L. Settlement Agreement (Verizon Business)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into by International Brotherhood of Electrical Workers, AFL-CIO Locals 827, 1944, 2213, 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, and their District Councils ("IBEW"), Verizon New York Inc. ("VZNY"), Verizon New England Inc. ("VZNE"), Verizon Services Corp. ("VSC"), Verizon Corporate Services Corp. ("VCSC"), Verizon Pennsylvania Inc. ("VZPA"), Verizon New Jersey Inc. ("VZNJ"), Verizon Business Global LLC ("VZB"), and MCI Communications Services, Inc. ("MCS"). For purposes of this Agreement, "Service Company" shall mean VSC or another company designated by VZNY, VZNE, VSC, VCSC, VZPA, or VZNJ to perform the work described in Paragraph 1 below, that is or becomes party to a collective bargaining agreement with the IBEW.

WHEREAS, the company parties to this Agreement other than VZB and MCS ("Companies"), on the one hand, and the IBEW, on the other, are parties to certain collective bargaining agreements ("Labor Agreements");

WHEREAS, the IBEW represents employees in bargaining units ("Bargaining Units") covered by the above-mentioned Labor Agreements, including: plant employees in various technical and related occupations, commercial employees in various sales, customer care and related occupations, operators in various operator and related occupations, and accounting employees in various accounting, billing and related occupations;

WHEREAS, prior to January 6, 2006, the Companies served their largest business customers ("Enterprise Customers") through an organization known as the Enterprise Solutions Group ("ESG");

WHEREAS, the Companies' employees in the Bargaining Units performed services on behalf of ESG prior to January 6, 2006;

WHEREAS, on January 6, 2006, Verizon Communications Inc, the parent company of the Companies, acquired MCI, Inc. ("MCI");

WHEREAS, after January 6, 2006, MCI, renamed as VZB, became the organization responsible for serving the Enterprise Customers of the Companies;

WHEREAS, MCS is the subsidiary of VZB engaged in the installation, maintenance and operation of VZB's network throughout the United States;

WHEREAS, in 2006 and 2007, the IBEW filed a number of grievances against certain of the Companies pursuant to the CBAs, alleging that Bargaining Unit work was transferred to Verizon Business in violation of the Labor Agreements, including but not limited to Grievance Nos. 318-06 (New England), P-98-07 (New England), C-790-06 (New England), and 1-06-446 (New Jersey);

WHEREAS, the Companies denied and continue to deny the allegations of the IBEW's grievances;

WHEREAS, the parties now desire to settle these and all of the matters referred to herein on a non-precedential basis, they agree as follows:

- Work By Service Company. The work described below in this Paragraph 1(a) and 1(b) performed on the VZB network, within the Thirteen-State/DC Area where the IBEW represents employees of the Companies performing the same or equivalent work shall be contracted to a Service Company that is or becomes a party to a Labor Agreement with the IBEW. For purposes of this Agreement, "Thirteen-State/DC Area" shall mean the area comprised of the thirteen states of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia:

(a) effective as of December 28, 2008, the work of the Thirteen-State/DC Area Apprentice Technicians, Technicians, Advanced Technicians, and Senior Technicians currently employed by MCS, including the performance of wiring, the making of physical connections, the installation and testing of equipment and circuits, in the central offices, outside plant, and on customer premises, required for purposes of filling customer orders, the repair or maintenance of malfunctioning circuits, and connecting customer premises to the network. Service Company shall be the sole contractor for this work and shall perform this work exclusively. Currently there are approximately 445 MCS employees in such positions in the Thirteen-State/DC Area, but that number may fluctuate based upon business needs;

(b) effective as of December 28, 2008, the work of the Thirteen-State/DC Area Apprentice Technicians, Technicians, Advanced Technicians, and Senior Technicians currently employed by MCS in its Operation Support Centers, including the performance of remote on-net local metro private line circuit activation, LD DS-3 remote connections in SONET and DXC platforms, LD switch IMT and FG-D activations, repair of LD switch and DS-3 level circuits, escalation and coordination of LEC DS-3 repair, statusing customers regarding installation or repair activity, and field force coordination as required for the above described activities. Service Company shall be the sole contractor for this work and shall perform this work exclusively. Currently there are approximately 145 MCS employees in such positions in the Thirteen-State/DC Area, but that number may fluctuate based upon business needs.

