

MEMORANDUM OF AGREEMENT
APPENDIX J

This Memorandum of Agreement (“MOA”) is entered into between the Communications Workers of America (“CWA” or “the Union”) and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., SBC Telecom, Inc. and SBC Internet Services, Inc. (collectively referred to as “the Company”). The parties agree to the following terms and conditions for the Premises Technician job title for work relating to U-Verse services:

1. Article I, Section 1 of the Departmental Agreement in the 2004 Labor Agreements between CWA and the Company is amended to add a new Appendix J. The new job title of Premises Technician shall be created in Appendix J. Appendix J is included as **Attachment A** to this MOA.
2. Qualified surplus regular full-time employees covered by the 2004 Labor Agreements who accept job offers in Appendix J will be placed in regular full-time positions.
3. Unless otherwise provided for in this MOA, there will be no annual wage increase or Team Performance Award for employees in Appendix J for the life of this MOA.
4. The terms and conditions for movement of employees into and out of Appendix J, as well as associated benefit treatment for such employees, are set forth in **Attachment B** to this MOA.
5. Existing Premises Installers hired under the National Internet Contract as of the effective date of this MOA will continue to be regular full-time employees, and their wages will be adjusted to the same wage step, if applicable, or to the next higher wage step based on the Wage Schedule included in Appendix J. Further, employees classified as Premises Installers in the National Internet Contract will be reclassified as Premises Technicians in Appendix J and be eligible for those benefits set forth in Section II of **Attachment B**, replacing all benefits for which such employees previously were eligible under the National Internet Contract.
6. Unless otherwise specifically included or modified by this MOA, paragraphs 2-25, 33, 37, 47, 52-53, 55, 57-60, 65 (and any Memorandum of Agreement referenced in such paragraphs) contained in the 2004 CWA-SBC Southwest Settlement Agreement shall not apply to employees in Appendix J.
7. Employees in Appendix J shall be eligible for the SBC@home concession package pursuant to the terms and conditions of that program. The Company reserves the right to change, amend or cancel this program, or terms thereof, at its sole discretion.

8. When qualified surplus employees from the 2004 Labor Agreements are placed into positions in Appendix J as a result of surplus procedures in the 2004 Labor Agreements, pursuant to **Attachment B** applicable to employees in Appendix J, the following provisions of the 2004 Labor Agreements shall continue to apply to such employees in lieu of any otherwise applicable provisions of Appendix J while they remain in the position in which they are placed:
 - (a) Overtime and premium pay – Article IV, Section 4;
 - (b) Illness absence treatment – Article XI, Section 5;
 - (c) Shift and differential treatment – Article IV, Section 6;
 - (d) Recognized holidays – Article VIII;
 - (e) Excused work days – Article X;
 - (f) Vacation – Article IX;
 - (g) Force Adjustment – Article XVII; and
 - (h) Severance Payments – Article XVIII.

All surplus full-time employees who move into Appendix J shall continue to be scheduled at least forty (40) hours in a calendar week. Notwithstanding any other provision in the 2004 Labor Agreements, all other employees in Appendix J shall be scheduled subject to the needs of the business as determined by Management and according to applicable requirements set forth in Appendix J; no other provisions of the 2004 Labor Agreements except those expressly set forth in Appendix J shall apply to work scheduling of such employees.

9. CWA further agrees that it will not seek to alter any existing bargaining units in any AT&T company on the basis of any movement or transfer of employees between said companies as a result of this MOA. Further, CWA will not, on the basis of this MOA or on the basis of any change in operations or practices as a result of this MOA, in any pleading, petition, complaint or proceeding before the National Labor Relations Board, an arbitrator or panel of arbitrators, or any court, assert, claim, charge or allege that such companies are a single or joint employer or enterprise, alter egos, accretions or successors of one another, or that any bargaining units of said entities represented by or sought to be represented by CWA are a single bargaining unit, or are or should be otherwise altered in their scope or composition. This commitment on the part of CWA will survive the expiration of this MOA, unless and until such time as this commitment is terminated by the mutual written agreement of the parties.
10. In the event of any conflict between the terms of any labor agreement between CWA and the Company and this MOA concerning Appendix J, the terms of this MOA shall control.
11. This MOA is effective as of June 16, 2006 and will remain in force and effect until expiration of the 2004 Labor Agreements between CWA and the Company.

