to two times and will be provided during normal work hours. Any CSA who had previously taken training for the CIKT will be eligible for training one additional time. Once an associate successfully passes the CIKT, training for the Fiber Customer Support Analyst ("FCSA") position will be scheduled and classes will begin once enrollment meets the minimum class size requirement at the Companies' discretion, consistent with business needs. In connection with the foregoing, current CSAs in the EVRCs will not be required to participate in a Fiber Customer Support Analyst Structured Interview Revised.

19. All New England CSAs will be upgraded to the FCSA position after passing the second training module (data). Any CSA that has been upgraded to an FCSA position that fails the third training module (video) will be returned to the CSA position.

20. CSAs in the EVRCs will be tested for FCSA positions, and CSAs who test qualify and pass training will become FCSAs and will be assigned FCSA work, which can support fiber or copper network customers. As set forth in paragraph 18, prior to such testing the Companies will offer CSAs training for the CIKT.

21. Beginning within eighteen months of ratification of this 2012 MOU, when High Speed Internet ("HSI")(copper DSL) technical support calls arrive at an FSC or EVRC, either because they are misdirected or otherwise, the FSC or EVRC will provide the appropriate resolution with associates who are test-qualified and trained in HSI work. When such calls arrive at a CSSC, BSBC, MSSC, or VCCD, the associates will attempt a resolution involving tasks which management determines to assign consistent with the technical support list set forth above (including any tasks added to that list in the future, consistent with the terms of paragraph 16 above). If those actions will not resolve the issue the call will be transferred to HSI technical

XII. ABSENCE FROM DUTY

A. Effective January 1, 2013:

1. Payment for days scheduled but not worked during the period of seven consecutive calendar days or less beginning with the first day of each absence due to an employee's personal illness or off-duty accident will be capped at ten days. Part-time employees will also be capped at 10 paid days, but the number of hours part-time employees will be paid for each day will be pro-rated based on the number of hours such employees are normally scheduled to work, in the same manner that the Company pro-rates vacation and other paid time for part-time employees. For example, a part-time employee who always works 22.5 hours per week will receive no more than 45 hours of paid incidental absence in a calendar year.

2. All employees may take up to four (4) incidental absence days in a calendar year which shall not be charged against an employee's record for purposes of determining attendance performance on the Company's applicable absence control plan ("Exempt Days"). Incidental absence days, in excess of the four (4) Exempt Days, may be treated in accordance with the Company's applicable absence control plan. This Section XII.A.2 will not apply to an associate until such associate reaches one year of net credited service. The number of Exempt Days for such an associate will be prorated in the year he or she reaches one year of net credited service as follows: (a) an associate who reaches one year of net credited service in the first quarter of the calendar year will receive four (4) Exempt Days; (b) an associate who reaches one year of net credited service in the second quarter will receive three (3) Exempt Days; (c) an associate who reaches one year of net credited service in the third quarter will receive two (2) Exempt Days and (d) an associate who reaches one year of net credited service in the fourth quarter will receive one (1) Exempt Day.

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Proration: The lump sum payment pursuant to Section XII.A.3 will be prorated by twelfths to correspond to the number of months the employee was on the payroll during the calendar year, exclusive of SADBP absence and paid and unpaid leaves. For purposes of proration, a month will be taken into account if the employee was on the payroll on any day of the calendar month, and not on SADBP or other paid or unpaid leave for the entire month.

C. For purposes of incentive pay under this provision, a day's pay shall be paid under this Article at one-fifth the employee's basic weekly rate, excluding differentials and overtime.

D. Paid incidental absence days will count towards the applicable annual cap. Unpaid waiting days will not count towards the applicable annual cap.

XIII. TUITION ASSISTANCE PLAN

Except as otherwise provided for herein, the Tuition Assistance Plan ("TAP" or "the Plan") and every other tuition assistance plan or program will be modified as follows effective January 1, 2013:

A. Cap: There will be an annual cap on tuition assistance for eligible regular full time associates of $8,000.00 under TAP. There will be an annual cap for eligible part time associates of $3,500.00.

B. Exclusions and Limitations: The following exclusions and limitations are added to the existing exclusions and limitations set forth in the Plan: a course of study leading to a degree or certification/license in the areas of aviation or medicine will not be covered, except in the case of associates already participating in or approved for Fall 2012 semester courses in the areas of medicine or aviation. Such associates will be grandfathered under the terms of the

institution. The Companies will reimburse to the associates amounts authorized to be paid under the Plan if, within sixty days of the course end date, the associate submits a receipt from the educational institution showing the amount of tuition paid for the course(s).

XIV. WORK AT HOME ARRANGEMENTS

The agreement of the Companies and the Union regarding Work at Home Arrangements is set forth in Attachment 2.