2. Performance of Work at Service Company. The Labor Agreements between the IBEW and Service Company shall provide that IBEW bargaining unit employees of Service Company shall perform the work described in Paragraph 1 within the Thirteen-State/DC Area where the IBEW currently represents employees of the Companies performing the same or equivalent work. Service Company shall create one or more new job title(s) and/or job classification(s) for the performance of the work described in subparagraphs 1(a) and 1(b), and shall recognize the IBEW as the bargaining representative of the employees in those new job title(s) and/or job classification(s). Employees within these job title(s) and/or classification(s) shall be included in the applicable Labor Agreements that cover "Plant" employees, and shall be paid in accordance with attached Schedule A. The provisions of the appropriate "Plant" Labor Agreements shall apply to Service Company employees within these job title(s) and/or classification(s), except as modified as set forth in Schedule B, attached hereto.

3. Hiring at Service Company. With respect to the work described in subparagraphs 1(a) and 1(b) above, at a designated time prior to December 28, 2008, MCS employees performing such work shall have the opportunity, if they so choose, to express an interest in being hired into the positions at Service Company to be created in connection with this Agreement that are the same as or equivalent to the position that they currently hold. During this period, and notwithstanding the provisions of any other agreement, such employees who express an interest and are on the payroll on December 27, 2008 shall be hired to perform work described in subparagraphs 1(a) and 1(b) above. Positions will be filled pursuant to the applicable provisions set forth in Schedule B.

4. Dismissal of Grievance. The parties agree to the dismissal with prejudice of Grievance Nos. 318-06 (New England), P-98-07 (New England), C-790-06 (New England), 1-06-446 (New Jersey), and any other case of any kind or nature in the Thirteen-State/DC Area raising the issue of whether the transfer of any work to, or the performance of any work by, VZB or MCS violates the Labor Agreements.

5. Waiver of Claims. The parties agree as follows:

1) The IBEW promises and agrees that, in connection with any arbitration, and in connection with any other legal, equitable or administrative suit, proceeding or charge arising subsequent to the effective date of this Agreement between the IBEW and Verizon Communications Inc., VZNY, VZNE, VSC, VCSC, VZPA, VZNJ, VZB, MCS, or Service Company, including but not limited to any proceeding before the National Labor Relations Board or its delegate, the IBEW hereby waives any claim, allegation, or argument, and agrees to refrain from presenting this Agreement, or any action or information related to it, as evidence in support of any claim, allegation or argument, that any or all of Verizon Communications Inc., VZNY, VZNE, VSC, VCSC, VZPA, VZNJ, VZB, MCS, Service Company and/or any of their past, current or future subsidiaries and/or their divisions, units, agents, or affiliates, are or have been a single employer, joint employers, alter-egos, or that any employees should be accreted to any bargaining unit, or that IBEW-represented employees in any company are enttled to perform any work, to the extent that any such claim, allegation or argument is based upon:

(1) the claims underlying Grievance Nos. 318-06 (New England), P-98-07 (New England), C-790-06 (New England), 1-06-446 (New Jersey), any case dismissed in accordance with this Agreement, or any claims made or any action taken in connection with, in relation to, or as a result of this Agreement;

(2) access to systems, equipment, accounts or training associated with this Agreement or its implementation, or the management, supervision or direction of employees associated with this Agreement or its implementation, or any changes in the administration and/or control of labor relations by Verizon Communications Inc., VZNY, VZNE, VSC, VCSC, VZPA, VZNJ, VZB, MCS, Service Company and/or any of their past, current or future subsidiaries and/or their divisions, units, agents, or affiliates as a result of this Agreement or its implementation; or

(3) any change in the scope, availability in employees, or administration by management of any program or practice for the effectuation of employee-initiated transfers between or among different subsidiaries or bargaining units as a result of this Agreement or its implementation; provided, however that this subparagraph (3) shall not be construed as having any effect on the IBEW's right or the Companies' obligation, to the extent the same may exist under applicable law and/or any pre-existing CBAs, to negotiate changes in the terms and conditions applicable to such transfers.

