

Wage Schedule C

Business System Technician I
Equipment Installer/Repairman
Network Technician
Service Activation Technician II

	Effective 2/7/04	Effective 3/13/05	Effective 3/13/06
Start	\$12.21	\$12.64	\$13.08
6 Months	\$13.28	\$13.74	\$14.22
12 Months	\$14.43	\$14.94	\$15.46
18 Months	\$15.67	\$16.22	\$16.79
24 Months	\$17.03	\$17.63	\$18.25
30 Months	\$18.52	\$19.17	\$19.84
36 Months	\$20.09	\$20.79	\$21.52
42 Months	\$21.84	\$22.60	\$23.39
Top	\$23.88	\$24.82	\$25.69

Wage Schedule D

Service Activation Technician I

	Effective 2/7/04	Effective 3/13/05	Effective 3/13/06
Start	\$11.12	\$11.51	\$11.91
6 Months	\$12.20	\$12.63	\$13.07
12 Months	\$13.42	\$13.89	\$14.38
18 Months	\$14.77	\$15.29	\$15.83
24 Months	\$16.20	\$16.77	\$17.36
30 Months	\$17.81	\$18.43	\$19.08
Top	\$19.73	\$20.52	\$21.24

Wage Schedule E

Customer Engineer Data Applications

	Effective 2/7/04	Effective 3/13/05	Effective 3/13/06
Start	\$14.18	\$14.68	\$15.19
6 Months	\$15.45	\$15.99	\$16.55
12 Months	\$16.83	\$17.42	\$18.03
18 Months	\$18.36	\$19.00	\$19.67
24 Months	\$20.09	\$20.79	\$21.52
30 Months	\$22.00	\$22.77	\$23.57
36 Months	\$24.11	\$24.95	\$25.82
42 Months	\$26.48	\$27.41	\$28.37
Top	\$29.17	\$30.29	\$31.35

APPENDIX B

PREMIUM AND DIFFERENTIAL SCHEDULES

1. Plant Department

1.1 Plant Tour Premiums and Differentials – All Exchanges

Night Premium: \$1.00 per hour and paid for all hours worked between 8:00 p.m. and 6:00 a.m.

1.2 Acting Supervisor

Differential \$8.00 per tour/day

Working Leader Differential \$1.00 per hour

KENTUCKY ALLTEL, INC.

AND

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL UNION NO. 463**

MEMORANDUM OF AGREEMENT

During bargaining toward the collective bargaining agreement between the parties, effective February 7, 2004, certain understandings were reached which are not recited on the face of that Agreement. This Memorandum of Agreement memorializes and/or clarifies those understandings, which are as follows:

1. Retiree Medical Benefit

Retiree Medical – The Company’s premium contribution toward retiree medical benefits will remain unchanged through December 31, 2004. Thereafter, effective January 1, 2005, the Company’s obligation reduces to 75% of the cost for employees retiring during 2005, effective January 1, 2006, the Company’s obligation reduces to 65% of the cost for employees retiring during 2006; and effective January 1, 2007, the Company’s obligation reduces to 55% of the cost for employees retiring during 2007. The percentage applicable at the date of the respective employee’s retirement will continue to apply throughout his/her retirement. For purposes of underwriting, i.e., the setting of premium determination, retirees and their claims experience will be pooled separately from active employees. Retiree medical coverages and benefit levels will track active employee benefit levels from time to time and will change in concert therewith.

2. Section 125 Plan

Effective January 1, 2005, a Section 125 plan for pre-tax payment of insurance premiums by employees will be available.

3. Educational Assistance Program

The attached ALLTEL Bargaining Unit Educational Assistance Program applies.

4. Sick Pay Program and Short Term Earnings Protection Program (STEPP)

Attached are the documents exchanged during bargaining which describe the Program referenced in Article 7 of our collective bargaining agreement.

5. Seniority and Accredited Service

On or before March 13, 2004, the Company will provide the Union with a list of all bargaining unit employees, showing the seniority date and accredited service date of each employee as of the effective date of the new Agreement. (This will be based on the information provided to the Company by Verizon as of August 1, 2002, plus service in a buried service wire position between August 1, 2002 and the effective date of the new Agreement, plus service bridged between August 1, 2002 and the effective date of the new Agreement as a consequence of a rehire during that time frame. For purposes of accredited service, it will also include service worked since August 1, 2002, but not included as a part of these earlier referenced "plus" periods. For purpose of seniority service since August 1, 2002 will count only if such service was as a member of the bargaining unit which shall be service from and after April 7, 2003 for Phonemart employees. – As among Phonemart employees, relative seniority will be determined accordingly to their respective relative accredited service dates.) At the same time, the Company will advise each employee, in writing, as to his/her seniority and accredited service date(s) as of the effective date of the new Agreement. Thereafter, the Union and employees will call to the attention of the Company any errors in the Company's records, and the parties will seek to resolve any differences. If such differences cannot be resolved, the Union may grieve the dispute(s). However, any dispute which is not resolved and not grieved within 90 days of publication of the list will be resolved in favor of the dates set forth on the list, and further dispute is precluded.