XV. NATIONAL HEALTH CARE REFORM

The agreement of the Companies and the Union regarding health care reform, which is set forth in the 2008 MOU, is eliminated and the Labor and Management Partnership for Health Care Reform is dissolved.

XVI. HALF-DAY TIME OFF ON CHRISTMAS EVE

In the absence of a written agreement stating otherwise, the Companies will grant an associate one-half day off with pay in observance of Christmas Eve work and load permitting and only to the extent the employee is scheduled and works on December 24 as part of his or her basic work week. If the Companies cannot grant an associate a half-day off with pay on December 24 due to workload or other Company needs, that associate will be granted one-half day off with pay within the next 30 days.

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XIX. FORCE ADJUSTMENT PLAN

The Force Adjustment Plan Article in each New York collective bargaining agreement will be amended as set forth in Attachment 4.

XX. MOVING PAYDAY TO FRIDAY

Effective with the week ending January 5, 2013, the payday for all associates will move from Thursdays to Fridays.

XXI. WORK AND FAMILY

Funding for the Work and Family Committee during the term of this 2012 MOU will be a total of $6.0 million (i.e., $1.5 million per contract year which includes funding for 2011). This funding will be allocated between CWA NY/NE and IBEW NY 2213. Any funds contributed by the Companies for these committees that have not been expended by the end of the contract term will be returned to the Companies.

XXII. COPIES OF CBA

The Companies will provide to each associate a copy of the collective bargaining agreement (union printed). The Company and the Union shall agree on a final version of the collective bargaining agreement that can be submitted to be printed within 75 days from ratification of the agreement.

The Companies will provide the Union with copies of the 2012 MOU and each 2012 collective bargaining agreement (union printed) as well as electronic versions of the 2012 MOU and the 2012 collective bargaining agreements. The Company and the Union shall agree on a

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September 19, 2012

ATTACHMENT 1

September 19, 2012

Mr. Dennis Trainor
Assistant to the Vice President
Communications Workers of America
80 Pine Street -37th Floor
New York, New York 10005

Ms. Gail Evans
Administrative Director to the V.P.
CWA District 2-13, AFL-CIO
9602D Martin Luther King Jr. Highway
Lanham, Maryland 20706

Mr. Myles J. Calvey
Chairman, System Council T-6
International Brotherhood of Electrical Workers AFL-CIO
1137 Washington Street
Dorchester, MA 02124

Ms. Mary Jo Arcuri
Business Manager
International Brotherhood of Electrical Workers,
AFL-CIO, Local 2213
One Telergy Parkway
6333 Route 298 – Suite 103
E. Syracuse, NY 13507

Dear Messrs. Trainor and Calvey and Mmes. Evans and Arcuri:

This will confirm our agreement that the parties to the 2012 MOUs covering the Communications Workers of America, AFL-CIO, Local 2213 and Council T-6 and its affiliated Locals of the International Brotherhood of Electrical Workers, AFL-CIO will jointly meet periodically to discuss the addition of Sales Compensation Plan titles, and variable compensation for these titles, during the term of the 2012 MOU. The parties' first meeting shall take place within 90 days after ratification of the 2012 MOU. Absent mutual agreement of the parties, the Company will not add Sales Compensation Plan titles to any bargaining unit.

Very truly yours,

Joseph Gimilaro
Executive Director – Labor Relations

September 19, 2012

ATTACHMENT 2

WORK AT HOME

For a trial period beginning on the Effective Date and ending on December 31, 2013, the Companies may implement work at home arrangements at two locations. The Companies shall select the locations with the agreement of the Union, which shall not be unreasonably withheld. The participating associates' wages, benefits coverage and other terms and conditions of employment including but not limited to tour selection, vacation scheduling (vacation weeks, days, EWDs, etc.), and overtime scheduling will continue to be governed by the applicable collective bargaining agreements. Associates will be expected to comply with the same rules and policies of the Companies with which all associates must comply. During the trial, the Companies will meet with the Union quarterly to discuss any concerns that may arise. Additional terms, conditions and principles for associates working at home are as follows:

1. The Companies will designate the specific job titles and work groups eligible for each work at home arrangement with the agreement of the Union, which shall not be unreasonably withheld.
2. The Companies will select associates who volunteer in the eligible job titles and designated work groups, by seniority, who have the following qualifications:
    a. A current overall performance rating of Exceeds Requirements or Meets Requirements;
    b. At least six months experience in the associate's present title and at least one year of net credited service;
    c. The at-home work location has adequate space with privacy and sufficient electric power and outlets for all equipment necessary to perform the associate's work;

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which come into the associate's possession, whether or not created by the associate, and regardless of whether they were received by the associate at his/her residence, will at all times remain the sole and exclusive property of the Companies. At any time that the Companies request, and immediately upon the termination of an associate's employment, the associate will return to the Companies all such Company property, and will not keep any copies of such Company property. An accepted IPP/EIPP volunteer must return all Company property no later than seven days prior to his or her off payroll date otherwise he/she will not receive the IPP/EIPP payment until such equipment is returned in working condition. Removal and return of Company-provided computer equipment, landlines and/or related peripherals will be performed by either the employee or another bargaining unit member.