2) The IBEW, as an organization and on behalf of its members, hereby waives and releases any claim in existence at the time of this Agreement in the Thirteen-State/DC Area alleging that VZNY, VZNE, VSC, VCSC, VZPA, VZNJ, Service Company and/or any of the past or current subsidiaries and/or divisions, units, agents, or affiliates of Verizon Communications Inc., transferred work to VZB or MCS unlawfully or in violation of any agreement or that the performance of any work by VZB or MCS violates the Labor Agreements.

(6) Non-Admission of Liability. This Agreement shall not in any way be construed as an admission by VZNY, VZNE, VSC, VCSC, VZPA, VZNJ, VZB, MCS and/or Service Company that any or all of them, or any of the past, current or future divisions, units, agents, subsidiaries or affiliates of Verizon Communications Inc., acted wrongfully. Furthermore, the parties agree that this Agreement does not constitute an adjudication of the merits of Grievance Nos. 318-06 (New England), P-98-07 (New England), C-790-06 (New England), 1-06-446 (New Jersey) or any other matter. Accordingly, the parties agree that none of them has prevailed on the merits of Grievance Nos. 318-06 (New England), P-98-07 (New England), C-790-06 (New England), 1-06-446 (New Jersey) or any other matter, and that this Agreement shall not serve or be construed as evidence that any party has so prevailed.

(7) Effect on Other Agreements. This Agreement supersedes all other agreements between the parties as pertains to the grievances identified in this Agreement. The parties agree that they will work to amend any other current agreements between them as necessary to conform them to this Agreement.

(8) Non-Precedential Settlement. The parties agree that this Agreement is without precedent and that neither party may refer to this Agreement in any other grievance, arbitration, or other proceeding, except as necessary to enforce the terms of the Agreement itself.

(9) Severability. If the validity of one or more provisions of this Agreement is challenged in a court of law or before the NLRB, the Company and the IBEW will cooperate and take all necessary steps to defend the validity of the Agreement. If one or more of the provisions of the Agreement is declared void, the parties will modify the Agreement, if possible, in a manner consistent with the law and the parties' original intent. If the parties are unable to agree upon a modification of the Agreement, the provision of the Agreement declared void (other than Paragraphs 1 or 2 above) will be deemed to be severed from the Agreement, and the remaining provisions will remain in full force and effect. If Paragraph 1 or 2 is declared void, and the parties cannot agree upon a modification of the Agreement which is consistent with the law and the parties' original intent, the Agreement shall be void and without any effect.

(10) Binding Agreement. This Agreement shall be binding and effective upon the parties and upon their respective predecessors, successors, and assigns.

(11) Counterparts. This Agreement may be executed in two or more counterparts, each of which counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Fax copies shall be deemed originals.

For: IBEW Local 827 Date: 8/10/08	For: Verizon New York Inc. John Navarro Date: 8/10/08
For: IBEW Local 1944 Joyce B Scott Date: 8-10-08	For: Verizon New England Inc. John Navarro Date: 8/10/08
For: IBEW Local 2213 Date: 8/11/08	For: Verizon Services Corporation John Navarro Date: 8/10/08
For: IBEW Local 2222 Date:	For: Verizon Corporate Services Corp. John Navarro Date: 8/10/08
For: IBEW Local 2313 Date:	For: Verizon Pennsylvania Inc. John Navarro Date: 8/10/08
For: IBEW Local 2320 Date:	For: Verizon New Jersey Inc. John Navarro Date: 8/10/08
For: IBEW Local 2321 Date:	For: Verizon Business Global LLC Date: 8/10/08

