

GENERAL AGREEMENT

between

Verizon Avenue, Corp.

and

COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

May 3, 2002

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Article 1. - Recognition

SECTION 1. Verizon Avenue, Corp. (hereinafter the "Company") recognizes the Communications Workers of America, AFL-CIO (hereinafter the "Union") as the exclusive representative of all employees for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment.

SECTION 2. The bargaining unit shall consist of:

- (a) Maryland Area - All non-supervisory employees in the job classification listed in Exhibit II, attached hereto, whose duties are not of a confidential nature, and who are employed by Verizon Avenue, Corp.
- (b) Virginia Area - All non-supervisory employees in the job classification listed in Exhibit II, attached hereto, whose duties are not of a confidential nature, and who are employed by Verizon Avenue, Corp.

Letter of Understanding

New Titles and Job Classifications

This will affirm our understanding of April 26, 2002, that if the Company establishes any job title at 12901 Worldgate Drive, Herndon, Virginia, and 1200 Mercantile Lane, Largo, Maryland that is substantially identical to a job title that is part of the bargaining unit recognized in the General Agreement between Verizon - Virginia Inc., Verizon - Maryland Inc., Verizon - Washington, D.C. Inc., Verizon - West Virginia Inc., and Verizon Services Corp., and the Union, the Company will add the title to the bargaining unit and proceed as follows:

(1) The Company shall notify the Union in writing of the creation of the job title and shall furnish a description of the duties and wage rates and schedules initially determined for such job titles and classifications. Such wage rates and schedules shall be designated as temporary. Following such notice the Company may proceed to staff such job titles or classifications.

(2) The Union shall have the right, within thirty (30) days from the receipt of notice from the Company, to initiate negotiations concerning the appropriate wage rates or schedules established by the Company.

(3) If negotiations are not so initiated, the initial wage rates and schedules set by the Company shall remain in effect and the temporary designation removed.

(4) If agreement is reached between the parties within the sixty (60) days following the Union's receipt of notice from the Company concerning the initial wage rates and schedules, the agreed upon wage rates and schedules shall be retroactive to the date the change or new job was implemented.

(5) If negotiations are initiated pursuant to paragraph (2), above, and if the parties are unable to reach agreement within sixty (60) days following receipt of notice from the Company, the Union may, within thirty (30) days of the expiration of the sixty (60) day period for negotiations, demand that the issue of an appropriate schedule of wage rates be submitted for resolution to a neutral third party. Within seven (7) days of such demand, each party will submit its final

proposed schedule of wage rates to the other party, which cannot thereafter be changed.

(6) The neutral third party shall be selected by mutual agreement from among those who possess acknowledged expertise in the area of employee compensation. The parties may submit all evidence deemed relevant to the issue to the neutral third party. At the request of either party, a hearing shall be held to receive such evidence. Any such hearing shall be held within thirty (30) days after the matter is referred to the neutral third party. While it is not intended that such third party undertake a full and complete job evaluation study, he or she shall review other jobs and their wages at other employers in northern Virginia and Maryland for comparison purposes and may make on-site inspection of the workplace and conduct a reasonable number of interviews of incumbents. A written decision as to the appropriate schedule of wage rates will be rendered by the neutral third party within sixty (60) days of the date that the matter is referred for resolution. In the event that the neutral third party determines that a different schedule of rates is appropriate, the new schedule shall be placed in effect retroactive to the date the change or new job was implemented, except that in no event shall the retroactive effect exceed 150 days.

(7) The procedures set forth in this Article shall be the exclusive means by which the Union may contest the schedule of wage rates which the Company sets for any new job title. Nothing herein shall be construed as giving the Company the right to transfer work from existing Verizon OTC bargaining units nor shall it, in any way, diminish any such rights.

This Letter of Understanding will expire with this General Agreement.

Union Bargaining Chair

Company Bargaining Chair

Article 2. - Collective Bargaining

SECTION 1. The Company and the Union agree to keep each other informed, in writing, regarding the names of their authorized representatives on their respective Collective Bargaining Committees.

SECTION 2. Negotiations concerning matters for which the Union is recognized for purposes of collective bargaining shall take place only between the Collective Bargaining Committee of the Union (which shall not exceed four (4) members) and the Collective Bargaining Committee of the Company, which shall not exceed four members. Either bargaining team may also bring an expert to a negotiation session upon three days advance notice to provide input on matters within the individual's expertise. If agreements are reached in these negotiations modifying the provisions of this Agreement or covering conditions not contained in this Agreement, they shall be reduced to writing in the form of an addition or amendment to this Agreement and signed by the authorized representatives for both the Union and the Companies.

SECTION 3. Either party may initiate negotiations by letter forwarded to the other party not later than 90 days prior to expiration of this Agreement. The parties shall hold their first negotiation session not earlier than 75 days and not later than 60 days prior to expiration of this Agreement, unless otherwise agreed.

SECTION 4. Meetings for negotiations, as provided in the preceding section, shall be held upon request of either party at a time and place agreeable to both parties. Local Representatives on the Union's Collective Bargaining Committee who are active employees of the Company shall be excused with pay on each day they participate in meetings with the Companies' Collective Bargaining Committee. Pay for attendance at such meetings shall not exceed the employee's normal workweek at the employee's basic weekly wage.

SECTION 5. It is the intention of the parties, with respect to the collective bargaining of future replacing agreements, to conduct their negotiations thereon in such a manner as to reach a new Agreement on or before the termination date of this present Agreement.

Article 3. – Management Rights

SECTION 1. Management Rights

Except as expressly limited by the provisions of this Agreement, management possesses all rights, powers and authorities, including but not limited to the right to manage, direct and operate its business and property efficiently; to hire, assign, promote, demote, transfer, layoff its employees; to discipline and discharge its employees for just cause; to discontinue, consolidate, or change any of its operations or organization; to determine the location, scheduling and character of work assignments and the sufficiency and quality of work performance of its employees; to subcontract work; to use Temporary and/or Regular-term employees as determined by the Company and to establish reasonable rules for employee safety, conduct and orderly operations. This Agreement includes all exhibits, attachments and amendments hereto.

SECTION 2. Contracting/Relocating Work

Except when it has no other reasonable alternative, the Company will not contract out work if it would otherwise be performed by regular employees within job titles, work groups and localities where a layoff or part timing of such employees would be the direct result of such contracting out, where a layoff of such employees is pending, or where a layoff has already occurred and such laid off former regular employees retain recall rights and are available and qualified in the judgment of the Company to perform such work. If the Company determines it has no reasonable alternative, it shall provide at least thirty (30) days advance notice of such action. Then, upon request of the Union, the Company will discuss with the Union during the thirty (30) day notice period alternatives to such contracting.