6. Classifications and Wage Schedules

The following restructuring of jobs and understandings with regard to job assignments and reclassifications were reached. References are to job titles which appeared in the collective bargaining agreement which was scheduled to expire March 13, 2004, and to the structure as it existed on February 6, 2004.

- a. Add the following new titles:
 - i. Teller – Add new Schedule A
 - ii. Service Activation Technician I – Add to Schedule D
 - iii. Service Activation Technician II – Add to Schedule C
- b. Delete and create the following titles:
 - i. Line Worker – Schedule B – The Lineworker classification will be retained and the six incumbents will continue to hold that title, subject to attrition. The Company will not add personnel to this classification and the Union acknowledges that the new contract renders FMCS Case No. 02-10529 moot. The Company will regularly assign the Somerset Lineworker to perform cable splicing in Somerset, and will regularly assign the other five (5) incumbents to perform CST functions within

their respective Areas, all without posting or bidding, and notwithstanding Article 10, Section 11.14 of the contract. These six (6) incumbents will not be reclassified involuntarily, and they will continue to select/schedule vacation, and be scheduled for daily work and overtime purposes, separately from the CST and cable work groups.

- ii. Delete Equipment Technician – Schedule C – All incumbents in the job are hereby reclassified as Network Technicians. That new job title is assigned to Schedule C.
- iii. Delete Public Access Sales Technician – Schedule D – the incumbent will be offered a position as Customer Service Technician in the Elizabethtown Area, without any posting or bidding process. If he chooses not to accept this offer, he will be laid off and will not be permitted to bump.
- iv. Delete Customer Zone Technician – Schedule B – The incumbents in this job title are hereby reclassified as Customer Service Technicians and assigned to Schedule B.
- v. Delete Vehicle Maintenance Technician – Schedule C – There are no incumbent employees in this job title.
- vi. Delete PBX Equipment Technician – Schedule C – There are no incumbent employees in this job title.
- vii. Delete Coin Collector Maintenance – Schedule D – There are no incumbent employees in the job title.
- viii. Delete Storekeeper – Schedule A – The two (2) incumbent employees in this job title will be offered positions as Customer Service Technicians in the Campbellsville Area, without any posting or bidding process. If either choose not to accept the offer, he will be laid off, and will not be permitted to bump.
- ix. Delete I&M Specialist – Schedule B – There are no incumbent employees in the job title.
- x. Delete Business Zone Technician – Schedule C – All incumbents in the job title are hereby reclassified as Business System Technicians assigned to Schedule C.
- xi. It is recognized that the Company will subcontract the functions/work presently being performed by the Lineworkers, Public Access Sales Technician, and Storekeepers referenced above. Such subcontracting will not constitute a violation of new Article 14 of the new collective bargaining agreement.

- xii. Specify that all of the Lineworkers, Equipment Installer/Repairpersons, Storekeepers, and PAST being worked in other classifications and/or reclassified will be required to meet the requirements of the job(s) to which assigned.

Note: Although the Company withdrew its proposal to delete the title of Equipment Installer Repairman, it is not the Company's intent to fill vacancies that may occur by attrition in the title, and it is the Company's intent to subcontract equipment installation work. Therefore, incumbent Equipment Installation Repairman (3) may be assigned, out of classification, without regard to any provision of the contract.

KENTUCKY ALLTEL, INC.

I.B.E.W. LOCAL UNION 463

Katherine J. Warn, Director
Labor Relations

Johnny Hunt, President/Business Manager

Date: February 7, 2004

Date: February 7, 2004

**MEMORANDUM OF AGREEMENT
ALLTEL BARGAINING UNIT
EDUCATIONAL ASSISTANCE PROGRAM**

GENERAL DESCRIPTION

ALLTEL Corporation encourages the educational growth and development of its employees by sponsoring the Educational Assistance Plan (the "EAP"). Employees will be eligible for the plan provisions stated in this MOA.