For: IBEW Local 2322 Date:	For: MCI Communications Services, Inc. Date: 8/10/05
For: IBEW Local 2323 Date:	
For: IBEW Local 2324 Date:	
For: IBEW Local 2325 Date:	

SCHEDULE A – WAGE RATES

New Jersey Wage Schedules

New Jersey
Apprentice Technician - Business/Government

		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate	Increase Amount
Start	6 Mos.	$ 532.50	
6 Mos.	6 Mos.	$ 561.00	$ 28.50
12 Mos.	6 Mos.	$ 589.50	$ 28.50
18 Mos.	6 Mos.	$ 618.00	$ 28.50
24 Mos.	6 Mos.	$ 646.50	$ 28.50
30 Mos.	6 Mos.	$ 675.00	$ 28.50
36 Mos.	6 Mos.	$ 703.50	$ 28.50
42 Mos.	6 Mos.	$ 732.00	$ 28.50
48 Mos. (Maximum)		$ 760.50	$ 28.50
Pension Band		**104**	

New Jersey
Technician - Business/Government

		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate	Increase Amount
Start	6 Mos.	$ 783.50	
6 Mos.	6 Mos.	$ 825.50	$ 42.00
12 Mos.	6 Mos.	$ 867.50	$ 42.00
18 Mos.	6 Mos.	$ 909.50	$ 42.00
24 Mos.	6 Mos.	$ 951.50	$ 42.00
30 Mos.	6 Mos.	$ 993.50	$ 42.00
36 Mos.	6 Mos.	$ 1,035.50	$ 42.00
42 Mos.	6 Mos.	$ 1,077.50	$ 42.00
48 Mos. (Maximum)		$ 1,119.50	$ 42.00
Pension Band		**117**	

New Jersey
Sr. Technician - Business/Government

		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate	Increase Amount
Start	6 Mos.	$ 1,017.00	
6 Mos.	6 Mos.	$ 1,071.50	$ 54.50
12 Mos.	6 Mos.	$ 1,126.00	$ 54.50
18 Mos.	6 Mos.	$ 1,180.50	$ 54.50
24 Mos.	6 Mos.	$ 1,235.00	$ 54.50
30 Mos.	6 Mos.	$ 1,289.50	$ 54.50
36 Mos.	6 Mos.	$ 1,344.00	$ 54.50
42 Mos.	6 Mos.	$ 1,398.50	$ 54.50
48 Mos. (Maximum)		$ 1,453.00	$ 54.50
Pension Band		**129**	

New England Wage Schedules

New England
Apprentice Technician - Business/Government

		Weekly Rates		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate Zone 1	Increase Amount	Wage Rate Zone 2	Increase Amount
Start	6 Mos.	$ 532.50		$ 484.50	
6 Mos.	6 Mos.	$ 561.00	$ 28.50	$ 510.50	$ 26.00
12 Mos.	6 Mos.	$ 589.50	$ 28.50	$ 536.50	$ 26.00
18 Mos.	6 Mos.	$ 618.00	$ 28.50	$ 562.50	$ 26.00
24 Mos.	6 Mos.	$ 646.50	$ 28.50	$ 588.50	$ 26.00
30 Mos.	6 Mos.	$ 675.00	$ 28.50	$ 614.50	$ 26.00
36 Mos.	6 Mos.	$ 703.50	$ 28.50	$ 640.50	$ 26.00
42 Mos.	6 Mos.	$ 732.00	$ 28.50	$ 666.50	$ 26.00
48 Mos. (Maximum)		$ 760.50	$ 28.50	$ 692.50	$ 26.00
Pension Band		**103**		**101**	

