

Tentative Agreement Summary

Changes/modifications:

Article 1. Duration

- 5 year contract – October 3rd, 2004 through September 26th, 2009

Article 2. Union Security

- Dues authorizations and cancellations will be coordinated through a single process

Article 11. Job bidding

- 11.4, employees not selected for a job bid will be given the reasons that they were not selected if they request that information
- 11.5 Job 'descriptions' was changed to job 'briefs'
- 11.13 Employees who are on temporary assignments to a different classification will have that assignment entered in their records at their request

Article 20. Holidays

- Add one floating holiday effective 1/1/2007

Article 21. Vacation

- Allows employees to designate additional day-at-a-time vacation

Article 23. Group Insurance Benefits

- Comprehensive medical plan
- Company continues to pay 100% of the premiums for active employees and their families for the medical plan coverage
- Dental coverage will remain at Company paid premium for single coverage only
 - 9 new provisions effective July 1st, 2005
 - \$5 co-pay for allergy shots (injection only)
 - Artificial insemination/in vitro fertilization – 50%
 - Accupuncture – 80% after deductible
 - Physical/occupational therapy – 80% after deductible
 - Influenza immunization – 100% for one every year
 - Prostate specific antigen every year for men over 50 – 100%
 - Sigmoidoscopy every 3 years for men and women over 50 – 100%
 - Fecal occult blood test every year for men and women over 40 – 100%
 - 8 improved Plan provisions
 - mammogram every year for women over 50 – 100%
 - Pre-admission tests – 100% after deductible
 - Inpatient services supplies – 80% after deductible out-of-network
 - Home health care – 100%

- Hospice care/bereavement counseling – 100%
- Annual opt out credit increased from \$500 to \$700
- Added annual opt out credit for spouse only @\$350
- New spousal surcharge
 - \$40 per month charge if the employees spouse is eligible for coverage with another employer, but waives that coverage
 - The surcharge does not apply if the spouse makes \$25,000 per year or less or if the cost of that coverage would be \$900 or more dollars a year.

Article 33. Job Titles

- Administrative Assistant changed to Administrative Clerk
- Business Zone Technician changed to Business Zone Technician 1
- Cable Technician changed to Lineworker
- COE Installer changed to Equipment Installer
- Coin Telephone Collector/Maintainer changed to Collector/Maintainer
- Customer Technician-Data Applications changed to Customer Engineer-Data Applications
- Dispatcher changed to Dispatch Clerk
- Fleet Mechanic changed to Vehicle Maintenance Mechanic
- Fleet Technician changed to Vehicle Maintenance Technician
- Installation and Repair Technician title, dropped
- Reports and Records Representative changed to Report and Records Clerk

Article 33. Compensation

- Wages
 - If ratified, a 4% lump sum payment retroactive to October 3rd, 2004
 - Examples:
 - Wage Schedule 4 – at top rate \$1,466.00
 - Wage Schedule 9 – at top rate 1,999.00
 - Wage Schedule 10 – at top rate 2,102.00
 - 1% base wage increase retroactive to October 2nd, 2004
 - 2% base wage increase effective October 2nd, 2005
 - 2.5% base wage increase effective October 1st, 2006
 - 2.5% base wage increase effective September 30th, 2008
 - 2.5% base wage increase effective September 28th, 2008

Memorandums of Agreement

- Business Attire – dropped old letter substituted one limited to Fiber Network Technician title
- Contracting and Term employees – extend the MoA and modify conditions for use of term employees in lieu of contractors
- Fiber Network Field Technician title – added title for FTTP work
- Extended the Hearing Aid benefit in a separate MoA
- Pension Plan – increased Pension minimums by 5%
- Interworking – when assigned to work in IBEW exchanges, will be paid IBEW rate

- Lump Sum – maintained
- Long Term Care – a new benefit with a new window
- Pension Benefit – survivor benefit improved
 - Continue 50% option but limit to non-spouse beneficiaries more than 25 years younger
 - Add 65% option for spouse and beneficiary less than 25 years younger than participant
- Public Communications Incentive Compensation Plan – these employees move to TPA effective 1/05
- Supplemental Term Life Insurance
 - Replaces GUL/Living Benefit Rider with improved coverage levels
 - Effective 7/1/05
- Long Term Care
 - Home health care/assisted living/nursing home assistance
 - Effective 7/1/05
- Long Term Disability
 - Continue current plan provisions
 - Special enrollment offered Spring 2005
 - Abbreviated evidence of insurability application process
- Voluntary Employee Benefit Agreement – retiree healthcare
 - Increased Premium Caps
 - Maintained current benefit levels/costs – out of pocket maximum increase from \$2,500 to \$3,000
 - Continue service-linked contribution schedule
- Cancellations
 - Terminate old Business Attire MoA, Facility Provisioning Specialist, Purchase of Optical products and Switch Provisioning Specialist

Wage Settlement Comparisons

	Verizon Northwest	Verizon East	Bell South	SBC
2003		3% lump sum		
2004	1% base + 4% lump sum	2% base wage increase	1% base + 4% lump sum	2% base + 1% lump sum
2005	2% base wage increase	2% base wage increase	2% base wage increase	2.5% base wage increase
2006	2.5% base wage increase	2% base wage increase + cola	2.5% base wage increase	2% base wage increase + \$250
2007	2.5% base wage increase	2% base wage increase + cola	2.5% base wage increase	2.25% base wage increase + cola + \$375
2008	2.5% base wage increase		2.5% base wage increase	2.25% base wage increase + cola + \$375

Cost of Company Contribution for Medical Insurance for NW CWA employees

	Total Unit cost*	cost per person	\$ increase over 2004	%increase over 2004
2004	\$3,412,000.00	\$ 7,702.03		
2005	\$3,857,000.00	\$ 8,706.55	\$ 1,004.51	13.04%
2006	\$4,349,000.00	\$ 9,817.16	\$ 2,115.12	27.46%
2007	\$4,871,000.00	\$ 10,995.49	\$ 3,293.45	42.76%
2008	\$5,409,000.00	\$ 12,209.93	\$ 4,507.90	58.53%
2009	\$5,953,000.00	\$ 13,437.92	\$ 5,735.89	74.47%
	Total average increase over five years, per employee		\$ 16,656.88	

It is projected that the 100% company contribution will be worth an additional \$16,656 to each CWA represented employee during the term of the new five year contract.

Cost to the Company

• Wages – base wage increases and lump sum payment	\$ 9,482,000.00
• Health Care	2,541,000.00
• Retiree Medical	14,000,000.00
• Additional Personal Holiday	248,000.00
• Pension Plan Survivor Benefits	601,000.00
Total	\$ 26,872,000.00