Article 4. - No Strike - No Lockout

During the life of this Agreement, the Union and the employees covered under this Agreement, shall not cause, or sanction strikes of any kind work stoppages (except a stoppage for non-arbitrable Unfair Labor Practice of the Company allowed by law) or slowdowns against the Company.

The Company agrees that there will be no lockouts during the duration of this Agreement.

The Company and the Union agree that any work stoppage or delay and/or failure to reach a new collective bargaining agreement will not result in a work stoppage between the Union and other Verizon Companies or their subsidiaries or in any way impact the other collective bargaining agreements and/or relationships between the Union and any other Verizon Company, their subsidiaries.

Letter of Understanding

Struck Work

This is to confirm our understanding of April 26, 2002, that the Company will not use bargaining unit employees to perform struck work for the Verizon Operating Telephone Companies Verizon - Virginia Inc., Verizon - Maryland Inc., Verizon - Washington, D.C. Inc., Verizon - West Virginia Inc., Verizon - Pennsylvania Inc., Verizon - Delaware Inc., or Verizon New Jersey Inc., and their successors ("the OTCs"). In addition, the Company will not transfer struck work at its facility to Verizon employees of the OTCs.

Union Bargaining Chair

Company Bargaining Chair

Article 5. - Payroll Deduction of Union Dues, Etc.

SECTION 1. The Company shall deduct from the pay (including sickness or accident disability payments) of employees, all applicable Union initiation fees, regular membership dues or "amounts equivalent thereto" upon receipt of properly executed authorizations signed by the employee for whom deductions are to be made, delivered to the Company at least ten (10) days prior to the date the first deduction is to be made. The Company will continue to honor effective dues deduction authorizations on file with the Company as of the effective date of this Agreement in accordance with their terms. The Company will accept new authorizations only in the form of Exhibit I.

SECTION 2. The Secretary-Treasurer of the Union shall specify the amount to be deducted in each interval by the Company. The Company shall forward monthly such deductions to the Secretary-Treasurer of the Union.

SECTION 3. The Union hereby agrees to indemnify the Company and hold it harmless from all claims, damages, costs, fees or charges of any kind which may arise out of the honoring by the Company of deduction authorizations in accordance with the provisions of this Article, the making up of sums owed the Union in cases of inadvertent failure to timely honor authorizations, and the transmitting of such deductions to the Secretary-Treasurer of the Union.

Article 6. - Union Bulletin Boards

SECTION 1. Arrangements for Bulletin Boards - The Company will install and maintain a bulletin board upon its property for use by the Union at such locations and of such size and type as may from time to time be mutually agreed upon by the parties. The cost of providing, installing, maintaining and relocating such boards will be paid by the Union. The bulletin board shall be designated as a Union bulletin board in a manner mutually agreeable to the Company and the Union.

SECTION 2. Material Permitted on Bulletin Boards - Union bulletin boards, as referred to in Section 1 of this Article, shall be used only for:

- (a) Factual notices and announcements of the Union pertaining to the following:
 - (1) Meetings and Convention calls of the Union,
 - (2) Nominations and elections of the Union,
 - (3) Results of Union elections,
 - (4) Appointments to Union offices and committees, and
 - (5) Social and recreational affairs of the Union.
- (b) Full or partial copies of Collective Bargaining Agreements concluded by the Union and the Companies.
- (c) Announcements or letters issued jointly by the Union and the Company.

The term "Union" as used in (a) of this Section 2 shall be construed to include any Local of the Union which admits employees of the Company to its membership.

SECTION 3. General Limitations on Bulletin Board Use - Material posted shall not contain anything of a controversial or political nature, anything derogatory to any of the Companies, their Management or any of their employees, or anything derogatory to any labor or other organization among its employees.

SECTION 4. Special Requests for Bulletin Board Use - Should the Union desire to post any material, including promotional and organizational material, not provided for in Section 2 of this Article, it shall be posted only after an International

Representative of the Union has secured the written approval of the Director - Human Resources, or his designated representative.

SECTION 5. Responsibility for Proper Bulletin Board Use - The Union assumes responsibility for complete compliance with the spirit and intent of the provisions of this Article. Should the Company believe that posted material is not in accordance with the spirit and intent of the provisions of this Article, such material shall be brought to the attention of any Local or International Representative of the Union and it shall be removed by the Union immediately after such notification. Failure to comply, shall entitle the Company to cover up or remove the bulletin board(s) involved.

Material removed in accordance with the above provisions of this Section 5 may be posted again only after a mutual agreement that it is appropriate for posting has been reached between an authorized International Representative of the Union and the Director - Human Resources, or his designated representative.

Article 7. - Union Activity on Company Premises

SECTION 1. Neither the Union nor any Local, their representatives or members, shall conduct Union business or carry on Union activities on Company premises or on Company time, except that Union and Local members who are employees (and authorized representatives of the Union who are not employees of the Company, by mutual agreement of the Company and the Union) may solicit members and carry on other legitimate Union activities outside of working periods in space where no Company operations or administrative work is performed; provided that such solicitation or other legitimate Union activity shall be limited to small groups of employees and shall not interfere with the operation of the Company or the use of space by other persons or employees for the purposes for which the space is intended. No Union business or activities shall be conducted on Company premises or on Company time except as provided in this Article or as specifically authorized in other provisions of the General Agreement.

Article 8. - Grievances and Grievance Meeting Procedure

SECTION 1. Any individual employee or group of employees shall have the right to present grievances directly to the Company and to have such grievances adjusted without the intervention of the Union as long as the adjustment is not inconsistent with the terms of this Agreement.

SECTION 2. The following provisions shall apply to the presentation and processing of all grievances by the Union:

- (a) *How Grievances are Presented:* In presenting any grievance, the aggrieved employee(s) involved, if any, shall be identified, the action(s) complained of and dates thereof shall be specified, the contract provision(s) alleged to have been violated shall be stated, if any, and the remedy requested.
- (b) *Discussion or Settlement of Grievances:* Once any Local or Union representative has dealt with a Company representative to negotiate a grievance, the Company will not discuss or attempt to settle the matter with the individual employee or employees involved without affording the Local or Union an opportunity to be present.
- (c) *Time Limit for Presenting Grievances:* No grievance need be considered by the Company or the Union unless presented within thirty (30) calendar days after the action or occurrence complained of first occurred. In no event shall the settlement of any grievances have retroactive effect more than thirty (30) calendar days prior to the initial presentation of the grievance.
- (d) *Grievance Terminated Unless Appealed:* At the conclusion of the first step in the grievance procedure, the grievance shall be considered as finally disposed of unless it is appealed to the second step within the time limits specified in Section 3 of this Article.
- (e) *Limitations on Number of Persons Attending Grievance Meetings:* The total number of aggrieved employees and authorized Local and Union representatives to attend grievance meetings with Company representatives shall not exceed two (2) at the first step and three (3) at the second step. A maximum of two (2) employees at the first

step and three (3) employees at the second step will be excused without loss of time or pay for regularly scheduled work time during the normal work week for attendance at such grievance meetings; provided that pay for attendance at grievance meetings shall be limited to time spent in meeting with the Company representatives.