New England
Technician - Business/Government

		Weekly Rates		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate Zone 1	Increase Amount	Wage Rate Zone 2	Increase Amount
Start	6 Mos.	$ 783.50		$ 712.50	
6 Mos.	6 Mos.	$ 825.50	$ 42.00	$ 750.50	$ 38.00
12 Mos.	6 Mos.	$ 867.50	$ 42.00	$ 788.50	$ 38.00
18 Mos.	6 Mos.	$ 909.50	$ 42.00	$ 826.50	$ 38.00
24 Mos.	6 Mos.	$ 951.50	$ 42.00	$ 864.50	$ 38.00
30 Mos.	6 Mos.	$ 993.50	$ 42.00	$ 902.50	$ 38.00
36 Mos.	6 Mos.	$ 1,035.50	$ 42.00	$ 940.50	$ 38.00
42 Mos.	6 Mos.	$ 1,077.50	$ 42.00	$ 978.50	$ 38.00
48 Mos. (Maximum)		$ 1,119.50	$ 42.00	$ 1,017.00	$ 38.50
Pension Band		**116**		**112**	

New England
Sr. Technician - Business/Government

		Projected Weekly Rates		Weekly Rates	
Wage Step	Next Increase Interval	Wage Rate Zone 1	Increase Amount	Wage Rate Zone 2	Increase Amount
Start	6 Mos.	$ 1,017.00		$ 925.00	
6 Mos.	6 Mos.	$ 1,071.50	$ 54.50	$ 974.50	$ 49.50
12 Mos.	6 Mos.	$ 1,126.00	$ 54.50	$ 1,024.00	$ 49.50
18 Mos.	6 Mos.	$ 1,180.50	$ 54.50	$ 1,073.50	$ 49.50
24 Mos.	6 Mos.	$ 1,235.00	$ 54.50	$ 1,123.00	$ 49.50
30 Mos.	6 Mos.	$ 1,289.50	$ 54.50	$ 1,172.50	$ 49.50
36 Mos.	6 Mos.	$ 1,344.00	$ 54.50	$ 1,222.00	$ 49.50
42 Mos.	6 Mos.	$ 1,398.50	$ 54.50	$ 1,271.50	$ 49.50
48 Mos. (Maximum)		$ 1,453.00	$ 54.50	$ 1,322.00	$ 50.50
Pension Band		**127**		**123**	

SCHEDULE B – EXCEPTIONS TO CBAs

As stated in Paragraph 2 of the Settlement Agreement, all provisions of the applicable Labor Agreements between the IBEW and Service Company shall apply to employees in Service Company job title(s) and/or classification(s) performing the work described in Paragraph 1 of the Settlement Agreement, with the exception of the provisions set forth in Schedule B. Where any provision in Schedule B contradicts, conflicts with, or is inconsistent with the existing Labor Agreements, the provisions set forth in Schedule B shall apply and shall supersede any such contradictory, conflicting or inconsistent provision in the applicable Labor Agreements for employees in Service Company job title(s) and/or classification(s) performing the work described in Paragraph 1 of the Settlement Agreement.

SCHEDULE B

A. WAGES

- The wage schedules applicable to the job title(s) and/or classification(s) created in accordance with the Settlement Agreement, shall be as set forth in Schedule A to the Settlement Agreement.

- Employees of MCS who become employed in the job title(s) and/or classification(s) created in accordance with the Settlement Agreement and whose current base wage rate equals or exceeds the maximum wage rate contained on the wage schedule set forth in Schedule A to the Settlement Agreement will be paid at their current base wage rate and will receive the annual percentage increases to their base wage equal to the increases negotiated by the IBEW for all other technicians commencing with the increase scheduled for August 2, 2009 under the 2008 Labor Agreements. The wage rates contained on the wage schedules set forth in Schedule A shall also be adjusted annually to reflect the annual percentage increases negotiated by the IBEW for all other technicians commencing August 2, 2009. A list identifying these particular employees, as well as a list of all of the employees as of the date of the list who are expected to be employed in the job title(s) and/or classification(s) created in accordance with the Settlement Agreement will be provided to the IBEW no later than November 15, 2008.

- Service Company shall have the right, in its discretion, to pay any new hire at a rate that is higher than the start rate under the applicable wage schedule on Schedule A.