5. The work at home arrangement must enable the supervisor to evaluate associate performance, certify the accuracy of time sheets and attendance records and perform other supervisor responsibilities to the same extent as if the participating associate were working at his/her normal reporting location. Associates will be required to: (i) be logged into the Companies' instant messaging ("IM") system during all work hours, and (ii) send an IM or e-mail to their supervisor at the commencement of their shift in order to be recorded as having timely reported to work. Supervisors will call the associate's home for work related matters and may make announced and unannounced home visits.

6. The participating associate will be responsible for providing the broadband connection, a quiet and safe work environment, ergonomic furniture, utilities and liability homeowners or renters insurance. Associates will take all steps necessary to ensure that all Company equipment that is used in the residence is covered by such insurance policies and must supply the Company with the applicable insurance certificate if required to do so. If an associate

communicate to their family members and friends that distractions such as personal telephone calls, visitors and interruptions by children while on duty can be very disruptive to their ability to perform the job, and should be limited to emergencies. During working hours, associates will not be permitted to invite business visitors or social guests of the associate to their residence without the express written authorization of their supervisor.

9. Associates will be expected to keep their work at home area free from potential hazards and obstructions, and generally to treat it as if it were a primary Company office. If an associate suffers a work-related injury or illness in his/her residence, the associate must report the injury or illness in accordance with Company policy.

10. Associates will be expected to inform supervision expeditiously of the malfunction of any work-at-home equipment. Supervision may require the associate to report to the normal reporting location or other Company work location until malfunctioning equipment is repaired and/or replaced. As per Paragraph 3 above, no payment for mileage or travel time will be made when the associate is directed to report to his/her normal reporting location.

11. Associates may be required to report to Company or non-Company locations for purposes such as supervisor meetings, medical visits, training sessions and policy/practice coverage. Associates will be given notice of such meetings by noon the day before.

12. Emergency call outs and overtime will be handled as outlined in the applicable collective bargaining agreement and/or local practice provided it does not violate any applicable collective bargaining agreement. Overtime must be approved in advance by the associate's supervisor or authorized designee, unless an associate is in the process of completing a customer call.

September 19, 2012

ATTACHMENT 3

NEW CONTRACTING INITIATIVES

The letter of agreement on New Contracting Initiatives will be replaced by a new letter of agreement on New Contracting Initiatives to read as follows:

This will confirm our agreement regarding the Company's commitment in connection with new contracting initiatives.

The Company agrees that through December 31, 2014 it will not contract out work that is not being contracted out on the effective date of this agreement.

The parties further agree to continue a Contracting Initiatives Committee, which will be chaired by the Company's Regional Bargaining Agent and the Union's Area Director, each of whom may appoint up to two additional members. The purpose of the Committee is to give the parties the opportunity to conduct open and thorough discussions concerning the Company's intention and rationale regarding the contracting out of bargaining unit work. The Committee will also discuss issues regarding the following exceptions to the restriction on new contracting initiatives: The restriction shall not preclude contracting out work to meet peak load requirements which cannot be covered with overtime or to deal with emergency situations (such as severe weather conditions).

In addition, commencing January 1, 2015 the Company will notify the Union at least six months in advance of any new contracting initiatives. The Contracting Initiatives Committee, will then have the opportunity to discuss such new major initiatives. In these discussions, the goal of the parties will be to balance the needs of customers, the provision of excellent service, and the use of bargaining unit employees to perform bargaining unit work.

September 19, 2012

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COMMUNICATIONS WORKERS
OF AMERICA

By: Dennis G. Trainor
Dennis Trainor
Assistant to the Vice President

9/19/12

Once each quarter, the Company may declare a surplus condition in one or more titles in any Unit Area; however, no title would be declared surplus in any Unit Area more than twice within a calendar year. Nothing herein shall limit the number of surplus conditions that the Company may declare by title and FAA, whether or not it has also previously declared a surplus condition or conditions in a Unit Area.

Specifically, the Article 8 Units are as follows:

UNITS

(1) Rockland County—which for the purposes of this definition shall include Greenwood Lake and Tuxedo.
(2) Westchester County—which for the purposes of this definition shall include Greenwich, Connecticut; and Putnam County.
(3) Kings County
(4) Queens County
(5) Bronx County
(6) New York County
(7) Richmond County
(8) Nassau County
(9) Suffolk County
(10) Empire City Subway Company (Limited)

The geographic boundaries of the Units listed below shall be the same as the geographic boundaries, as they exist as of August 3, 2008, of the Local Union or Local Unions appearing alongside the Unit name.