FOR THE UNION:

By: _____
Richard Kneupper
Assistant to Vice President, District 6

FOR THE COMPANY:

By: _____
Joseph R. Croci
Vice President – Labor Relations

1.01 CLASSIFICATION

Premises Technician

1.02 Wage Schedules for job titles shown in paragraph 1.01 preceding, shall be applied in accordance with Sections 1. and 2. of the Basis of Compensation Supplemental Statement set forth in this Appendix.

WAGE PROGRESSION SCHEDULES**Basic Wage Rates for Normal Work Week****Premises Technician**

Wage Length of Service	Normal Weekly Wage Rate
Minimum	\$360.00
After 6 Months	\$383.00
" 12 "	\$407.50
" 18 "	\$434.00
" 24 "	\$461.50
" 30 "	\$491.50
" 36 "	\$523.00
" 42 "	\$556.50
" 48 "	\$592.00
" 54 "	\$630.00
" 60 "	\$670.50

**SUPPLEMENTAL STATEMENTS
SUMMARY**

STATEMENT NO.	TITLE
1	Classification of Employees
2	Basis of Compensation
3	Holidays
4	Vacations
5	Personal Days
6	Absences from Duty
7	Work Schedules
8	Relief Differential
9	Travel
10	Transfers
11	Force Adjustment
12	Promotional Pay Treatment
13	Subcontracting
14	Additional Payments
15	Work Apparel
16	Employment Security
17	Monitoring
18	Global Positioning System (GPS)
19	Job Groups List (Appendix G)

1. CLASSIFICATION OF EMPLOYEES

Section 2 of Article II, Classification of Employees, of the 2004 Departmental Agreement, is modified for Appendix J to add a new paragraph:

- d. **Term Employees.** A term employee is one who is engaged for a specific project or a limited period, with the definite understanding that his or her employment is to terminate upon completion of the project or at the end of the period, and whose employment is expected to continue for more than three (3) consecutive months, but not more than thirty-six (36) months. If a Term employee covered by Appendix J attains 36 months of service, the employee shall either be work completed or converted to a Regular Employee at the Company's discretion. If the employee is converted to Regular Employee, the employee will continue to be covered by the terms, conditions and benefits provided by Appendix J.

Section 3 of Article II, Classification of Employees, of the 2004 Departmental Agreement, is modified for Appendix J employees to add "term employees" to the employees who are classified as either full-time or part-time.

2. BASIS OF COMPENSATION

In lieu of Article IV, Basis of Compensation, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. **Rates of Pay.**

- a. The Wage Schedules for all job titles shall be as set forth in Appendix J.
- b. Employees may be hired anywhere on the Wage Schedule, as determined by management.

Section 2. **Progression Plan.** Progression increases shall be in accordance with the following:

- a. Increase to the next higher rate as provided for in the applicable Wage Schedules included as Appendix J shall be after a progression interval equal to the difference in months between 1) the wage length of service shown by the applicable Wage Schedule for such next higher rate, and 2) that shown for the employee's current wage rate.
- b. Increase dates will be at six (6) month intervals, or at such other intervals as may be specified in the applicable Wage Schedules.
- c. No wage increase shall become effective during a period of total disability which is continuous for eight (8) days or more.

- d. **Progression Following Upgrading.** The length of consideration intervals for progression increases following upgrading shall be as provided in the Wage Schedules for the classification or job to which upgraded. The consideration interval for the first progression increase following upgrading shall begin with the date previously established for progression on the schedule of the job or classification from which upgraded except that if the wage rate step is established as the result of a step down from maximum as provided in Article XIV, Promotional Pay Treatment, of the 2004 Departmental. Agreement, a new progression date shall be established in accordance with paragraph a. preceding.

Section 3. **Overtime.** Employees may be required to work overtime subject to the needs of the business. Employees scheduled to work overtime will be paid in accordance with applicable Federal and/or State Laws.

Section 4. **Shift Differentials.** Employees who are scheduled to work an evening or night assignment in which more than fifty (50) percent of the time falls between the hours of 6:00 p.m. and 6:00 a.m., will receive a daily premium payment of ten (10) percent of their base wages for each day worked. Shift differentials will be included in the employee's rate of pay for purposes of computing payments during periods of vacation and holidays, if the following conditions are met: An employee works one (1) full work week of evening or night assignments before his/her vacation or holiday and is scheduled to work one (1) full work week of evening or night assignments, following his/her vacation or holiday.