B. JOB TITLES

- Service Company shall create the following new job title(s) and/or classification(s) in accordance with the Settlement Agreement.
    - Apprentice Technician - Business/Government
    - Technician – Business/Government

- Senior Technician – Business/Government

- Employees in the new job title(s) and/or classification(s) will be placed in work groups as determined by Service Company.

- In making determinations regarding assignment of work, Service Company shall consider the individual's performance, demonstrated skills, abilities, knowledge, education, training, experience and competencies. Seniority will be used as a tiebreaker when all other qualifications are substantially equal.

- Employees may be promoted from one Technician position to another (e.g., from Technician to Senior Technician) when there is no vacant or new position to be filled. In making determinations regarding these in-place promotions, Service Company shall consider the individual's performance, demonstrated skills, abilities, knowledge, education, training, experience and competencies. Seniority will be used as a tiebreaker when all other qualifications are substantially equal.

C. STAFFING

- The workforce in the new job title(s) and/or classification(s) to be created under the Settlement Agreement may be drawn from the following categories of individuals:

  - MCS employees who satisfy the requirements of Paragraph 3 of the Settlement Agreement;

  - Employees of the Companies who may be eligible to be considered for employment in the new job title(s) and/or classification(s) and are qualified for them;

  - Applicants who are not employees of the Companies and are qualified for them.

- When filling any positions in the new job title(s) and/or classification(s) to be created under the Settlement Agreement, except as otherwise provided for in the Settlement Agreement, Service Company:

  - shall not be required to satisfy any existing contractual internal or external posting requirements or preferential hiring requirements;

  - shall provide notice of job openings to employees of Service Company and the Companies through existing processes;

  - shall consider the candidates' performance, demonstrated skills, abilities, knowledge, education, training, experience and competencies. Service Company will give existing Service Company employees equal consideration as is given to other candidates in filling new positions and shall hire an employee of Service Company or the Companies when the qualifications of Service Company/Companies and non-Company candidates are substantially equal;

- may make use of knowledge tests and interviews;
- generally will use local staffing practices if it determines to post such vacancies internally. Surplus employees of the Companies will be subject to consideration under the same selection standards as those who are not surplus employees of the Companies;
- may pay any new hire at a rate that is higher than the start rate under the applicable wage schedule on Schedule A.

- No pre-test training shall be provided by the Service Company for the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement.
- Seniority will only be used as a tiebreaker when all other qualifications are substantially equal.

D. PENSION AND RETIREE MEDICAL

- For an employee who becomes employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement, the net credited service date ("NCS Date"), under the Verizon Pension Plan for New York and New England Associates or the Verizon Pension Plan for Mid-Atlantic Associates, as applicable:
  - shall, for purposes of determining retirement pension eligibility, recognize prior service with any entity that is eighty percent (80%) or more owned directly or indirectly by Verizon Communications Inc. and prior service with MCI, Inc. (subject to any service bridging/break in service rules under the relevant plan); and
  - shall, for purposes of pension accrual, be the initial date of employment with Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement. Prior service with any entity will not be counted for purposes of pension accrual.

  To the extent existing pension plan provisions are more favorable for any particular employees, those plan provisions will be honored.

- Employees who become employed on December 28, 2008 (initial complement of employees) by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement shall be eligible for retiree medical coverage upon retirement to the same extent as a "New Hire" within the meaning of the retiree medical provisions of the applicable 2008 Memorandum of Understanding. For purposes of determining the retiree medical benefit for the initial complement of employees, prior service back to January 1, 2006 with any entity that is eighty percent (80%) or more owned directly or indirectly by Verizon Communications Inc., including MCI, Inc. and MCS as of their January 6, 2006 acquisition by Verizon shall be recognized. For employees hired after December 28, 2008 (later hires), prior service with any entity shall not be recognized and their service date for the "New Hire" retiree medical coverage shall be the initial date