- (f) *Method of Settling Grievances:* It is agreed that neither the Company, its representatives, nor the Union, the Locals, their representatives or members, will attempt by means other than the grievance procedure to bring about the settlement of any issue which is properly a subject for disposition through the grievance or arbitration procedures.

SECTION 3. *Grievance Meeting Procedure:* It is the intent of both parties that grievances shall be handled as expeditiously as practicable and within the time limits spelled out in each step of the grievance procedure. It is understood that by mutual consent expressed in writing, the time limits specified at any given step, or the time limits for taking the grievance to the second step may be extended with respect to a specific grievance. However, time limits for presentation of a grievance may not be extended. Steps may be waived by written agreement between the Company's designated representative and the International Representative of the Union. The Company shall provide the Local Representative at the first step with all information relevant to the specific circumstances and actions leading to the instant grievance.

- (a) *First Step:* The grievance shall be presented initially by a designated Local Representative to the immediate supervisor of the aggrieved employee(s) or, in the event of his unavailability, to another management employee designated by the Company. The meeting at this step shall be held concurrent with the presentation or within seven (7) calendar days after the request to meet, and seven (7) calendar days beginning with the day of the meeting shall be allowed for settlement.
- (b) *Second Step:* If the grievance is appealed to the Second Step, the Local involved shall submit a written notice of appeal within seven (7) calendar days after the expiration of the time limits in Step 1 to the Director of the grievant's immediate supervisor. The appeal letter shall identify the aggrieved employee(s) involved, if any, set forth the act or occurrence complained of, the date(s) of

said act(s) or occurrence(s), the contract provisions alleged to have been violated, if any, and the remedy requested. An Appeal letter which fails to meet these requirements does not constitute a timely appeal. The grievance may then be presented by the Union Representative or his designee to the appropriate Director or his designated representative.

The meeting at this step shall be held within fourteen (14) calendar days after the Company receives the written notice of appeal, and fourteen (14) calendar days from the date of the meeting at this step shall be allowed for settlement. Within seven (7) calendar days after having concluded the Second Step by orally announcing its final position to the Union, the Company shall transmit to the International Representative of the Union or his designated representative, a written confirmation of its final position.

SECTION 4. If the parties remain in disagreement at the conclusion of Step 2, the Union, within fourteen (14) calendar days following the receipt of the Company's written confirmation of its final position, may submit the grievance to arbitration upon written notice to the Company stating the issue to be decided, provided the grievance involves:

- (a) The interpretation or application of any of the terms of this Agreement not specifically excluded from arbitration; or
- (b) The dismissal (for just cause) of an employee who at the time of dismissal had six months or more of completed net credited service; or
- (c) The suspension (for just cause) of an employee who at the time of suspension had six months or more of completed net credited service.

Article 9. - Procedures for Arbitration

SECTION 1. The procedure for arbitration shall be as follows:

- (a) Arbitration shall be conducted before an Impartial Arbitrator selected by the Union and the Company in accordance with the provisions of Section (b).
- (b) As soon as possible, a master list of ten (10) arbitrators shall be selected by the parties. Each arbitrator shall serve until the termination of this Agreement unless his services are terminated earlier by written notice from either party to the other. The arbitrator shall be notified of his termination by a joint letter from the parties. The arbitrator shall conclude his services by deciding any grievance previously heard. A successor arbitrator shall be selected by the parties.
- (c) Panels of three arbitrators shall be arranged from the master list. The first panel selected shall consist of the first three names on the master list. The parties shall alternately strike names from the panel until an arbitrator is selected. The party having the first strike shall alternate from case to case. The arbitrator selected shall be placed at the bottom of the list. Upon selection, the arbitrator shall be notified jointly by the parties. Succeeding panels shall be selected from the names at the top of the master list. If either party fails to act under the provisions of this subsection, then the other party may select and/or designate the arbitrator from among the names on the panel being used for that case.
- (d) Hearings shall be commenced and carried to a conclusion as expeditiously as possible. The hearings and decision of the arbitrator shall be confined to the issue or issues presented in the grievance procedure. The parties shall, prior to the hearings, jointly stipulate in writing such issue or issues if they can agree, and if they cannot agree, the arbitrator shall reduce such issue or issues to writing at or before the commencement of the hearings. The hearing shall be conducted in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association, and if possible, the arbitrator shall render a

decision in writing within three weeks following the closing of the hearing.

SECTION 2.

The arbitrator shall have no power to add to, subtract from, modify or disregard any of the provisions of this Agreement, and in no event shall a decision have retroactive effect more than thirty (30) calendar days prior to the initial presentation of the grievance. Both parties agree to participate in the arbitration proceedings and the decision of the arbitrator which shall contain a full statement of the grounds under which the issue or issues have been decided, shall be final and the Union, the Locals, their representatives, employees and the Company agree to abide thereby.

Each party shall bear the expense of preparing and presenting its own case. The compensation and expenses of the arbitrator and any other expenses relative to the procedures shall be borne equally by the parties.

Article 10. - Work Hours, Overtime, and Differentials

SECTION 1. The normal work week for full time employees shall be forty (40) hours. Part-time employees' normal work week shall be any normal work week that management sets at less than 40 hours.

SECTION 2. Overtime at the rate of one-and-one-half the employee's regular rate shall be paid for all hours worked over forty (40) in the seven day work week. For the purposes of computing overtime, paid Company holidays shall be counted as time worked. No other paid or unpaid time not worked shall be counted as time worked.

SECTION 3. Holiday Premium. All employees shall in addition to holiday pay be paid a holiday premium at the rate of one and one-half times their basic hourly rate for all time worked on a Company holiday; provided that hours so compensated shall be credited against any hours for which overtime payments are required.

SECTION 4. Differentials

Employees whose normal daily tour includes two (2) or more hours between 7 p.m. and 7 a.m. shall receive a daily differential in the amount of 10% of the employees basic hourly rate multiplied by the number of hours in the employees normal daily tour.

Article 11. - Changes in Scheduled Tour and Callouts

SECTION 1. Management shall establish scheduled tours, but if less than twenty-four hours advance notice is given to change an employee's scheduled starting and quitting time, the employee may elect to work the hours of his/her previously scheduled normal duty tour, in addition to the newly assigned hours.