Section 5. **Sunday Premium Payments.** Employees who work on a Sunday shall receive the rate of one and one-half (1½) times the employee's base wages, up to a maximum of eight (8) hours per day. Employees who are excused from work with pay during scheduled hours on Sunday shall be paid at straight time for the excused absence.

Section 6. **Meal Periods.** Unpaid meal periods will normally be scheduled for thirty (30), forty-five (45) or sixty (60) minutes, as determined by the Company.

3. HOLIDAYS

In lieu of Article VIII, Holidays, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. **Paid Holidays.** Seven (7) paid holidays shall be observed as follows:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Holidays that fall on a Sunday will be observed on the following Monday. When a holiday falls on a Saturday, employees will be given another day off in a subsequent week or a preceding week as determined by the Company. All time off earned in the previous vacation year must be taken before any time off in the current vacation year can be taken.

Section 2. **Working on a Holiday.** Employees who work on a holiday will not be given a day off to be taken at a later date. Employees who work on a holiday will be paid eight (8) hours at straight time for the holiday and at time and one half (1 ½) for each hour worked on the holiday.

Section 3. **Holidays During a Vacation Week.** When a holiday falls during a week in which an employee is on vacation, the day will be treated as a holiday, not as a day of vacation.

Section 4. **Holiday Tours.** Holiday tours are those which begin on the Authorized Holiday.

4. VACATIONS

In lieu of Article IX, Vacations, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. **Vacation Year.** The year in which vacation and Personal Days off may be taken shall be known as the "vacation year." The vacation year is defined as a period of time beginning December 31st and ending on December 30th of the following year. Employees must be active on the payroll (not on a leave of absence or on disability) and must physically report to work for at least one (1) day in the vacation year to be eligible for vacation and Personal Days Off. However, employees may be granted vacation for which they are otherwise eligible in a vacation year without performing any work for the Company in that year, provided they are not on a leave of absence or disability and such vacation is contiguous to and continues with their vacation for the preceding year or such vacation begins during the first seven (7) days of the vacation year.

Section 2. **Vacation Eligibility.** Employees shall be eligible for vacation, based on their Net Credited Service (NCS) with the Company, as follows:

- a. One (1) week of vacation upon completion of six (6) months of service.
- b. Two (2) weeks of vacation upon completion of twelve (12) months of service. This provision cannot be combined with the above to result in more than two (2) weeks of vacation entitlement in the same vacation year.
- c. Three (3) weeks of vacation to any employee who could complete seven (7) years of service or more but less than fifteen (15) years of service within the vacation year.
- d. Four (4) weeks of vacation to any employee who could complete fifteen (15) years of service or more but less than twenty-five (25) years of service within the vacation year.
- e. Five (5) weeks of vacation to any employee who could complete twenty-five (25) years of service or more within the vacation year.

Section 3. Carry-over Vacation. All employees are encouraged to take all of their vacation time during the vacation year. However, a maximum of one (1) week of vacation may be carried over into the next vacation year. A vacation week that is carried over must be taken by April 30th. The Company may at its discretion place employees on vacation and require them to take vacation at a specified time. The number of weeks management may place employees on vacation is limited to not more than one (1) week in a vacation year. Should the need to place employees on vacation occur, the Company will provide thirty (30) days notice to the affected employees.

Section 4. Vacation Selection. Employees may select their vacation in full weeks and on a day-at-a-time basis during the vacation selection process. Vacations shall be selected in a work group as determined by the Company, based on seniority. The Company shall determine periods available for selection and the number of employees allowed off on vacation.

5. PERSONAL DAYS

In lieu of Article X, Excused Work Days, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. Personal Days Off. Employees are allowed flexibility through the use of Personal Days Off to be off work with pay, subject to approval by management. Each employee who has completed six (6) months of service will be eligible for seven (7) paid Personal Days Off each vacation year. The Company may at its discretion place employees on Personal Days Off and require them to take Personal Days Off at a specified time. The number of Personal Days Off that management may place employees on is limited to not more than two (2) in each vacation year. Should the need to place

employees on a Personal Day Off occur, the Company will provide thirty (30) days notice to the affected employees.

Section 2. Carry-Over of Personal Days Off. All employees are encouraged to take all of their Personal Days Off during the vacation year. However, Personal Days Off may be carried over into the next vacation year. Personal Days Off that are carried over must be taken by April 30th.

