

**Communications
Workers of America**
District 3
AFL-CIO

Alabama, Florida, Georgia
Kentucky, Louisiana, Mississippi
North Carolina, South Carolina,
Tennessee, Puerto Rico

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Decatur, Georgia 30032
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Dear Members:

Please find details of the changes negotiated in the BellSouth Telecommunications, LLC for Utility Operations Contract with CWA. There are many changes in the agreement that will affect you the member.

As with most contracts bargained with the “new AT&T”, your bargaining team faced an employer who only wanted to take away or reduce work rules and benefits. Bargaining was difficult and frustrating. However, we were able to retain agreements that are beneficial to our members and improve some areas of the contract. This, despite the company continually responding that Utility Operations is a cost to the business, not a profit center. The primary bargaining demands from the membership were achieved, including a general wage increase each year, improvement in the return from Short Term Disability accommodation letter, addition of the BST dental and vision plans, and retention of the inclement weather letter.

The tentative agreement provides for compounded 8.21% wage increases over the next three years. Please read this information carefully before you cast your vote. Your bargaining team worked extremely hard to provide the best possible contract under the present day circumstances and unanimously supports ratification of this agreement.

In Unity,

Your Bargaining team

SUMMARY

TENTATIVE AGREEMENT 2012

CWA AND BELL SOUTH TELECOMMUNICATIONS, LLC FOR UTILITY OPERATIONS

Wages

The new wage agreement features an 8.2% compounded General Wage Increase over the life of the contract for employees at top step.

- GW I 2.25% 9/2/2012 at top of wage scale*
- GW I 2.75% 9/1/2013 at top of wage scale*
- GW I 3.0% 8/31/2014 at top of wage scale*

Wage Scale 1B

MACHINE OPERATOR

Hourly Wage Rates Effective			
	2.25%	2.75%	3.00%
Effective dates	2-Sep-12	1-Sep-13	31-Aug-14
End of 6th month	\$12.55	\$12.60	\$12.70
End of 12th month	\$14.20	\$14.40	\$14.60
End of 18th month	\$16.15	\$16.45	\$16.80
End of 24th month	\$18.30	\$18.80	\$19.35

Health Care

Current Health Care Plan retained with modifications.

- Dependents Coverage Changes effective April 1, 2013:
 - Elimination of Sponsored Child Classification
 - Elimination of Class II Dependent Classification
- The new coverage changes effective April 1, 2013. There is the possibility of two deductibles and 2 out of pockets expenses in 2013. When possible schedule elective procedures prior to December 31, 2012 or postpone until after April 1, 2013.

Health Care Plan changes beginning April 1, 2013:

- Monthly Premiums for Current Employees
 - \$38 Individual/\$81 Family Year 2013
 - \$58 Individual/\$121 Family Year 2014
 - \$79 Individual/\$163 Family Year 2015
- Monthly Premiums for employees hired August 18, 2012 through December 31, 2012
 - \$130 Individual/\$270 Family Year 2013
 - \$135 Individual/\$290 Family Year 2014
 - \$79 Individual/\$163 Family Year 2015
- Monthly Premiums for employees hired on or after January 1, 2013
 - \$130 Individual/\$270 Family Year 2013
 - \$135 Individual/\$290 Family Year 2014
 - \$135 Individual/\$300 Family Year 2015
- In-Network Deductible - \$500 Individual/\$1000 Family for all three years of the contract
- Non-Network Deductible - \$1300 Individual/\$2600 Family for all three years of the contract
- Out-of-Pocket Maximums (excluding annual deductibles)

	In-Network	Out-of-Network
	(2013/2014/2015)	(2013/2014/2015)
Individual	\$1500/\$1700/\$2000	\$4500/\$5100/\$6000
Family	\$3000/\$3400/\$4000	\$9000/\$10200/\$12000

Effective April 1, 2013, renames AT&T CarePlus Medical Plan to “AT&T CarePlus - A Supplemental Benefit Program” and restructures the program to allow the Company to include additional benefits felt to be beneficial to plan participants, and these benefits may change from time to time. The Company may unilaterally modify or discontinue the additional benefits.