SECTION 2. An employee who is notified to report to work as soon as possible on a non-scheduled day or during non-scheduled hours shall be considered as starting work tour when the employee is called and if employee returns to his/her residence before starting his/her scheduled normal tour, his/her work tour shall be considered as ending upon his/her arrival at his/her residence.

Article 12. - Compensation

SECTION 1. The wage schedule for employees is set forth at Exhibit II and shall be in effect for the term of this Agreement. Employees will be paid bi-weekly.

SECTION 2. Employees may be engaged or re-engaged at rates in excess of the minimum start rate, and up to the maximum pay rate at Exhibit II, at the Company's discretion.

SECTION 3. The increase interval for an employee who has not received a regular increase since employment shall be computed from the first of the month in which he or she is employed if employed prior to the sixteenth day of said month, or from the first of the calendar month following employment if employed on or after the sixteenth day of the month. Except as otherwise provided in this Agreement, all further wage increases under the schedules shall be computed from the effective date of the employee's immediately preceding regular increase. In the application of this Section, increases shall be granted on the first Sunday of the calendar month in which the increase falls due.

SECTION 5. The Company may implement team-based incentive pay linked to service and productivity standards set by the Company (up to eight percent (8%) of base wages) paid monthly, quarterly, semi-annually, or annually. The Company will meet with the Union to solicit input and review the details of any team based incentive pay plan prior to its implementation. Teams may vary in size from an individual supervisor's direct reports to all employees in the bargaining unit. This section may not be arbitrated except for the Company's obligation to meet with the Union and solicit input and review the details of any plan prior to its implementation.

SECTION 6. On each anniversary date of the contract until contract termination, wages in the attached wage schedule shall be increased by 3%, effective on the first Sunday in August in 2003, and 3% in 2004, and by a percentage that will be negotiated by the Parties if the Agreement extends into 2005 or beyond.

Article 13. - Employee Benefits

SECTION 1.

The terms of the "Employee Benefits" section of this Agreement shall apply to the employee benefit plans of the following types which are applicable to bargaining unit employees of the Operating Telephone Companies of Verizon - Maryland Inc., Verizon - Washington, D.C. Inc., Verizon - Virginia Inc. and Verizon - West Virginia Inc. ("hereafter the "OTC Associate Benefit Plans"), namely: pension (the "Verizon Pension Plan for Mid-Atlantic Associates") 401(k) savings, medical, dental, vision, life insurance, AD&D insurance, dependent life insurance, dependent AD&D insurance, short-term disability (the "Verizon Sickness and Accident Disability Benefit Plan for Mid-Atlantic Associates"), long-term disability, long term care insurance, health care reimbursement account and dependent care reimbursement account. Active regular full time employees of the Company who are represented by the Union ("Employees") shall be eligible to participate in the OTC Associate Benefit Plans, and they shall be subject to the same terms and conditions of the OTC Associate Benefit Plans as are applicable to active regular full time bargaining unit employees of the above-stated Operating Telephone Companies.

Article 13A. - Pension and Sickness and Accident Disability Benefit Plans

SECTION 1. Except as provided in this Article, there shall be no negotiations during the life of this Agreement upon changes in pensions or any other subject covered by the "Verizon Pension Plan for Mid-Atlantic Associates" and/or the "Verizon Sickness and Accident Disability Benefit Plan for Mid-Atlantic Associates."

SECTION 2. In the event, during the life of this Agreement, the Company proposes to exercise the rights provided in the "Verizon Pension Plan for Mid-Atlantic Associates" or the "Verizon Sickness and Accident Disability Benefit Plan for Mid-Atlantic Associates" by action affecting the benefits or privileges of employees represented by the Union, it will before doing so notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that no change may be made in any of the Plans which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without its consent.

SECTION 3. Any dispute involving the true intent and meaning of Section 2 of this Article may be submitted to the arbitration procedure of this Agreement. However, nothing herein shall be construed to subject any of the Plans or their administration or the terms of any proposed changes in said Plans to arbitration.

Article 14. - Holidays

SECTION 1. The following days are designated as holidays:

New Year's Day	January 1
Martin Luther King's Birthday. . .	Third Monday in January
George Washington's Birthday. . .	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day.	First Monday in September
Veteran's Day.	November 11
Thanksgiving Day	Designated Thursday in November
Day after Thanksgiving Day . . .	Friday immediately following Thanksgiving Day
Christmas Day.	December 25
Inauguration Day.	January 20 of year following Presidential Election

Article 15. - Vacation

SECTION 1. A regular full time employee will be granted the following weeks of vacation in the calendar year in which he attains the indicated years of service:

<u>Years of Service</u>	<u>Number of Weeks</u>
1 to less than 7 years	2
7 to less than 15 years	3
15 years or more	4

SECTION 2. After completing one month of service, new regular full time employees are eligible for prorated vacation during the first calendar year of employment as follows:

Date of Hire	Amount of Vacation
January 1 st - 14 th	10 days
January 15 th - February 14 th	9 days
February 15 th - March 14 th	8 days
March 15 th - April 14 th	7 days
April 15 th - May 14 th	7 days
May 15 th - June 14 th	6 days
June 15 th - July 14 th	5 days
July 15 th - August 14 th	4 days
August 15 th - September 14 th	3 days
September 15 th - October 14 th	2 days
October 15 th - November 14 th	2 days
November 15 th - December 14 th	1 days
After December 15 th	0 days

SECTION 3. An employee who leaves employment during a calendar year will have vacation reduced proportionately to reflect the portion of the year the employee worked calculated by months worked. (An employee eligible for two week vacation per year who leaves employment during the year will have vacation reduced by .83 days for each month or partial month not worked. The

value of vacation taken that is not accrued will be deducted from final pay.

SECTION 4. An employee who is engaged (or reengaged) by the Company with service credited based on prior employment will not be entitled to vacation or pay in lieu thereof during the same calendar year that vacation was granted or paid in lieu thereof by a former employer where any service credit was earned. However, if the employee advises the Company within seven (7) calendar days of his engagement that he wishes to take time off without pay equivalent to no more than the number of vacation days he would otherwise be entitled to receive, such time off shall be scheduled if service and force conditions permit.

Article 16. - Personal Days

SECTION 1. Employees will be granted seven (7) days of excused paid Personal Days per calendar year. Personal Days are to be used when an employee is unable to work due to incidental illness (the first seven days of any illness prior to eligibility for Sickness and Accident Disability Plan wage replacement benefits), or absence for any other personal reason.

SECTION 2. During the employee's first calendar year, he shall accrue one (1) day of excused paid personal days immediately following each three months of completed service.