The EAP is a fringe benefit plan administered according to the Internal Revenue Code (IRC) Sections 127 and 132. Eligible employees are reimbursed out of general corporate assets for covered expenses. Reimbursement for an eligible employee may not exceed a maximum of \$2,000 only for the life of the agreement per calendar year.

COVERED EXPENSES

The following expenses are covered:

Tuition

Tuition equivalent expenses such as:

- Testing fees associated with qualifying for a course of study leading to a degree (e.g., SAT, ACT, GMAT)
- Testing fees for professional certification (e.g., CPA, PHR, CEBS)
- Fees for CLEP and other credit examination tests for which the employee receives a college credit
- Required general, activity, lab, course or technology fees
- Book expenses associated with course work
- Study materials associated with professional certification examinations (e.g., CPA Review Course)
- Correspondence courses if they meet all of the following conditions:
 1. Appropriate educational facilities are not readily available; and
 2. The course of study is job related or the degree is related to ALLTEL's business; and
 3. A form of certification is issued at the end of the course indicating successful completion and
 4. The course of study or the educational institution has been approved by a state or professional association.

WHAT IS NOT COVERED

- Any of the covered expenses listed above if the employee does not pass the course or test or become certified
- Any of the covered expenses listed above for which the employee received a scholarship or grant
- Late fees
- Installment payment fees
- Parking fees
- Retest fees
- Courses involving sports, games, or hobbies are excluded, even if required for the degree program
- Study aids not required for the course
- Supplies, including calculators, diskettes, pens and notebooks

ELIGIBILITY REQUIREMENTS

- Employee must be classified as regular full-time or regular part-time and scheduled to work at least 20 hours per week.
- Courses must be:
 - Job related and normally taken at an accredited college, university, vocational/technical school or in an adult education program; or

- Non-job related if taken as part of a degree program at an accredited college or university. The degree program must be related to ALLTEL's business (i.e., degrees utilized by ALLTEL).
- Reimbursement is limited to two courses per term.
- The employee must receive a grade of "C" or higher. A grade report must accompany the request for reimbursement.
- Course work must not adversely affect the employee's job performance.
- All class hours must be outside of the employee's normal working hours.
- The employee must be active on ALLTEL's payroll at the time of reimbursement.

TAXATION OF REIMBURSEMENT

EAP reimbursements for undergraduate and graduate classes are considered non-taxable income.

Tax laws change often. Accordingly, ALLTEL can provide no guarantee that any educational assistance will remain tax-free.

APPLICATION PROCESS

- An employee interested in educational assistance should:
 1. Complete an **Educational Assistance Application** prior to enrollment. Any applications received after course enrollment must be accompanied by a written explanation from the employee's supervisor outlining the reason for the delay and why the application should be approved.
 2. Obtain two levels of management approval on the application form.
 3. Route the approved form to the Human Resources' representative coordinating the EAP program for the employee's business unit.
- The EAP program coordinator will review the application and notify the employee and the employee's supervisor if the application is approved. Notification may be via E-mail, an approved copy of the application form, or written correspondence.

REIMBURSEMENT PROCESS

The employee must:

-apply for reimbursement within sixty (60) calendar days after completing the course(s) or receiving notification of successful completion of a test; and
 -complete a **Request for Reimbursement** form and attach receipts for covered expenses and a grade report or certificate indicating successful completion.

- The employee must complete a Request for Reimbursement form and attach a current statement of the school account showing in full all charges and payments including scholarships, loans and grants, itemized receipts for books and other covered expenses and a grade report or certificate indicating successful completion.
- The employee must pay for the class prior to submitting the reimbursement request. Deferred payment plans are accepted as proof of payment.
- The Request for Reimbursement form requires the approval of the employee's supervisor.

REIMBURSEMENT AGREEMENT

Employees seeking benefits under the Educational Assistance Plan will be required to sign a reimbursement agreement that provides for reimbursement to ALLTEL of educational benefits paid during the 12 months preceding termination of employment.

Plan Number	ALLTEL Corporation Educational Assistance Plan
Plan Number (assigned by Plan Sponsor)	510
Plan Sponsor	ALLTEL Corporation One Allied Drive Little Rock, Arkansas 72202 (and participating affiliates*) 34-0868285
IRS Employer Identification Number	
Type of Plan And Administration Plan	A self-administered fringe benefit plan
Administrator And Primary Agent For Service of Legal Process	ALLTEL Corporation c/o Pension and Benefits Committee One Allied Drive Little Rock, Arkansas 722502
Source of Contributions	501/661-8000 100% Employer Paid
Plan Year	January 1 – December 31
Claim Review	A denial of a claim will be made in writing by the Plan Administrator directly to the participant or beneficiary. A claimant will have 60 days from receipt of denial to request review. Requests for review must be made in writing to the Plan Administrator. Decisions on review will be issued within 60 days after receipt of request for review unless special circumstances require an extension.

