

We are pleased to announce that we have reached a tentative agreement on a new three year contract between CWA and AT&T Midwest. In these tough economic times, in the most economically depressed part of the country, we have reached an agreement that achieves our key goals:

- 1) Maintained and improved our Standard of Living
- 2) Protected Retirees
- 3) Enhanced employment security

There are changes in our health care that will result in increased out of pocket costs. However, when wages and the new company-funded tax-free Healthcare Reimbursement Accounts (HRAs) are factored in, CWA members--from the highest paid to the lowest--are better off, on average, every year of this contract by thousands of dollars a year.

This was a very difficult set of negotiations and we are pleased to have reached such a positive conclusion. There will be a contract explanation meeting for Local officers this Friday, July 17th, who will then hold local explanation meetings over the next few weeks. A detailed summary will also be mailed to every member along with their ratification ballot early next week. This is a tentative agreement until ratified by majority vote of members voting in a secret ballot election. Those ballots must be received back by August 6th and will be counted on August 7th. Our elected Bargaining Committee unanimously recommends ratification of this agreement.

Meanwhile, here are some of the highlights on the key issues of the new tentative agreement.

**Wages** - 3% Retroactive to 4/5/09, 3% April 2010, 2.75% (plus COLA) April 2011.

**Prem Techs** - \$3.25/hour every step, retroactive to April 5th, instead of percentage wage increase.

Will get in third year COLA if applicable.

### **Health Care**

Maintained Current Plan Rules and Contractual Rights

Monthly Premium - \$35 single/\$75 family

Preventative - no deductible, no coinsurance

Deductible - \$350/\$700

Co-insurance - 10%/40% (Out of Network)

Out of Pocket Maximum - \$1,000/\$3,000

\$3,000/\$6,000 (OON)

No Co-pays

Individual Basis for deductibles and OOP

Current employees that retire will have multiple options available to them.

### **Prescription Coverage**

Copays - 10/20/40 twice co-pay for 3 month supply mail order

Copays non-network - 75%  
Separate OOP max \$900/\$1,800  
Individual Basis for OOP

**Dental** - Same as today.

**Vision** - Same as today with one exception unique to Midwest.

**Life Insurance**

Frozen at 12/31/09 wage level for current employees/New Hires - \$15,000

Create New Tax-Free Health Reimbursement Accounts (HRA)

Active Employees will get:

\$450/\$900	Year 1 (also SSP - see below)
\$300/\$600	Year 2 "
0/0	Year 3 "

In Years 1 & 2, stock appreciation portion of SSP applies to HRA. In Year 3, both dividend portion and appreciation apply to HRA.

HRA Future Retirees* -	\$850/\$1700	Year 1
	\$150/\$300	Year 2
	0/0	Year 3

\*HRA Funding levels will be based on healthcare enrollment status as of the 1st of the year.

**Success Sharing Plan (SSP)**

\* Two parts

- a) Dividend x 150
- b) Appreciation in stock price, year over year x 150

All SSP payments to HRAs.

**Pensions**

2% - 2% - 2% (plus COLA using same formula as wages)

Preserved lump sum option for life of contract. 2012 - Start transition to PPA rate rather than GATT to calculate lump sum 25% transitions per year. However, agreement to make whole anyone who retires prior to April 1st, 2012, if the GATT interest rate produces a higher lump sum amount.

**New Hires**

Same medical.

New Hires BCB2 cash balance pension with lump sum option.

New Hires Future Retirees - ATT will pay 50% Medical.

**Employment Security**

Article 26 - Employment Security - kept Employment Security commitment language, kept

job language.

FAA (Force Adjustment Area) - approximate 35 mile radius to more fairly manage surplus.

Up front pooling of titles in FAA - Service Tech and CSS titles. Could bump Prem Tech. All

I&M can bump Prem Tech. Construction usually more senior still can bump up to 10%.

Protected 2004-2009 hires under new regional employment security language.

### **Data Comm**

Moved to core (Appendix).

Got their own Employment Security Commitment (Job Offer Guarantee).

Obtained other Datacom employment security improvements.

### **Leveraged Titles**

1) Provide protections to assure existing Service Reps are not forced to become "leveraged" as well as provide enhanced employment security for existing Service Reps through "pooling" of titles in a surplus.

2) Limited scope. If Management wants to expand "leverage" program to any other title, they must bargain to agreement (not impasse).

3) Service reps can try Leverage title for up to 6 months with return rights at same location.

4) Leverage funding (40%) increases with wage increases that impact base (60%).

### **Prem Techs**

1) Guaranteed weekend off a month - will be scheduled M-F for that week. Three states in MW have unlimited overtime in core.

2) Penalty payment for canceling of hours. If canceled less than 12 hours before tour, 2 hours pay. If canceled after report, 8 hours pay.

3) Gave additional duties with clear written definitions of what they can do and what core techs do.

### **National**

Renewed Card Check Agreement

Recognition for Video Hub Technicians

President's Council renewed

National Transfer Plan - The Company has agreed to modify the external job posting system to provide, for employees who choose to participate, a National Transfer Plan.

### **Other Items**

Retroactivity to April 5th for Wages and Arbitration rights.

Temps/Terms converted prior to ratification are current employees. Temps/Terms converted after ratification are new employees.