SECTION 3. Before using a Personal Day, employees should endeavor to provide as much notice as possible but, at a minimum, should notify their supervisor one hour before the start of their shift assignment. Employees who do not give such notice will have their absence considered to be unexcused.

SECTION 4. At the end of the calendar year, an employee shall receive any of his/her unused Personal Days in the form of a lump-sum payment. The payment will be made in February of the following year and will be subject to appropriate payroll taxes and deductions.

SECTION 5. The cash value of each of the unused Personal Days is one-fifth (1/5) of the employee's basic weekly wage rate in effect as of 12/31 of the year in which the Personal Day was granted subject to appropriate payroll taxes and deductions.

Article 17. - Excused Absence Days

SECTION 1. General

Employees will be paid for excused absence days under the following conditions. In all cases, payment will be at the employee's basic hourly rate.

SECTION 2. Absence for Jury/Witness Duty

An employee called for jury duty or subpoenaed to appear as a witness will be granted necessary time off with pay. A copy of the subpoena must be submitted with the timesheet for payment.

SECTION 3. Military Duty

An employee who is a member of the Armed Forces Reserves or the National Guard will be granted leave up to ten (10) working days each year for military training. While on duty, an employee will be paid the difference between his base rate pay for his normal shift and the base pay received for his military training.

SECTION 4. Death in the Family

An employee will be paid for three (3) days when absent due to the death of his immediate family member. Members of the employee's immediate family include his spouse, child, father, mother, employee's grandparents, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law.

The employee's manager may require the employee to provide some reasonable evidence of the family member's death before approving payment for the absence.

Article 18. - Board, Lodging and Travel

Section 1. When an employee is assigned to travel overnight on Company business, the employee shall be reimbursed for actual meal expenses (including tax and gratuity) up to thirty dollars (\$30) per day.

On the first day of overnight travel, only an evening meal will be reimbursed up to the daily limit. On the day of return, an evening meal will be reimbursed only if the return home was three hours beyond scheduled work hours. On all other days, two (2) meals will be reimbursed up to the daily meal allowance.

Section 2. The Company may make arrangements for necessary travel, living quarters and/or meals for overnight travel, or with prior agreement between the supervisor and employee, the employee may make such arrangements. When transportation is not provided or arranged by the Company, and private automobile transportation is provided by the employee, the employee will be reimbursed in accordance with Article 19, Reimbursement of Incidental Expenses.

Article 19. - Reimbursement of Incidental Expenses

SECTION 1. In the application of this Article, it is understood that the work assignments in connection with which the expenses are incurred must be authorized by the Company and all expenses are subject to the approval of the employee's supervisor.

SECTION 2. Employees shall be reimbursed for payments made by them for all incidental expenses actually incurred in the performance of work which they do not normally incur in the performance of their regularly assigned duties.

SECTION 3. When, with prior supervisory approval, private transportation is provided by an employee, the employee will be reimbursed consistent with the Internal Revenue Service's (IRS) standard mileage rate allowable as a business use deduction from gross income. In the event the IRS changes the standard mileage rate allowable as a business use deduction from gross income during the term of this Agreement, the Company will change the amount of the reimbursement accordingly effective on the first of the second month following publication of the change by the IRS, but in no event prior to the effective date of the IRS increase. Such reimbursement shall be in lieu of all expenses, costs, and losses incurred by the employee who furnishes such transportation; provided, however, that the Company will pay the cost of parking and toll fees incurred by the employee incident to such usage of private transportation. Any vehicle used by an employee to provide transportation under this Article must be covered by public liability and property damage insurance in amounts and under provisions which conform with the requirements of the state in which the vehicle is registered.

Article 20. - Layoff Procedure

SECTION 1. Should the Company find it necessary to lay off employees, the procedure set forth in this Article shall be followed. The Company will decide the necessity for and will determine the extent of any required layoff, the effective date or dates thereof, and the work location, job title(s), and work groups affected. (A work group shall refer to a group within the same title and work location that has any distinct specialized function.

SECTION 2. In the event the Company determines to lay off employees, it shall first notify the Union of its intent in writing. Thereafter, the layoff shall be accomplished in the inverse order of seniority, providing the remaining employees have the skill and ability to perform the work, among employees within the affected work location(s), job title and work group(s). Before laying off regular employees in a particular work group, temporary employees in that location, job title and work group will be laid off. Employees with the same seniority shall be laid off based on the last four digits of their Social Security Number with the lowest number laid-off first. The decision is not subject to arbitration.

SECTION 3. Employees who are laid off shall be given at least four (4) weeks' notice of such layoff or four weeks' pay in lieu of notice at the Company's discretion.

SECTION 4. Before hiring in any work location in an affected title and work group following a layoff, the Company will offer re-employment to qualified employees who have been laid off in that title, work location, and work group in the inverse order in which said employees were laid off, subject to the provisions of this paragraph. The Company will have fulfilled its obligation hereunder with respect to any laid off employee, by offering re-employment by registered mail addressed to the laid off employee's latest address as shown by the records of the Company. Any such laid off employee must respond and be available for re-employment within ten (10) days after the date of the offer; otherwise the laid off employee shall be deemed to have refused re-employment and the Company's obligation under this paragraph shall be terminated. There shall be no obligation to offer re-employment to any employee who has been

laid off more than one (1) year. It shall be the responsibility of laid off employees to inform the Company of changes in address.

- (a) Any laid off employee offered re-employment must be able to meet the requirements of the available job at the time such offer is made.

Article 21. - Work by Supervisors

SECTION 1. Incidental to their normal duties, supervisors and other management employees may occasionally perform work normally done by employees represented by the Union. Supervisors shall not perform such work where it would result in any long term reduction of bargaining unit work. Such work would be limited to: unusual situations in which the available work force is insufficient to meet work needs, emergencies, training activities (which may routinely be performed by supervisors or assigned to represented employees), and assistance incidental to a supervisory review of subordinates' work or assisting in resolving problems.

Article 22. - Federal or State Laws

SECTION 1. Should any Federal or State law or the final determination of any court of competent jurisdiction or any proclamation or order having the force of law at any time affect any provision of this Agreement, such provision shall be construed as having been changed to the extent necessary to conform to such law or decision. In the event that such law, determination or proclamation shall be repealed or held unconstitutional the provision of this contract affected thereby shall be read according to its original tenor.

Article 23. - Seniority

SECTION 1. Seniority shall be based on net credited service¹ except that during any period of part-time employment, seniority shall be accrued on a pro rata basis; that is, hours of work for part-time employment up to the number of hours per day or per week which constitute respectively a normal daily tour or a normal work week for a comparable full-time employee in the same job title, shall be accumulated, and for each accumulation of 150 such hours actually worked, the seniority shall be increased by one month.