Prescription Coverage

Current prescription coverage retained with modifications.

Plan changes beginning April 1, 2013:

- No change to Separate Out-of-Pocket Maximum of \$900 Individual/\$1800 Family Individual Basis for Out-of-Pocket Maximum

- Present prescription plan continues until March 31, 2013. You may incur two out of pockets in 2013. They will not be combined.
- No change to Retail – In-Network Co-pays for the first two years (up to 30 day supply, limited to 2 refills for maintenance)

	2013	2014	2015
Generic	\$10	\$10	\$10
Formulary	\$20	\$20	\$30
Non-Formulary	\$40	\$40	\$60

- Retail – Out-of-Network Co-pays (up to 30 day supply)
Participant pays the greater of the applicable Network co-pay or balance remaining after the plan pays 75% of network retail cost
- No change to Mail Order Co-pays (up to 90 day supply) for the first two years

	2013	2014	2015
Generic	\$20	\$20	\$20
Formulary	\$40	\$40	\$60
Non-Formulary	\$80	\$80	\$120

- For more flexibility, 90 day prescriptions will be available for pick-up at CVS pharmacies at mail order prices.

Employee Assistance Plan

Effective April 1, 2013 covers up to 5 sessions per issue per year

Dental

Utility Operations Employees will be eligible for the Core Dental Plan

Effective April 1, 2013 improved the dental benefits by eliminating the fee schedule by moving to the AT&T Dental Plan (management provisions)

- Dental PPO
- Dental HMO (available at the discretion of the Company)
- Monthly Premiums – 2013 – 2015

Individual	\$3
Individual +1	\$9
Family	\$16

- Monthly Premiums for Part-Time –
Greater than or equal to 20 hours = 50% of full cost of coverage
Less than 20 hours = 100% of full cost of coverage with no Company subsidy
- Deductible

Network and ONA	\$25 per individual per year
Non-Network	\$50 per individual per year
- Annual Maximum Benefit –

Network and ONA	\$1,750 per individual*
Non-Network	\$1,300 per individual*

*Not to exceed \$1,750 combined Network/Non-Network

- Orthodontic Lifetime Maximum –

Network and ONA	\$2,000 per individual*
Non-Network	\$1,400 per individual*

*Not to exceed \$2,000 combined Network/Non-Network

- Coverage Levels –

Class I (Diagnostic/Preventive):

Network and ONA*: 100%, Deductible Waived

Non-Network**: 100%, Deductible Waived

Class II (Basic restorative – fillings, extractions, periodontal treatment/maintenance):

Network and ONA*: 90%, after deductible

Non-Network**: 70%, after deductible

Class III (Major restorative – crowns, dentures, bridgework):

Network and ONA*: 80%, after deductible

Non-Network**: 50%, after deductible

Class IV (Orthodontia):

Network and ONA*: 80%, after deductible

Non-Network**: 50%, after deductible

*For Outside Network Area (ONA), paid at Network contracted rate.

**For Non-Network paid based on reasonable and customary amounts.

- Outside Network Area (ONA) –
ONA benefit provided to employees who reside in a zip code which does not meet the network standards.
ONA benefits are equivalent to PPO Network benefits.
Enrollees who are in Network will be offered the PPO option only.
Enrollees who are located outside the Network zip code criteria will be offered the ONA option only.

Vision

Utility Operations employees will now be eligible for the Core Vision Plan.

Effective April 1, 2013 improved vision benefits by moving to AT&T Vision Plan (management provisions)

- Monthly Premiums – 2013 – 2015
 - Individual \$2.50
 - Individual +1 \$5.00
 - Family \$7.00

- Monthly Premiums for Part-Time
 - Greater than or equal to 20 hours = 50% of full cost of coverage
 - Less than 20 hours = 100% of full cost of coverage with no Company subsidy

- Coverage Levels
 - Exam:** 1 exam per 12 months
 - Network: \$0/0%
 - Non-Network: \$28 towards exam cost