** Participants and beneficiaries may receive from the Plan Administrator, upon written request, information as to whether a particular employer is a sponsor of the Plan and, if the employer is a Plan Sponsor, the sponsor's address. Similarly, the Plan Administrator will arrange to provide participants and beneficiaries with copies of appropriate collective bargaining agreements that may reference the maintenance of the Plan.*



EDUCATIONAL ASSISTANCE PLAN APPLICATION

EMPLOYEE NAME: _____	JOB TITLE: _____
EMPLOYEE NO.: _____	HIRE DATE: _____
HRMS DISTRICT NO/BU NO.: _____	BUSINESS TELEPHONE NO.: _____
HRMS DEPARTMENT NAME: _____	SUPERVISOR NAME: _____

TYPE OF EDUCATIONAL ASSISTANCE REQUESTED

- Course(s)
 Job Related
 Non Job Related
 Correspondence

NAME OF SCHOOL _____ LOCATION _____
 DEGREE SEEKING _____

COURSE TITLE(S)	START DATE	END DATE	TOTAL ESTIMATED COST	JR	NJR
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
			\$	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL ESTIMATED COST FOR ALL COURSES			\$		

Corporate CLEP (College Level Examination Program) Total Estimated Cost \$ _____

Testing Fees associated with qualifying for a course of study leading to a degree or professional certification Total Estimated Cost \$ _____

- CERTIFIED PUBLIC ACCOUNTANT (CPA)
- SCHOLASTIC APTITUDE TEST (SAT)
- PROFESSIONAL OR SENIOR PROFESSIONAL IN HUMAN RESOURCES (PHR, SPHR)
- GRADUATE RECORD EXAM (GRE)
- GRADUATE MANAGEMENT ADMISSIONS TEST (GMAT)
- OTHER, PLEASE DESCRIBE _____

By signing this application form, I authorize the school/entity indicated above to provide to ALLTEL Corporation any information which might be requested concerning my academic record and my activities while a participant in its program(s). Photocopies and facsimiles that show my signature are as valid as the original signed release form.

EMPLOYEE SIGNATURE: _____	DATE: _____
FIRST MANAGEMENT APPROVAL: _____	DATE: _____
SECOND MANAGEMENT APPROVAL: _____	DATE: _____
HUMAN RESOURCES DEPARTMENT APPROVAL: _____	DATE: _____

All levels of approval are required before course(s) are approved. Receipts for covered expenses and a copy of an official grade report, proof of passing test scores, or proof of certification must be submitted within 60 days of course/test completion to receive reimbursement.



EDUCATIONAL ASSISTANCE PLAN REQUEST FOR REIMBURSEMENT

EMPLOYEE NAME: _____	JOB TITLE: _____
EMPLOYEE NO.: _____	HIRE DATE: _____ BUSINESS TELEPHONE NUMBER: _____
HRMS DIST/BUSINESS UNIT NO.: _____	HRMS DEPARTMENT NO.: _____

TYPE OF REIMBURSEMENT REQUESTED

NOTE: MUST BE SUBMITTED WITHIN 60 DAYS OF COMPLETING CLASS OR TESTING PROCESS

- Undergraduate Course(s) Graduate Course(s)

NAME OF SCHOOL: _____ LOCATION: _____

COURSE TITLE(S)	JR*	NJR*	TUITION	BOOKS	OTHER	TOTAL EXPENSES
	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$	\$	\$
	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$	\$	\$
	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$	\$	\$
TOTAL COVERED EXPENSES			\$	\$	\$	\$

*JR = Job Related

*NJR = Non Job Related

- CORPORATE CLEP OR OTHER APPROVED CREDIT BY EXAMINATION PROGRAM

TYPE OF TEST	TEST SUBJECT	EXAMINATION COST	OTHER	TOTAL EXPENSES
		\$	\$	\$
		\$	\$	\$
TOTAL COVERED EXPENSES		\$	\$	\$

- Testing Fees associated with qualifying for a course of study leading to a degree or professional certification.

TYPE OF TEST	EXAMINATION COST	OTHER	TOTAL EXPENSES
	\$	\$	\$
	\$	\$	\$
TOTAL COVERED EXPENSES		\$	\$

I have attached all required receipts and a copy of a grade report or other document as verification of my successful completion of the course, test, or program. I agree to reimburse ALLTEL for any benefits I receive under the Educational Assistance Plan during the twelve months preceding termination of my employment with ALLTEL.