SECTION 2. To the extent permitted by work requirements, service conditions and the ability of the employee, seniority shall be the controlling factor in the selection of vacation periods by all employees, within each work group as determined by the Company.

SECTION 3. It is agreed that questions of seniority may be referred to the grievance procedure, but neither the provisions of this Article nor its interpretation or application shall be subject to arbitration.

¹ Net credited service shall be the date employed by VZA or its predecessor OnePoint Communications.

General Agreement between Verizon Avenue, Corp. and Communications Workers of America, AFL-CIO

Article 24. - Absence for Union Business

SECTION 1. To the extent that the Company determines that force and service conditions permit, two employees designated by the Union as authorized representatives of the Union or a Local will be excused without pay upon request by the employee to his immediate supervisor to attend to the business of the Union or his Local.

SECTION 2. All requests for excused absences shall be made as far in advance as possible, ordinarily not later than 3:00 P.M. of the second preceding calendar day, and the Company shall act promptly on each request. Excused absences shall not exceed 384 hours for each Union or Local Representative in any calendar year. If the designated representative is changed during a calendar year, the predecessor's hours will be counted together with successor's. In no event would the representative have less than eighty (80) hours.

Section 3. Leaves of Absence: All requests for leave of absence shall be made as far in advance as possible, ordinarily not less than two (2) weeks, and the Company shall act promptly upon each request. The initial period of a leave of absence granted hereunder shall not exceed twelve (12) months. Additional requests for leaves for periods not to exceed twelve (12) months each may be granted.

Leaves of Absence under this Article shall be granted only for the purpose of enabling the employee to accept full-time employment with the Union as a CWA International Representative.

SECTION 4. Under the provisions of this Article the number of employees to be on leave of absence at any one time shall not exceed one.

SECTION 5. A Union representative upon return from an excused absence or leave of absence shall be reinstated at work generally similar to that in which he was last engaged prior to his absence, subject, however, to the provisions of this Agreement relating to layoffs, part-timing and rehiring and, in case the employee had been on leaves of absence for a total of more than three (3) years during his service life, subject to there being a suitable job available. He shall be placed on the

payroll at the rate received when such absence began, adjusted for any general changes in wage level made during the period of absence. Adjustments shall also be made for any changes in position in accordance with existing practices and wage schedules. No physical or other examination shall be required as a requisite of reinstatement except where an obvious physical or mental condition exists which requires medical advice regarding job placement or fitness for work.

SECTION 6. In computing his net credited service, a Union Representative shall be allowed full credit for periods of leaves of absence during his total Verizon service. Except for the sole purpose of pension computation, an employee shall not receive credit for wage progression purposes for periods covered by leaves of absence granted pursuant to this Article. Employees shall retain eligibility, if any, to death benefits during any leave of absence granted under this Article.

SECTION 7. During any period of leave of absence granted pursuant to this Article the employee shall pay the premiums for the Dental Expense Plan and the Vision Care Plan. The Company shall pay premiums for Basic coverage under the Group Life Insurance Program, and the same amount toward the employee's (single or family) coverage under the Medical Expense Plan as the Company would have paid if the employee had remained on the active payroll.

SECTION 8. When an employee is excused without pay or granted a leave of absence without pay under the provisions of this Article he will not be paid for time spent in attending grievance meetings with Company or other meetings with the Company, unless mutually agreed to by the Company and the Union.

SECTION 9. Notwithstanding the provisions of this Agreement relating to its termination or any action taken thereunder, this Article shall continue in effect for one (1) year and thereafter until specifically terminated by either party on sixty (60) days written notice.

Article 25. - Union Representation

SECTION 1. At any meeting between a representative of the Company and an employee in which discipline (including warnings which are to be recorded in the personnel file, suspension, demotion or discharge for cause) is to be announced, a Union representative may be present if the employee so requests.

SECTION 2. Pay for Union representation under this Article shall be limited to one representative and shall be at the Union representative's basic weekly wage and only for actual time spent within his normal daily tour.

Article 26. - Responsible Union-Company Relationship

SECTION 1. The Company and the Union recognize that it is in the best interests of both parties, the employees, and the public that all dealings between them continue to be characterized by mutual responsibility and respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this Agreement fairly in accord with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all employees in the unit. Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and of the measures they have agreed upon to insure adherence to this purpose.

SECTION 2. Should either party claim a violation of Section 1 of this Article, its authorized representative will provide written notice of the complaint to the authorized representative of the other party. The written notice shall identify the actions, persons, dates and other details of the complaint with sufficient particularity to allow for a fair and thorough investigation of the complaint. The receiving party shall respond in writing to the complaint. The parties may by mutual agreement also meet to discuss the matter.

SECTION 3. It is agreed that appropriate action shall be taken by each party to resolve complaints presented pursuant to Section 2 of this Article in a prompt and conclusive manner; however, no provision of this Article shall be subject to the grievance procedure and the procedure outlined in Section 2 shall be the exclusive means to resolve any questions regarding the interpretation or application of this Article.

Article 27. - Non-Discrimination

SECTION 1. In a desire to restate their respective policies, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, sex, sexual orientation, age, disability, or national origin; or because of his activities in behalf of the Union; or because he is a disabled veteran or a veteran of the Vietnam era.

SECTION 2. The use of the masculine or feminine gender in this General Agreement shall be construed as including both genders and not as a sex limitation.

Article 28. - Income Security Plan (ISP)

SECTION 1. If during the term of this Agreement, the Company notifies the Union in writing that technological change (defined as changes in equipment or methods of operation) has or will create a surplus in any job title in a work location which will necessitate layoffs or involuntary permanent reassignments of regular employees to work locations requiring a change of residence, or if a force surplus necessitating any of the above actions exists for reasons other than technological change and the Company deems it appropriate, regular employees who have at least one (1) year of net credited service may elect, in the order of seniority, and to the extent necessary to relieve the surplus, to leave the service of the Company and receive Income Security Plan (ISP) benefits described in this Article, subject to the following conditions:

- (a) The Company shall determine the job title(s) and work locations and work groups in which a surplus exists, the number of employees in such titles, locations, and work groups who are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Article. Neither such determinations by the Company nor any other part of this Article shall be subject to arbitration.
- (b) The number of employees who may make such election shall not exceed the number of employees determined by the Company to be surplus.
- (c) An employee's election to leave the service of the Company and receive ISP payments must be in writing and transmitted to the Company within thirty (30) calendar days from the date of the Company's offer in order to be effective and it may not be revoked after such (30) calendar day period.

SECTION 2.

- (a) For an employee who so elects in accordance with this Article, the Company will pay an ISP Termination Allowance or One Thousand Dollars (\$1,000.00), less withholding taxes, for each completed year of net credited service up to and including thirty (30) years, for a maximum of Thirty Thousand Dollars (\$30,000.00) prior to withholding taxes.