Section 3. Selection of Personal Days Off. All Personal Days Off shall be selected based on seniority within a workgroup as determined by the Company. Employees may be permitted to take all of their Personal Days Off in two (2) hour increments. The Company shall determine periods available for selection and the number of employees allowed off on Personal Days Off.

6. ABSENCES FROM DUTY

Section 5, Illness, of Article XI, Absence From Duty, of the 2004 Departmental Agreement, is replaced for Appendix J as follows:

Section 5. Absence. Employees having one (1) or more years of Net Credited Service (NCS) shall be paid at the basic wage rate for absences, including illness on scheduled workdays, up to a maximum of five (5) paid days per calendar year. Employees must notify their supervisor before their scheduled start time that they will be absent from work.

7. WORK SCHEDULES

In lieu of Article VI, Hours of Work and Article VII, Work Schedules, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. Work Schedules. The Company will determine and post the work schedules. Employees' scheduled work hours may start at any time of the day, on any day of the week and may be spread over any six (6) days of the week. Work schedules will be posted for a minimum period of one (1) week and are subject to change, with forty-eight (48) hours notice to the employee. However, work schedules will not be posted for employees who normally work the same hours Monday through Friday.

Section 2. Change of Hours. If an employee is notified less than twelve (12) hours before the originally scheduled start time of a change in work hours, the affected employee will receive two (2) hours of pay at the straight time rate.

Section 3. Cancellation of Hours.

- a. If an employee is notified less than one (1) hour before the originally scheduled start time that the scheduled hours are canceled, the affected employee will receive two (2) hours of pay at the straight time rate.

- b. If an employee reports to work and his/her hours are canceled for the remainder of the day, the employee will receive four (4) hours of pay at the straight time rate or pay for the actual hours worked, whichever is greater.

Section 4. **Split Work Days.** The Company may schedule employees to work a split workday. A split workday is a divided workday, with hours off in between.

8. RELIEF DIFFERENTIAL

In lieu of Article XV, Temporary Work in Higher Positions, Section 5., Relief Differential for Employees Whose Job Titles are Shown in Appendix B-Contact and Appendix I-Contact., paragraph a., of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 5. **Relief Differential.**

- a. Employees will be paid a differential of eight dollars (\$8.00) when in addition to their normal duties they relieve or assist a manager for four (4) hours or more. Relief Differential assignments specifically exclude administering discipline to other employees.

9. TRAVEL

In lieu of Article XVI, Travel, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. **Travel and Temporary Work Locations.**

- a. The Company will either furnish all means of transportation or specify what transportation shall be used for travel on Company business.
- b. Employees who agree to use their personal vehicles for Company business will be reimbursed at the then current IRS reimbursement rate for mileage.
- c. Employees may be assigned to work at a temporary work location. When employees are assigned to work at a temporary work location, the employee will be reimbursed for travel time and transportation expenses to and from the temporary work location in excess of that required for the employee's normal commute.
- d. Transportation expenses include, but are not limited to, mileage, bridge toll, parking, airfare, and bus fare.

Section 2. **Overnight Trips.** If the Company determines that overnight travel is required, the employee will be reimbursed for expenses, which are supported by receipts as follows:

- a. Transportation expenses as described in Section 1.
- b. Lodging, approved in advance by the Company.
- c. Meals, not to exceed twenty-five dollars (\$25) per day, unless management approves a higher amount in advance.

10. TRANSFERS

Section 1 of Article XIII, Job Vacancy, of the 2004 Departmental Agreement, is modified for Appendix J to add the following note:

Note: The Company may at its discretion hire employees off the street or from outside of the Bargaining Unit to fill vacancies.

Regular employees with at least thirty-six (36) months of time-in-title, unless waived by the Company, and who have satisfactory attendance and work performance, may transfer to titles included in Appendices A, B, C, D, E, H and I at the discretion of management.

The Company retains its discretion to make force rearrangements per Article XIII, Job Vacancy, Section 3.b.(7).

The Surplus Transfer Request (STR) process will not apply to employees in titles listed in Appendix J.

11. FORCE ADJUSTMENT

In lieu of Article XVII, Force Adjustment and Article XVIII, Severance, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

Section 1. **Relocation Of Work.** When work is to be relocated, the Company may, if it deems appropriate, offer the affected employees the opportunity to follow their work to the new location. Transfers of employees who elect to follow their work to the new location will be considered as employee-initiated transfers.

