

Memorandum of Agreement

Passed 13-12 Vote on 2-26-07

Use of Term Employees

BellSouth Telecommunications, Inc. (the Company) and the Communications Workers of America (the Union) agree to modify the BST working agreement concerning the use of Term employees as follows:

Scope: Any work currently performed by employees holding the title of Service Representative or Sales Associate.

Guidelines:

1. Employment may continue for up to 36 months.
2. Term employees will be eligible for the BellSouth Medical, Dental, and Vision Assistance Plans under the same terms as a regular, full-time employee (i.e., no healthcare premiums after attaining six months service, etc.).
3. This agreement satisfies the requirement to notify the CWA Local President prior to using term employees and after term employees have been engaged for 24 months.
4. The Company will include all term employees on the payroll in the quarterly report to the CWA State Representatives as provided for in Article 1.33.
5. Laid off employees who are hired as Term employees will not forfeit their Article 7.02 recall rights.
6. Any regular Sales Associate or Service Representative declared surplus will have the right to transfer in their title, in their organizational unit, to an office where term Sales Associates or Service Representatives reside, first within the state, then within the region. However, the Company reserves the right to assign the surplus employee to a location nearest their current job. If this results in a surplus in that location, the term employees will be work completed, up to the number of surplus.
7. Due to changing business and economic conditions, it is not possible for the Company to make specific commitments regarding office closings and force adjustments. However, the Company has no plans to close offices as a result of this agreement or to layoff regular Sales Associates or Service Representatives solely for the purpose of replacing them with term employees.

Duration: This Memorandum of Agreement is for the life of 2004 BST Working Agreement

For the Union: Beverly Hicks, Assistant to the Vice President CWA - District 3

For the Company: Michael L. Matthews, Vice President - Labor Relations AT&T Southeast