of employment with Service Company in the new job title(s) and/or classifications(s) to be created under the Settlement Agreement. Provided, however, in lieu of the "New Hire" retiree medical provisions, employees who become employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement after being employed in another position under which the employee was entitled to participate in a company-subsidized retiree medical plan, shall have their retiree medical benefit entitlement determined by the pension plan in which they participate upon their employment by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement, e.g., such employees covered by the Verizon Pension Plan for New York and New England Associates shall be eligible for retiree medical benefits provided by the Verizon Medical Expense Plan for New York and New England Associates. Accordingly, for any such employees, the retiree medical benefits to which they will be entitled will be those in effect under the applicable plan as of the date of their retirement. For any such employees, their service under the predecessor retiree medical plan shall be credited and they shall continue to receive service credit while employed with Service Company.

E. JOB SECURITY

- No person employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement shall be covered by the Job Security Letter in the Labor Agreements or by the provisions with respect to "No Involuntary Layoffs, etc." and "Change in Business Conditions" contained in the "Agreement Concerning Issues Related to the Bell Atlantic-GTE Merger," which is an attachment to the parties' Memorandum of Agreement covering the Mid-Atlantic states in the Labor Agreements (collectively with the Job Security Letter, "JSL") during the period in which they are so employed. Any employee of the Companies who, immediately prior to becoming employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement, was covered by the JSL in the Labor Agreements shall not forfeit coverage under the JSL for the period of their employment with Service Company in such job title and/or classification, provided that if an employee employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement would otherwise be laid off were it not for the individual's coverage under the JSL, the individual shall be reassigned to another position (with the same general wage rate in the same geographical area) in Service Company or Companies for which the individual is qualified.

F. TRANSFER OF JOBS

- NY, NE -- The "Transfer of Jobs" agreement, which is an attachment to the parties' Memoranda of Agreement, does not apply to any of the job classifications or positions covered by the Settlement Agreement.

- Mid-Atlantic -- The provisions contained in the "Agreement Concerning Issues Related to the Bell Atlantic-GTE Merger," which is an attachment to the parties' Memorandum of Agreement, with respect to Limitations on Transfers of Jobs, do not apply to any of the job classifications or positions covered by the Settlement Agreement.

G. LAYOFFS

- In the event of the layoff of any employee occupying a Service Company job title(s) and/or job classification(s) created in accordance with the Settlement Agreement, employees occupying the Service Company job title(s) and/or job classification(s) created in accordance with the Settlement Agreement:

    - shall be considered a separate seniority pool for layoff purposes;

    - shall not be subject to being displaced or bumped by any employee;

    - shall not be permitted to displace or bump any employee in another job title and/or occupational classification.

- Any force adjustment plan or similar or related provisions of the Labor Agreements shall not apply to persons occupying Service Company job title(s) and/or job classification(s) created in accordance with the Settlement Agreement.

- When Service Company determines, in its discretion, to declare one or more job title(s) and/or job classification(s) created in accordance with the Settlement Agreement surplus in a work group or location, the following will apply:

    - Service Company will give the IBEW 15 days advance notice of a surplus which could lead to a layoff.

    - Following the 15-day notification period, the Service Company will solicit employees in the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement, by seniority order, to volunteer to leave the business with the layoff allowance specified in the Labor Agreement. Employees will have 14 calendar days to decide whether to take the volunteer offer to leave the business. The Company will determine the off-payroll date for those employees who volunteer to leave the business.

    - To the extent there are insufficient volunteers to relieve the surplus, Service Company shall lay off employees in the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement by inverse order of seniority. Those employees who are laid off will receive the layoff allowance specified in the Labor Agreement.

- Laid off employees shall be recalled in the inverse order in which such laid-off employees were laid off to a vacancy in the job title and/or classification from which the layoff occurred, or to a vacancy in a lower job title or classification for which the employee is qualified, within two years of the layoff.