Section 2. **Force Adjustment.** Whenever force conditions as determined by the Company are considered to warrant a surplus and the possible layoff of employees, the Company shall notify the Union in writing prior to notifying the affected employees. Employees will be laid off in a process determined by the Company. The surplus employees designated for layoff will be notified a minimum of two (2) weeks prior to the layoff date, unless otherwise provided by law.

Section 3. **Layoff Allowance.** Employees who are laid off will be paid a layoff allowance based on their seniority and their basic weekly wage rate in effect at the time of the layoff, in accordance with the following:

Length Of Service	Layoff Allowance
0 - 12 Months	1 week of pay
13 - 24 Months	2 weeks of pay
25 - 47 Months	3 weeks of pay
48 Months or More	4 weeks of pay

Section 4. **Priority Rehire.** An employee who is laid off with satisfactory attendance and work performance and who applies for re-employment in the same position from which he/she was laid off, will receive priority consideration for rehire over new applicants for twelve (12) months from his/her layoff date.

12. PROMOTIONAL PAY TREATMENT

Section 4. of Article XIV, Promotional Pay Treatment, of the 2004 Departmental Agreement is modified for Appendix J as follows:

Premises Technician shall be included in Job Category V.

13. SUBCONTRACTING

In lieu of Article XXV, Contract Work, of the 2004 Departmental Agreement, the following terms and conditions apply to Appendix J:

It is the Company’s objective to consider carefully the interests of both the customer and employee along with other considerations essential to management of the business in a highly competitive and dynamic environment. While the Company believes it is in its best interests to utilize its own employees, the Company does use contractors, as it deems necessary in order to respond to a highly unpredictable marketplace. For various reasons where the needs of the business require, the Company may subcontract work.

14. ADDITIONAL PAYMENTS

Section 1. **Discretionary Lump Sum Payments.** A lump sum payment of up to five (5) percent of an employee’s annualized (52 weeks) weekly wage rate may be granted to individual employees at the Company’s discretion.

Section 2. **Additional Cash Awards.** The Company may provide employees with additional cash awards. The selection of employees and the amounts of the cash awards will be made at the discretion of management.

15. WORK APPAREL

Section 1. **Appearance Guidelines.** The Company may, at its sole discretion, implement appearance standards and/or a dress code consistent with State and Federal laws. The Company may change the standards and code at its discretion.

Section 2. **Branded Apparel Program.** For the employees in Appendix J, participation in the AT&T Branded Apparel Program (BAP) is mandatory.

The Company can modify or discontinue this program at its discretion. In the event the BAP is discontinued for the employees listed in Appendix J, the Company will give the employees a minimum notice of thirty (30) days prior to such discontinuance.

16. EMPLOYMENT SECURITY

The provisions of the Memorandum of Agreement, Employment Security Commitment, dated April 4, 2004, shall not apply to employees in titles listed in Appendix J, with the exception of qualified regular employees hired before July 2, 2004 whose titles were listed in Appendices A, B, C, D, E, H and I and who transferred due to a surplus to titles listed in Appendix J and were subsequently declared surplus.

17. MONITORING

The Company, at its discretion, may monitor and/or record calls of those employees in Appendix J in accordance with State and Federal laws.

18. GLOBAL POSITIONING SYSTEM (GPS)

The Company, at its discretion, may use GPS technology with those employees in Appendix J in accordance with State and Federal laws.

19. JOB GROUPS LIST (APPENDIX G)

Appendix G, Job Groups List, of the 2004 Departmental Agreement is modified for Appendix J as follows:

Group J shall include Premises Technician.

FORCE MOVEMENT OF EMPLOYEES AND EMPLOYEE BENEFIT TREATMENT

The Communications Workers of America, District 6 (“CWA” or “the Union”) and Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., SBC Telecom, Inc. and SBC Internet Services, Inc. (collectively referred to as “the Company”) hereby agree to the following terms with respect to the movement of surplus employees covered by the 2004 Labor Agreements between the CWA and the Company (the “2004 Labor Agreements”) and the National Internet Contract between the CWA and SBC Internet Services, Inc. (the “National Internet Contract”) into Appendix J job titles under the 2004 Labor Agreements and the benefit treatment to be afforded employees newly hired and who voluntarily move into these job titles.