Employee Signature: _____	Date: _____
Manager Approval: _____	Date: _____

AIS return completed form to cost center administrative support
All other companies return completed form to local Human Resources representative

Processed in HR By: _____	Date Approved: _____
Date to Payroll: _____	

Sick Pay Program

ALLTEL provides sick pay of up to 10 days (80 hours maximum) in a calendar year for absences due to the employee's own injury or illness and routine doctors' appointments unless state law requires otherwise. ALLTEL may request a doctor's note for any absence; however, absences of more than 3 consecutive work days automatically require medical documentation for payment under the Sick Pay Program.

Eligibility

- **Regular** (scheduled to work at least 20 hours/week) employees are eligible to receive Sick Pay.
- **Part time** regular employees are eligible to receive Sick Pay on a pro-rated basis determined by their weekly work schedule.
- **New** employees are eligible for Sick Pay the first of the month in which their 3-month anniversary falls, and is prorated per number of months left in the calendar year.
- **Rehires** with at least three months of prior service are eligible for sick pay on their first day of employment, and is prorated per number of months left in the calendar year.

Employees must be actively at work with no restrictions for at least one full day in the new calendar year to be eligible to receive payment under the Sick Pay Program. For example, an employee on a leave of absence on January 1 will not be eligible for sick pay until his/her return to work for one day with no restrictions.

Medical Documentation

Pursuant to the terms of applicable law, additional information may be required at any time during the employee's absence, or ALLTEL may require the employee to submit to an examination at the Company's expense, by a company-selected physician, to determine whether the employee's condition meets the criteria for payment under ALLTEL policy. This option may be invoked by ALLTEL either to start or to continue payment.

Other ALLTEL Programs

- Absences over 3 consecutive days must be communicated to the LOA office.
- Employees who are absent for an extended period of time may qualify for other salary continuation programs, such as Short Term Earnings Protection Program or, subsequently, Long Term Disability.
- Please refer to individual program information to review eligibility.

Attendance

ALLTEL needs the help and skills of each employee every day that they are scheduled to work. When there is an absence, regardless of the reason, the Company's ability to serve its customers is negatively impacted. Regular attendance is an important job requirement, equally as important as other job performance expectations. Although ALLTEL provides the Sick Pay Program, employees should not view this as an entitlement to take paid time off if they are not incapacitated. Chronic or excessive absences and abuse or misuse of the Sick Pay Program may result in disciplinary action, up to and including termination of employment.

Workers' Compensation

If an employee is receiving Workers' Compensation benefits, the workers' compensation benefit is supplemented to 100% of ALLTEL pay. The employee's Sick Pay allotment will not be reduced by payments made through the state's Workers' Compensation program.

Other Disability Programs

If an employee is receiving disability benefits from another source (e.g. state disability, Social Security), the amount of disability pay is supplemented to 100% of ALLTEL pay by Sick Pay.

Exclusions from the Sick Pay Program

The following conditions are excluded from payment under the Sick Pay Program:

- Injuries or illnesses intentionally self-inflicted.
- Injuries resulting from the commission of a felony.
- Injuries or illnesses resulting from acts of war.
- Disabilities resulting from alcohol or drug abuse, when not under the care of a physician or prescribed treatment program.
- Purely elective surgery, not medically necessary, with the exception of organ/bone marrow donations.

For further information on leaves, refer to the [ALLTEL LOA policy](#) or consult with Human Resources.

Short Term Earnings Protection Program (STEPP)

The Short Term Earnings Protection Program (STEPP) is a salary continuation program that is separate and distinct from the Sick Pay Program. The STEPP provides up to 26 weeks of full pay per disability for eligible employees in the event of their own injury or illness, for certain qualifying conditions.

Eligibility

- **Regular** (scheduled to work at least 20 hours/week) employees are eligible to receive STEPP.
- **Part time** regular employees are eligible for STEPP on a pro-rated basis determined by their weekly work schedule.
- **New** employees are eligible for STEPP the first of the month in which their 6-month anniversary falls.
- **Rehires** with at least six months prior service are eligible for STEPP on their first day of employment.

To Apply

Employees must apply for and meet the criteria for eligibility under the Short Term Earnings Protection Program (STEPP). Application forms can be obtained from the LOA Office. Employees are encouraged to apply to the LOA Office for STEPP at least 30 days in advance, if possible.

