

# MEMORANDUM OF AGREEMENT

## Progression Increases

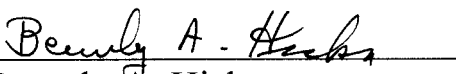
This Memorandum of Agreement is entered into as of June 27, 2007 between the Communications Workers of America (“CWA” or the “Union”) and BellSouth Corporation, a wholly-owned subsidiary of AT&T Inc., and the BellSouth subsidiaries who are parties to the current CWA collective bargaining agreements (collectively referred to as the “Company”) regarding progression increases.

Effective with the AT&T payroll system conversion in December, 2007, the effective date for progression increases will be at six (6) month intervals, or at such other intervals as specified in the applicable Wage Tables.

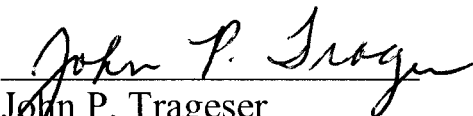
This provision will apply in the following Working Agreements:

- 2004 BellSouth Telecommunications, Inc – Article 2.04
- 2004 BellSouth Billing, Inc. – Article 2.04
- 2004 BellSouth Affiliated Services Corporation – Article 2.03
- 2004 BellSouth Advertising and Publishing Company – Article 2.04
- 2004 BellSouth Corporation – Headquarters – Article 2.03
- 2006 BellSouth Long Distance, Inc. – Article 3L
- 2006 National Directory & Customer Assistance – Article 3L

For the Union

  
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For the Company

  
John P. Trageser  
Senior Director – Labor Relations  
AT&T Southeast