UNIT	LOCAL UNIONS
(11) Poughkeepsie	1120
(12) Albany	1116, 1118
(13) Syracuse-Utica-Oswego	1114, 1123, 1126
(14) Binghamton	1111
(15) Glens Falls-Plattsburgh	1127, 1129
(16) Watertown	1124, 1128
(17) Buffalo	1117, 1122
(18) Hamburg	1115

3. If the Company determines that it will declare a surplus condition in a title and Unit Area the Company shall notify the Union in writing of any declared surplus condition and shall provide the Union with the title and Unit Area affected, together with the names, titles, net credited service dates, and work locations of all employees in the affected title. The Company shall also notify the Union in writing whether the surplus condition is caused by Process Change or by an External Event as those terms are defined in the letter of agreement dated April 3, 1994. If the surplus condition is caused by Process Change, the provisions of paragraphs 8 (b) and 10 of the FAP shall not be implemented, except as

9/19/12

7. Except as provided for herein, this Agreement does not intend to add to, diminish or affect any rights or obligations that any of the parties have under the provisions of their collective bargaining agreements including, but not limited to, the FAP as interpreted by prior and pending arbitration awards.

8. This Agreement is without prejudice or precedent to any party's position in any other matter and no party will attempt to cite or refer to this Agreement in any grievance, arbitration, or other proceeding in any forum, except as necessary to enforce the terms of the Agreement itself.

Very truly yours,

Patrick Prindeville,
Executive Director, Labor Relations

AGREED:
COMMUNICATIONS WORKERS OF AMERICA
Dennis Trainor
Assistant to the Vice President

AGREED:
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 2213
Mary Jo Arcuri
President/Business Manager

9/19/12

Hires to be hired pursuant to this Agreement, whether represented by CWA or the IBEW. The Companies will have no obligation pursuant to this Agreement to either maintain any particular headcount or backfill in the event that Additional Hires leave employment or transfer from the Centers.

(d) Initial staffing of the 175 Additional Hires for the EVRCs and FSCs will be applied proportionately to each Union Local based on the current number of employees in the EVRCs and FSCs in each Local. In addition, initial staffing of the 125 Additional Hires for the Sales and Service Centers will be applied proportionately based on the current number of employees in the Sales and Service Centers in each Local. Initial staffing placement may be adjusted if there is insufficient space to accommodate the additional headcount.

2. All Additional Hires will be subject to existing testing, training and other pre- and post-hire procedures as appropriate, except that any internal staffing obligation, such as the 50% internal staffing obligation, shall not apply to the hiring of Additional Hires pursuant to this Agreement. Individuals who do not successfully complete training will not be counted towards the 300 Additional Hires requirement.

3. The terms and conditions of Additional Hires will be based on the provisions of the 2012 MOU applicable to employees first hired or rehired on or after date of ratification of the 2012 MOU, if any.

For: CWA District 1 Dennis G. Trainor Date: Sept. 19, 2012	For: Verizon New York Inc. Patrick Lundelle Date: 9/19/12
For: IBEW Local 2213 _____ Date: _____	For: Verizon New England Inc. Patrick Lundelle Date: 9/19/12

For: IBEW Local 2322 _____ Date: _____	For: Verizon Avenue Inc. Patrick Prendeville Date: 9/19/12
For: IBEW Local 2323 _____ Date: _____	
For: IBEW Local 2324 _____ Date: _____	
For: IBEW Local 2325 _____ Date: _____	

ATTACHMENT 6

9/19/12

September 19, 2012

Mr. Dennis Trainor
Assistant to the Vice President
Communications Workers of America
80 Pine Street -37th Floor
New York, New York 10005

Re: FiOS Discount

Dear Mr. Trainor:

This will confirm our understanding that Verizon New York Inc. (VNY), Empire City Subway, Verizon Avenue Inc., Verizon Advanced Data, Inc., Verizon Corporate Services Corp., Verizon Services Corp. and Verizon New England (collectively "the Company") will continue to offer an employee discount to all associates on the same basis that it offers such discount to the Company's management employees.

The Company presently expects to keep these employee offers indefinitely. However, the Company reserves the right in its sole discretion to make adjustments from time-to-time to the discounted rate (up or down) or otherwise modify or suspend the promotions or discontinue them entirely either temporarily or permanently. Furthermore, employees who newly subscribe to the aforementioned services should this discount program be modified will be subject to the rate that is in effect at that time. If the Company decides to modify, adjust, suspend or terminate the discount to employees, it will provide thirty (30) days' notice to the Union before such change takes effect.

Sincerely,

Patrick Prindeville
Executive Director, Labor Relations