Pay Guidelines

Upon receipt and approval of the employee's application, payment of the Short Term Earnings Protection Program will begin.

- Employees who are pre-approved for payment under STEPP will be paid in accordance with the program from the first day of approved absence.
- Payment under STEPP for approved absences will be delayed when employees do not complete their paperwork and obtain approval prior to beginning leave.
- Employees who are not pre-approved for payment under STEPP prior to the beginning of the medical leave or whose STEPP application is not approved will be paid using any available paid time (sick pay, vacation, and optional holiday).
- If all paid time is exhausted prior to or during the STEPP approval process, the employee will be unpaid until the STEPP application is approved.
- If the STEPP application is subsequently approved, the payment under STEPP will be retroactive to the first day of approved absence and the hours paid under other pay types (sick, vacation, optional holiday), will be restored.
- Non-management sales employees will receive base pay plus targeted commission if absent six consecutive days or more. The commissions differential will not go into effect until the new hire guarantee expires. Commissioned sales managers will be paid at their

base rate regardless of their length of absence because their employees will continue to achieve sales generating a commission pay out for their managers.

Medical Documentation

- Medical certification will always be required before payment under the STEPP can be approved.
- Pursuant to the terms of applicable law, additional information may be required at any time during the employee's absence, or ALLTEL may require the employee submit to an examination at the Company's expense, by a company-selected physician, to determine the employee's condition for payment-eligibility purposes. This option may be invoked by ALLTEL either to start or to continue payment.

Coordination with LTD Payment

The Long-Term Disability (LTD) plan, if applicable, contains a provision for a 180-day elimination period per disability. STEPP is intended to protect the employee's income during the LTD elimination period. The maximum duration of the STEPP period is 26 weeks. Due to the processing time for LTD claims, employees are encouraged to complete the LTD forms, if applicable, no later than 90 days after the leave commences.

Workers' Compensation

If an employee is receiving Workers' Compensation benefits, the workers' compensation benefit is supplemented to 100% of ALLTEL pay by STEPP.

Other Disability Programs

If an employee is receiving disability benefits from another source (e.g. state disability, Social Security), the amount of disability pay is supplemented to 100% of ALLTEL pay by STEPP.

Exclusions from Short Term Earnings Protection Program

The following conditions are excluded from payment under the STEPP:

- Non-confined mental conditions. Generally, confinement is defined as restricted to a health care facility such as a hospital or clinic.
- Injuries or illnesses intentionally self-inflicted.
- Injuries resulting from the commission of a felony.
- Injuries or illnesses resulting from acts of war.
- Disabilities resulting from alcohol or drug abuse, when not under the care of a physician or prescribed treatment program.
- Purely elective surgery, not medically necessary, with the exception of organ/bone marrow donations.

STEPP QUALIFYING CONDITIONS

A qualifying condition will generally fall in one of the following categories.

Hospitalization, which includes, but is not limited to, admission and care for surgeries, injuries requiring emergency or surgical attention, childbirth, and certain diagnostic procedures which fall under the full list of qualifying conditions. Minor surgeries performed on an outpatient basis and for which there is no discernible recovery period would be excluded from STEPP coverage.

Treatment, which typically refers to ongoing medical care for certain serious diseases that limit major life activities, such as cancer treatment or therapy following strokes, etc. There are many legitimate illnesses that do not meet this definition. The determination of a qualifying condition under this category is at the sole discretion of the company. Examples of exclusions include migraines, ongoing chiropractic care or allergy therapy.

Recovery, which would cover periods following hospitalization or injury. Examples of eligible recoveries would be a period of incapacity following a severe automobile accident rendering an

individual unable to perform work, period of incapacity following childbirth, recovery from surgery, etc. Not covered would be recovery from minor accidents such as a sprained ankle or cuts which require treatment but do not prevent an individual from performing work.

For further information on leaves, refer to the ALLTEL LOA policy or consult with Human Resources.



SHORT TERM EARNINGS PROTECTION PROGRAM PAYMENT REQUEST & NOTIFICATION

Purpose: This form is used for application for payment under ALLTEL's Short Term Earnings Protection Program (STEPP) for an employee's own medical condition. This information is separate from any information required for purposes of FMLA tracking and is not used for FMLA determinations. STEPP will not be paid until this form is returned to the STEPP Office and payment has been approved. STEPP is not guaranteed for every absence due to a medical condition.

Instructions: Please print legibly, completing in full. Submit to Staci Bennett by confidentially faxing to 501/905-5400 or by mailing to: ALLTEL, Attn: Staci Bennett-B4F01SSA, One Allied Drive, Little Rock, AR 72202.