- (b) If the total amount of the ISP Termination Allowance prior to deductions for taxes does not exceed Ten Thousand Dollars (\$10,000.00), that allowance shall be paid in a single lump sum within thirty (30) calendar days after the employee has left the service of the Company.
- (c) Except when (b) above applies, an employee may select one of the following irrevocable payment options:
 - (i) Forty-eight (48) monthly payments beginning the month following the month in which the employee leaves the service of the Company. Employees who elect this option and are within forty-eight (48) months of their sixty-seventh (67th) birthday will be paid their monthly payments over the months remaining up to their sixty-seventh (67th) birthday.
 - (ii) Half of the ISP Termination Allowance prior to deductions for taxes, in a lump sum, with the remaining half paid in forty-eight (48) monthly payments as described in (i) above. Such lump sum payments shall be paid within thirty (30) calendar days after the employee has left the service of the Company.

SECTION 3. In addition to the ISP Termination Allowance, for an employee who so elects to leave the service of the Company in accordance with Section 1 above, the Company, as an ISP Expense Allowance, will reimburse the employee for the actual expenses incurred for relocation costs, tuition or training costs, or job placement expenses related to seeking other employment, or any combination thereof, up to an amount not to exceed Seven Hundred Fifty Dollars (\$750.00) for each year of net credited service (prorated for any partial year of service) to a maximum of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00). Any such expenses for which reimbursement will be made must be approved by the Company prior to being incurred and must be incurred within one (1) year from the date of termination of employment except that reimbursement for tuition or training costs will be made for such expenses incurred within two (2) years from the date of termination of employment.

SECTION 4. The years of net credited service in determining the ISP Termination Allowance and the ISP Expense Allowance shall be prorated for any period of time during which an employee is (was) employed on a part-time basis.

SECTION 5. If the recipient of an ISP Termination Allowance is re-employed within forty-eight (48) months by the Company or by an affiliate or subsidiary company of Verizon Corporation, ISP termination allowance payments will cease. If the termination allowance was being paid in forty-eight (48) monthly payments (with no lump sum), no repayments is required. If the employee received a lump sum, or a partial lump sum and monthly payments, the employee will repay the excess over what he or she would have received if payments had been made under the forty-eight (48) monthly payment schedule. Such repayment will be made through payroll deduction in each payroll period at the rate of ten percent (10%) of the employee's basic weekly wage.

Article 29. -Termination Allowances

SECTION 1. Termination allowances in amounts computed in accordance with Section 3 of this Article will be paid to:

- (a) Regular full-time employees whose service is terminated by the Company under any of the following conditions as determined by the Company:

Dismissal (except for misconduct); provided that the regular full-time employee has completed one (1) or more years of continuous service at the time of dismissal.

SECTION 2. Termination allowances will not be paid to employees who are dismissed for misconduct, resign, voluntarily retire or who otherwise leave the service of the Company under conditions not specified in Section 1 of this Article.

SECTION 3. The amount of the termination allowance paid in accordance with this Article shall be computed at the employee's basic weekly wage in accordance with the following schedule:

<u>Number of Years Net Credited Service:</u>	<u>Number of Weeks Pay:</u>
(a) Less than 4 years	1
(b) 4 years but less than 6 years	3
(c) 6 years but less than 8 years	5
(d) 8 years but less than 10 years	8
(e) 10 years but less than 16 years	10
(f) 16 years but less than 20 years	20
(g) 20 years but less than 25 years	25
(h) 25 years but less than 30 years	35
(i) 30 years and over	40

An employee qualified to receive a termination allowance under this Article who leaves the service of the Company before receiving a vacation which he is eligible to receive at the time of his separation shall receive vacation pay in addition to the termination allowance.

The Company may in its discretion pay termination allowances amounts greater than those provided in this Section, such amounts to be determined by Company on an individual basis.

SECTION 4.

- (a) If an employee received a termination or similar allowance from the Company or from an affiliate or subsidiary company of Verizon Corporation and is subsequently employed by the Company, and the number of weeks since the date of his separation is less than the number of weeks' basic weekly wage received as a termination or similar allowance, the amount paid to the employee for the excess number of weeks shall be refunded to the company through payroll deduction in each payroll period at the rate of ten percent (10%) of the employee's basic weekly wage.

- (b) An employee who is engaged (or re-engaged) by the Company and again separated from the payroll after having former service credited shall, upon his termination be paid the difference between the amount of termination allowance computed in accordance with the provisions of this Article and any former termination or similar allowance received from, and not refunded to, an employer where service credit was earned.

Article 30. - Information Furnished Union

SECTION 1. The Company will furnish the Union, as soon as practicable after the first of each month, the following information in connection with employees represented by the Union:

(a) Name, social security number, payroll number, net credited service date, classification (regular full-time, regular part-time, temporary full-time, temporary part-time, regular term or occasional), basic weekly wages, work location, date of birth, race, sex, home address and Union local.

(b) Appropriate codes identifying any current changes in this information, as well as identification of those currently added to, or separated from, or transferred into any of the Areas; or going on, returning from, or presently on, leave of absence.

(c) The following information for those with effective Authorization for Payroll Deduction of Union Dues, etc., cards on file:

- (1) Amount of deduction.
- (2) Amount omitted or made up.
- (3) Appropriate codes indicating changes in deductions or cancellations.
- (4) Last weekly dues rate of reporting month.

SECTION 2. Prior to engaging a regular term employee or employees for any project, the Company shall notify the Union of the purpose, job title(s), location(s) and expected duration of employment in connection with the project.

SECTION 3. The Company agrees to furnish the information set forth in Section 1 of this Article to the Union. Should the Union request and the Company agree to furnish additional information, the costs for such information will be billed to the Union.

ARTICLE 31. - Wage Treatment Upon Change In Assignment

SECTION 1. Employees promoted either permanently or temporarily, within the Company will be paid in the new job as follows:

- (a) At the new wage step equivalent to their present wage step, not to exceed the maximum progression wage step for the new job;
- (b) If the wage step equivalent to their present wage step would pay less than their present wages, the employee shall be paid at the next higher wage step which is at least equal to their present wage, not to exceed the maximum progression wage step;
- (c) If there is no equivalent wage step on the new wage schedule, the employee will be paid at the next wage step of the new job which is at least equal to their present wage, not to exceed the maximum progression wage step for the new job;
- (d) If the employee's wage following promotion, or return to present wage schedule is not at the maximum progression wage step, the date for the employee's next scheduled step increase shall be measured from the date of the employee's prior scheduled step increase.