I. TREATMENT OF SURPLUS EMPLOYEES WHO MOVE TO AN APPENDIX J JOB TITLE FROM A JOB TITLE UNDER THE 2004 LABOR AGREEMENTS

The Company, at its discretion, may offer employees identified as surplus under the 2004 Labor Agreements jobs in Appendix J job titles through the 2004 Labor Agreements force adjustment/surplus process. Any job offer to a job title within Appendix J will meet the commitment of a guaranteed job offer under the 2004 Labor Agreements’ Employment Security Commitment. Surplus employees who refuse such offers will be treated under the same terms and conditions as other employees who refuse a job offer under the 2004 Labor Agreements’ Employment Security Commitment. Surplus employees covered by the 2004 Labor Agreements who are placed in a job title in Appendix J and who meet the eligibility requirements of the 2004 Labor Agreements’ Employment Security Commitment shall continue to be eligible for the Employment Security Commitment if they are subsequently declared surplus while in the job title in Appendix J to which they have been placed as surplus.

The terms and conditions of Appendix J will apply to surplus employees who accept a position within Appendix J. In the event of a discrepancy or inconsistency between the terms and conditions in Appendix J and any applicable provisions of the 2004 Labor Agreements, the terms contained in Appendix J and any associated agreement(s) shall prevail. If a surplus employee accepts a position in Appendix J, and the employee’s current weekly rate of pay is above the maximum weekly wage rate for the new title, there will be no change in the employee’s rate of pay until the weekly rate of pay in the new job title exceeds the employee’s weekly rate of pay at the time of the transfer. If, however, the employee’s current weekly pay is at or below the maximum weekly wage rate for the new Appendix J title, the employee will be placed on the lowest step of the new wage schedule that will not result in a wage reduction. The Team Performance Award under the 2004 Labor Agreements will be protected and the employee will be treated as if never having left the previous title. However, these employees will not be eligible for Discretionary Lump Sum Payments, described in Appendix J, Section 14.1.

A surplus employee who is placed in a job title within Appendix J shall be eligible for benefits under the same plans, terms, conditions, and provisions as are currently and in the future provided under the 2004 Labor Agreements with respect to their previous job title. Such employees will not be eligible for additional or different benefits provided to new hires in Appendix J job titles. This benefits treatment shall continue only for the period such surplus employee remains in the job title within Appendix J following their surplus declaration.

A surplus employee placed in Appendix J who retires from a job title within Appendix J during the term of this agreement will, through the remaining term of the 2004 Labor Agreements, be eligible for welfare retirement benefits on the same terms and conditions as applicable to a similarly situated employee who retired from the surplus employee's previous job title.

II. TREATMENT OF EMPLOYEES WHO ARE NEWLY HIRED INTO AN APPENDIX J JOB TITLE

Individuals who are newly hired into an Appendix J job title will be eligible to participate in the following benefit plans as shown in the chart below. The level of benefits shall be the same as under the 2004 Labor Agreements as they may change from time to time.

Employee Benefit	Regular Employee	Term Employee	Temporary Employee	Occasional Employee
AT&T Medical and Group Life Insurance Plan - CustomCare	YES	YES	YES	NO
AT&T Dental Plan	YES	YES	YES	NO
AT&T Vision Plan	YES	YES	YES	NO
AT&T Savings and Security Plan	YES	NO	NO	NO
AT&T Medical and Group Life Insurance Plan – Group Life Insurance	YES	YES	YES	NO
AT&T Supplementary Group Life Insurance Program	YES	YES	YES	NO
AT&T Dependent Group Life Insurance Program	YES	YES	YES	NO
AT&T Flexible Spending Account Plan	YES	YES	YES	NO
AT&T Disability Income Plan	YES	YES	YES	NO
AT&T Rules for Employee Beneficiary Designations	YES	YES	YES	NO

Employee Benefit	Regular Employee	Term Employee	Temporary Employee	Occasional Employee
AT&T Group Long Term Care Insurance	YES	YES	YES	NO
AT&T CarePlus – a Supplemental Medical Plan	YES	YES	YES	NO
AT&T Leave of Absence Policy	YES	YES	YES	NO
AT&T Adoption Reimbursement Program	YES	YES	YES	NO
Employee Assistance Program (EAP)	YES	YES	YES	YES

Employees newly hired in Appendix J job titles are not eligible for a pension benefit or for any other benefit plans or programs that are not listed above, nor are they eligible for post employment benefits. An employee newly hired into an Appendix J job title who transfers to any other position outside of an Appendix J job title will not have their service under the Appendix J job title recognized for any of the following purposes: (i) determining eligibility to participate in post-employment benefit plans, or (ii) calculating the amount of a pension benefit or determining whether the employee has satisfied requirements for service pension eligibility, if applicable.