Short Term Earnings Protection Program Notification

ALLTEL will not tolerate the fraudulent application for or receipt of Short Term Earnings Protection Program payment. All applications for STEPP are thoroughly investigated to determine eligibility. The receipt of STEPP is contingent on the company's determination of eligibility. ALLTEL reserves the right to refuse and/or cease all STEPP if, in its determination, an employee has not fully complied with the terms and conditions of the Plan. ALLTEL reserves the right to seek reimbursement from employees who have improperly received STEPP. Employees who fraudulently apply for or receive STEPP are subject to disciplinary action, up to and including termination.

Employee Information Section	
1. Employee Name:	2. Employee Number:
3. Address where you may be reached during your absence:	4. Telephone number where you may be reached during your absence:
5. Is this a work related illness or injury? <input type="checkbox"/> Yes <input type="checkbox"/> No	6 A. Is your job covered by a collective bargaining agreement? <input type="checkbox"/> Yes <input type="checkbox"/> No 6 B. Are you a part-time employee? <input type="checkbox"/> Yes <input type="checkbox"/> No 6 C. Are you eligible for special compensation like shift differential or targeted sales commission? <input type="checkbox"/> Yes <input type="checkbox"/> No
7. Have you applied for a Leave of Absence? <input type="checkbox"/> Yes <input type="checkbox"/> No	If not, please contact your Leave Administrator.
8. Leave start date:	9. Leave end date:
10. Mark the appropriate box(es) concerning this medical condition:	
<input type="checkbox"/> Hospitalization , which includes, but is not limited to, admission and care for surgeries, injuries requiring emergency or surgical attention, childbirth, and certain diagnostic procedures which fall under the full list of qualifying conditions. Minor surgeries performed on an outpatient basis and for which there is no discernible recovery period would be excluded from STEPP coverage.	
<input type="checkbox"/> Treatment , which typically refers to ongoing medical care for certain serious diseases that limit major life activities, such as cancer treatment or therapy following strokes, etc. Examples of exclusions would be treatment for migraines, ongoing chiropractic care or allergy therapy.	
<input type="checkbox"/> Recovery , which would cover periods following hospitalization or injury. Examples of eligible recoveries would be a period of incapacity following a severe injury rendering an individual unable to perform work, period of incapacity following childbirth, recovery from surgery, etc. Not covered would be recovery from minor accidents such as a sprained ankle or cuts, which require treatment but do not prevent an individual from performing work.	

Note: Employee signature required on Page 2.

If this form is not submitted within 30 days of the beginning of the Leave of Absence, the payment under STEPP may be denied due to timeliness of submission.

SHORT TERM EARNINGS PROTECTION PROGRAM PAYMENT REQUEST

Medical Information Release

I hereby authorize the use or disclosure of my health information as described in this authorization for the purpose of determining my eligibility for payment under the Short Term Earnings Protection Program (STEPP).

This authorization allows the release of health information from my personal health information records from any medical service provider to the ALLTEL Corporate Benefits Department, the STEPP Office, the Leave of Absence Administrator, the Vice President, Director or Staff Manager of Human Resources, Vice President or Director of Employee Relations and/or the Senior Vice President of Human Resources.

The information to be provided is all pertinent medical records information related to my claim for payment under the STEPP. This is to include, without limitation, medical examination results, medical records, medical diagnoses and medical determinations of fitness for work.

This request is made by the undersigned Employee for a determination of eligibility and payment under the STEPP.

I understand that I have the right to revoke this authorization at any time by notifying ALLTEL in writing at ALLTEL STEPP Administrator, One Allied Drive, Little Rock, AR 72202. I understand the revocation is only effective after it is received and logged by the ALLTEL STEPP Administrator. I understand that any use or disclosure made prior to the revocation under this authorization will not be affected by a subsequent revocation. Further, I understand that a revocation of this authorization to obtain my personal health information may result in a denial of payment under the STEPP.

I understand that after this information is disclosed, federal law might not protect it and the recipient might disclose it. ALLTEL intends to disclose this information to a third party only when required by law.

I understand that my initial and continued employment and position are NOT subject to my agreement to this authorization. However, I will not be eligible for payment under the STEPP if I refuse to sign this authorization.

I understand that this authorization will expire when a final determination of my payment under the STEPP is made.