SECTION 2. If the employee is returning to the employee's prior job from a temporary promotion, the employee's wage shall be reduced by the amount of increases the employee has received, and the employee shall be paid as though the employee never left the prior job, with wage experience credit given for time spent away from the prior job.

SECTION 3. Employees who are demoted shall be paid in the new job as follows:

- (a) At the new wage step equivalent to their present wage step, not to exceed the maximum progression wage step for the new job;
- (b) If there is no equivalent wage step on the new wage schedule, the employee will be paid at the next wage step

of the new job which is at least equal to their present wage not to exceed the maximum progression wage step for the new job.

Article 32. - Waiver of Negotiations, Cancellation and Duration

SECTION 1. This Agreement sets forth all of the understandings and commitments existing between the parties, and it is agreed that the parties shall not be bound by any understandings or commitments not included herein, except that written Agreements modifying the provisions of this Agreement, or covering conditions not contained in this Agreement, shall be binding on the parties, but only if such Agreements are signed by the authorized representatives of the parties.

SECTION 2. The Company and the Union acknowledge that, during the negotiations which resulted in this Agreement, each had an unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union for the life of this Agreement each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered by this Agreement except where a provision expressly requires bargaining.

SECTION 3. Nothing in Section 1 of this Article shall be construed to relieve either the Company or the Union from obligations assumed in the settlement of a grievance; however, no grievance settlement shall have any binding application beyond the particular employee or employees for whom the grievance is presented unless the settlement is adopted by the parties through collective bargaining and reduced to writing in the form of an addition or an amendment to this Agreement.

SECTION 4. This Agreement shall be effective upon ratification, and shall continue in full force and effect until its termination at 11:59 P.M. on May 7, 2005.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names by their duly authorized representatives the day and year first above written.

Communications Workers
of America, AFL-CIO

Verizon Avenue, Corp.

By _____
Doug Thompson
Bargaining Chairman

By _____
Ron Williams
Bargaining Chairman

Date: _____

Date: _____

Sales and Service Incentive Programs

This will confirm our understanding of April 26, 2002, regarding sales and service incentive programs.

The Company may develop and implement sales and service incentive programs which will provide employees in any title who participate the opportunity to earn merchandise, cash, meals, recognition, and other awards of value based on individual and/or collective performance in achieving standards developed and administered solely by the Company.

Except for attending informational meetings, the decision of whether or not to participate in sales and service incentive programs shall be wholly voluntary. Sales employees are expected to continue their sales activities and other job responsibilities whether or not they participate in these incentive programs.

A Company representative will notify the Union of any sales and service incentive programs prior to implementation. The development, design, size, frequency, and/or administration of sales and service incentive programs, including the amount of merchandise, cash or other awards earned by participating employees, are wholly within the discretion of the Company and are not subject to the grievance or arbitration provisions of the collective bargaining agreement, except that alleged violations of the provisions of the letter may be grieved and arbitrated.

This Letter of Understanding shall expire with this General Agreement.

Union Bargaining Chair

Company Bargaining Chair

Service Quality Observing

The following is our understanding of April 26, 2002, regarding Service Quality Observing:

It is the policy of the Company to conduct Service Quality Observations in full compliance with Federal and State laws. Service Quality Observing includes Service Observing and Supervisory Observing.

Service Observing measures the overall speed, accuracy and efficiency of our telecommunications network and work forces. It is not used for evaluating individual employee performance, except in connection with sales and incentives programs.

Supervisory Observing involves observations of employee contacts with customers or service-related contacts with other employees. It is used in determining individual employee performance and as an aid to training and development.

Supervisory observations are limited to the handling of customer contacts and contacts between employees involved in the provision of customer service. Employees who may be observed will be made aware of such fact on a quarterly basis and of the general frequency of such observations. Employees' conversations will not be electronically recorded.

Records of supervisory observations will be limited to Company-related matters. They will not be disclosed except to authorized personnel for Company-related reasons. Results of observations will be periodically reviewed with employees and adverse notations, which are intended to be used against an employee for the purpose of justifying discipline, will be reviewed promptly with such employee.

Telephones which are not subject to Supervisory Observing will be provided by the Company for employees' personal calls. In addition, Supervisors will not listen in on personal conversations of employees on any telephone.

This Letter of Understanding shall expire with this General Agreement.

Union Bargaining Chair

Company Bargaining Chair

EXHIBIT I

(Last Name) (First Name and Initials) (Social Security No)

(Please Print Above Information)

**AUTHORIZATION FOR PAYROLL DEDUCTION
OF AMOUNTS EQUAL TO UNION DUES**

To:
Verizon Avenue, Corp.

Following your receipt of this authorization, I, the undersigned, hereby authorize you to deduct from my pay (including sickness or accident disability payments) amounts equal to regular monthly union dues. This authorization is being made voluntarily and is not conditioned on, or in exchange for, my present or future membership in any union.

The intervals and amounts to be deducted are those which are certified in writing by the Secretary-Treasurer of CWA. I authorize the amounts so deducted to be paid by my employer to the Secretary-Treasurer of CWA.

If after all other authorized or required deductions my pay (including sickness or accident disability payments) is not sufficient to permit the applicable deduction, it is understood that such amounts owed will be deducted by an accumulated deduction in any succeeding deduction period in which my pay is sufficient, during the four consecutive weeks (or month) immediately following; provided, however, that in no event shall deduction of more than four weeks (or one month) dues or amounts equivalent thereto, be so made up.

Deductions under this authorization shall not be made while I am on leave of absence, but such deductions shall be resumed beginning with the first regular dues deduction period following my return to active duty unless this authorization has been canceled. If however, my leave of absence is less than one month, dues or amounts equivalent thereto not deducted during that absence will also be deducted in the first regular dues deduction period following my return to duty.

I understand that my employer assumes no responsibility in connection with the above deduction except that of forwarding amounts deducted from my pay to the Secretary-Treasurer of CWA.

This authorization shall automatically be canceled when I cease to be a CWA-represented employee of Verizon Avenue, Corp. In addition, I understand that I may cancel this authorization by sending to my employer by mail a written notice signed by me and postmarked during the fourteen (14) day period prior to each anniversary date of the current or any subsequent collective bargaining agreement, or during the fourteen (14) day period prior to the termination date of the current or any subsequent collective bargaining agreement.

Union membership dues and agency fees are not deductible as charitable contributions for Federal Income Tax purposes. Dues and agency fees, however, may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

This authorization cancels as of its effective date any previous authorization for payroll deduction of dues which I have heretofore given.

(Date) (Signature of Employee)

In addition, I voluntarily authorize the deduction from my pay an amount of \$_____ in payment of my initiation fee.

(Date) (Signature of Employee)

EXHIBIT II

WAGE SCHEDULES