III. TREATMENT OF EMPLOYEES WHO VOLUNTARILY MOVE FROM A JOB TITLE IN APPENDIX J

Regular full-time employees in Appendix J job titles are eligible to transfer to a position under the 2004 Labor Agreements once they have reached at least thirty-six (36) months time in title (unless waived by the Company), using the normal 2004 Labor Agreements transfer process. All other requirements of the 2004 Labor Agreements and Company practices under the transfer process are applicable for such internal transfers.

If an employee in an Appendix J job title voluntarily moves to a job title covered by the 2004 Labor Agreements but outside Appendix J, such employee shall receive benefits under the same terms and conditions as those that are provided that job title under the 2004 Labor Agreements.

If an employee who has voluntarily moved from an Appendix J job title to a position under the 2004 Labor Agreements and retires during the term of the 2004 Labor Agreements with eligibility for post-employment benefits, such employee will, through the remaining term of the 2004 Labor Agreements, be eligible to participate in the post-employment benefit plans provided under the 2004 Labor Agreements on the same terms and provisions as for similarly situated employees who retire with the same job title.

Employees in Appendix J job titles who transfer to a position under the 2004 Labor Agreements will not have their service under the Appendix J job title recognized for any of the following purposes: (i) determining eligibility to participate in post-employment benefit plans,

or (ii) calculating the amount of a pension benefit or determining whether the employee has satisfied requirements for service pension eligibility, if applicable.

IV. TREATMENT OF SURPLUS EMPLOYEES COVERED BY THE NATIONAL INTERNET CONTRACT WHO MOVE TO A JOB TITLE IN APPENDIX J

The Company, at its discretion, may offer employees identified as surplus under the National Internet Contract jobs in Appendix J job titles through the force adjustment/surplus process provided in that agreement.

The terms and conditions of Appendix J will apply to surplus employees covered by the National Internet Contract who accept a position within Appendix J. In the event of a discrepancy or inconsistency between the terms and conditions in Appendix J and any applicable provisions of the National Internet Contract, the terms contained in Appendix J and any associated agreement(s) shall prevail. Employees covered by the National Internet Contract who are declared surplus and who are placed into a job title in Appendix J shall be eligible for benefits under the same plans, terms, conditions and provisions as are currently and in the future provided under the appropriate National Internet Contract with respect to their previous job title. Such employees will not be eligible for additional or different benefits provided to new hires in Appendix J job titles. This benefits treatment shall continue only for the period such employees remain in the job title within Appendix J following their surplus declaration. Regarding wages, if the employee's current weekly rate of pay is above the maximum weekly wage rate for the new Appendix J title, there will be no change in the employee's rate of pay until the weekly rate of pay in the new job title exceeds the employee's weekly rate of pay. If, however, the employee's current weekly pay is at or below the maximum weekly wage rate for the new Appendix J title, the employee will be placed on the lowest step of the new wage schedule that will not result in a wage reduction. The Team Performance Award will not be protected; that is, the employee will not receive a Team Performance Award for their time in an Appendix J job title. However, a surplus employee under the National Internet Contract who is assigned to an Appendix J job title may receive a prorated Team Performance Award for time prior to such transfer if the employee met the eligibility requirements for such Award prior to such transfer.

An employee covered by the National Internet Contract and placed in Appendix J who retires from a job title within Appendix J during the term of this agreement will, through the remaining term of the applicable National Internet Contract, be eligible for welfare retirement benefits, if any, on the same terms and conditions as applicable to a similarly situated employee who retired from such employee's previous job title.

V. TREATMENT OF EMPLOYEES WHO VOLUNTARILY MOVE INTO AN APPENDIX J JOB TITLE

For situations not covered by Sections I, II, III or IV of this agreement, employees performing work in Appendix J, including but not limited to employees who voluntarily move into a job title in Appendix J, shall receive benefits while an active employee under the terms, conditions and provisions as currently and in the future are provided under Section II of this agreement.

This agreement shall terminate with the expiration of the 2004 Labor Agreements.