- **Frame Allowance:** 1 pair per 12 months
 - Network: \$130 allowance towards frame cost
 - Non-Network: \$ 30 towards frame cost

- **Lenses Allowance:** 1 set per 12 months
 - Network: \$0/0% Covers standard plastic lenses: Single, Bi-focal, Tri-focal, Lenticular, Progressive + Polycarbonate at 100%
 - Non-Network: \$30 - \$80 towards lenses

- **Contact Lenses Allowance:** Allowance per 12 months
 - Network: \$150 towards allowance
 - Non-Network: \$150 towards allowance

- 2nd Pair Benefit:** Network Only: Allows for a 2nd pair of glasses or contact lenses allowance after the first pair benefit is utilized, per 24 months.

Retiree Healthcare and Dental for Employees Who Retire During the Term of this Contract

- Retirees (treated as current employees under the Benefits Agreement)
Treated the same as current employees

- Retirees (treated as 2009 New Hire under the Benefits Agreement)
Non-Medicare eligible – Pay 50% of the full cost of coverage
Medicare eligible – ineligible for coverage
- Retirees (treated as 2012 New Hire under the Benefits Agreement)
Non-Medicare eligible – Pay 100% of the full cost of coverage
Medicare eligible – ineligible for coverage

Retiree Vision for Employees Who Retire During the Term of this Contract

Effective April 1, 2013, eligible Retired Employees will be eligible to participate in the AT&T Retiree Vision Care Program.

- Retirees (treated as current employee or 2009 New Hire under the Benefits Agreement)
Pay 100% of the full cost of coverage
- Retirees (treated as 2012 New Hire under the Benefits Agreement)
Non-Medicare eligible – Pay 100% of the full cost of coverage
Medicare eligible – ineligible for coverage

Article 1: Definitions

Updated language reflecting current company entities

Article 4: Vacations

Adds language for vacation accrual the same as BST agreement. Only applies for termination or resignation.

Article 6D: Recall from Layoff

Employees recalled from layoff will have their service bridged based on the same language as the BST contract.

Article 8C: Promotion and Transfer Plan

AT&T Mobility added to the National Transfer Plan

Article 9: Employment Security Partnership

Retained Partnership Language

Changed Tuition aid will be reimbursed after successful completion of the course.

Article 13: Union Representation

Provides for pay for union representative during investigative interview by Asset Protection

Article 17: Payroll Dues Deduction

Eliminate the company's right to charge for collecting Union dues.

Article 21: Duration of Agreement

3 year contract effective August 5, 2012

APPENDIX B

Increase boot allowance to \$85.00

Other Agreements:

Renewed the following MOAs

- Inclement Weather Work Policy
- Short Term Disability letter (added an additional 15 days unpaid excused time)
- Excused Time for Union Activity
- Promotional Wage Treatment

While the company did not accept our proposal to add new work, they did agree to look at the feasibility to eliminate contracting out work such as ROT, pit digging, and locating that can be done by bargaining unit employees.

Success Sharing Plan (SSP)

Eligible employees will continue to have the opportunity to share in the Company's success through a reward program keyed to the Company's performance.

The SSP award will be paid in cash and made as soon as practicable after the award year and normally occur the payday of the last full pay period in November.

SSP Payout Examples

For Award Years 2013, 2014 and 2015:

Employees will receive a total payout based on the difference between the ending stock value and the beginning stock value for the award year times 150 success units plus the dividend rate value declared each quarter times 150 success units.

Accelerated Payment on 2012 Award – If this agreement is ratified by September 28, 2012, eligible employees shall receive an accelerated payment of \$1,323 issued in the form of a lump sum representing the stock appreciation value and the dividend rate value as those terms are used and defined in 2009 agreement's Success Sharing Plan for 2012. This measures the difference between the June 29, 2012 closing AT&T stock price and the October 3, 2011 closing AT&T stock price, plus the dividend rate value for December 2011, March 2012 and June 2012. This accelerated payment will be made as soon as practicable after the ratification of the 2012 agreement. There will also be a true up payment made at the end of the award year to account for any additional increases in stock value and the dividend rate value for September 2012.