H. SENIORITY

- For an employee who becomes employed by Service Company in the new job title(s) and/or classification(s) to be created under the Settlement Agreement, seniority for all purposes under the Labor Agreements other than as specified in Section D. Pension and Retiree Medical above, shall be determined by reference to NCS Date for pension eligibility purposes under the Verizon Pension Plan for New York and New England Associates or the Verizon Pension Plan for Mid-Atlantic Associates, as applicable.

I. WORK SCHEDULES

- Persons hired into Service Company job title(s) and/or job classification(s) created in accordance with the Settlement Agreement may be assigned to a normal tour consisting of any five 8-hour days within a calendar week on any shift. Such persons may, at Service Company's discretion, be assigned to a normal tour consisting of any four 10-hour days within a calendar week, with daily overtime (where such would otherwise be required by the local collective bargaining agreement) applying only to time worked in excess of 10 hours in any day. Such persons will not be eligible for Saturday differentials and/or premiums, but will be paid one and one-half times the basic hourly wage rate for hours worked on Sunday.

- Service Company may assign tours to employees occupying job title(s) and/or job classification(s) created in accordance with the Settlement Agreement based upon the performance, demonstrated skills, abilities, knowledge, education, training, experience and competencies of employees. By Thursday of any week, Service Company shall post any changes in tours for the succeeding calendar week.

- Service Company may take into account performance, demonstrated skills, abilities, knowledge, education, training, experience and competencies in the assignment and distribution of overtime. To the extent practical and consistent with business needs, Service Company, before requiring employees to work overtime, will request volunteers from among the qualified employees in the work location in which overtime will be worked. Service Company shall make a good faith effort to allot overtime equally over the course of a calendar quarter.

- In assigning work schedules and the assignment and distribution of overtime, seniority will only be used as a tiebreaker when all other qualifications are substantially equal.

J. WORK BY MANAGEMENT

- Supervisors and other management employees may perform work normally done by IBEW-represented employees in emergencies, training activities (which may be performed

by supervisors or assigned to represented employees), and assistance incidental to a supervisory review of subordinates' work.

K. OTHER

- Service Company may use contractors to perform any of the work described in Paragraphs 1(a) and 1(b) of the Settlement Agreement, provided that Service Company may not use contractors to perform such work if it would currently and directly cause layoffs or part-timing of employees. Any provisions of the Labor Agreements that can or may otherwise restrict the use of contract labor or the contracting out of work shall not apply to the work performed by the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement. The parties shall establish one Service Company Contracting and Competitiveness Initiatives Committee to discuss the IBEW's concerns about how contracting out of work can be reduced and the work provided to Service Company employees. As part of these discussions, issues impacting the competitiveness and efficient operation of Service Company will be discussed.

- Employees of Service Company in the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement performing the work described in Paragraph 1(a) may continue to be assigned to perform such work throughout the Thirteen-State/DC Area under the temporary transfer, travel, board and lodging, and other similar relevant provisions of the Labor Agreements that cover "Plant" employees to the same extent that MCS technicians were assigned to perform that work prior to December 28, 2008.

- As of the date of the Settlement Agreement, the type of technician work described in Paragraph 1(b) is performed both inside and outside of the Thirteen-State/DC Area. This work may continue to be distributed on and after December 28, 2008 among MCS and Service Company Operations Support Centers both inside and outside of the Thirteen-State/DC Area. Within a calendar year, no more than 22 percent of the total amount of such work will be performed outside of the Thirteen-State/DC Area. For example, if 145 technicians' worth of work were performed inside the Thirteen-State/DC Area, then 40 technicians' worth of work (21.7% x 185) could be performed outside the Thirteen-State/DC Area.

- The grievance procedure of the Labor Agreements covering the job title(s) and/or job classification(s) created in accordance with the Settlement Agreement shall be modified to provide for only two steps, the second or top step of which will be heard at the Labor Relations level.

- Stand-by pay – one hour of pay at the regular straight time rate shall be paid for each day assigned. Unless specifically assigned to stand-by duty, wearing a pager or carrying a cell phone does not constitute "being available" for purposes of receiving Stand-by pay.