Employee Signature

Date

For LOA Use Only:

Verify the employee information as shown in questions 6 A, B, and C:

6 A. If bargaining position, indicate special consideration. _____

6 B. If part-time employee, indicate number of hours per week and typical schedule (e.g., 20 hrs.; M-F 1-5).

6 C. If special compensation, indicate type (e.g., shift differential, targeted commissions) _____

If targeted commissions, indicate job code. _____

LOA Initials: _____ Date: _____

SHORT TERM EARNINGS PROTECTION PROGRAM PAYMENT REQUEST

Physician Information Section

- 1. Patient's Name: _____
- 2. Patient's Diagnosis: _____
- 3. Objective Findings regarding patient's ability to perform essential job functions. Please list any limitations (i.e., sitting, standing, walking, bending, lifting, climbing stairs, etc.)

- 4. Is physical therapy or other treatment recommended? If so, how often and what is the duration?

- 5. Was the patient hospitalized? Yes No If yes, from _____ to _____ (dates)
- 6. Was the patient confined to a hospital or facility? Yes No
If yes, from _____ to _____ (dates)
- 7. Identify any surgical procedures performed: _____
- 8. Please enter the following dates: _____ mo./day/yr.
 - a) First treatment for this condition _____
 - b) Most recent treatment for this condition _____
 - c) When patient was unable to work because of this condition _____
 - d) Estimated date when patient will be able to return to restricted duty _____
 - e) Estimated date when patient will be able to return to work with no restrictions _____
- 9. If condition is the result of pregnancy, please complete the following:
 - a) Due date or date of actual delivery _____
 - b) Type of delivery: _____ Normal _____ Cesarean
 - c) Were there any complications with _____ Pregnancy _____ Delivery _____ Postpartum
If so, please explain _____
- 10. Is this condition the result of an injury or an occupational disease caused by the employee's job?
 Yes No If yes, explain _____
- 11. Does the patient's medical condition fall into one of the three categories defined in box 10 on the first page?
 Yes No
- 11. What dates will the patient be unable to report to work?
Beginning Date _____ Returning to Work On _____

Physician's Signature

Date

Physician's Name (please print)

Office Address

Type of Practice

Telephone Number

W.C.B. Registration #

MEMORANDUM OF AGREEMENT

HOURLY EMPLOYEES PENSIONS

Verizon South, Inc. (Kentucky Division) and Local Union 463, IBEW agree to modify the Plan for Hourly Employees' Pensions. Such modifications are subject to approvals by the Company's Board of Directors and the United States Department of the Treasury. Therefore, the effective date of July 1, 2002 for the modifications will be contingent upon receipt of all necessary approvals.

Specific language will be prepared to modify the present Plan for Hourly Employees' Pensions to effect the following:

<u>Years of Accredited Service</u>	<u>Annual Minimum Payouts</u>
40 or more years	\$11,700
35 but less than 40 years	10,300
30 but less than 35 years	8,900
25 but less than 30 years	7,500
20 but less than 25 years	6,100
15 but less than 20 years	4,700

This Agreement shall become effective July 1, 2002 and shall remain in effect until midnight March 13, 2004, and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with the following procedure:

If this agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

The following provisions remain the same:

- a. ~~Unreduced Early Retirement—All eligibility provisions of the current plan shall remain in effect, except that employees who have thirty (30) years or more of accredited service may elect to take a service pension that is unreduced for early retirement.~~
- b. ~~The present pension computation amount of 1.35% of average basic compensation during the five (5) consecutive years of highest earnings will be used.~~
- c. ~~Disability Retirement—Any employee who shall become disabled on or off the job and whose accredited service is 15 years or more shall be entitled to a Disability Pension in accordance with the applicable provisions of the Plan.~~
- d. ~~Employees who have at least 15 years of service can retire when the sum of their age and service equals "76" (Rule of 76).~~

- e. ~~The pension for an employee, with less than 30 years of service, who retires early is reduced 3% for each year the employee is under age 55. Maximum 18% reduction.~~
- f. ~~Accredited service will be granted for all work beyond age 65, but not past age 70.~~
- g. ~~During the period after age 65, any improvement in the average basic pay during 5 consecutive years until the last day of the month in which the employee reaches age 70, will be used in the pension benefit calculation.~~
- h. ~~During the period after age 65 and on or before age 70, improvements agreed to pension calculation formula for all represented employees will be used in the pension benefit calculation at the time of the employee's retirement.~~
- i. ~~Employees shall not be entitled to receive pension benefits while in the active employment of the Company.~~
- j. ~~Employees will not be allowed to continue in the active employment of the Company beyond the first of the month following the month during which they become 70 years of age.~~
- k. ~~Employees who retire on the last day of the month in which they become 65 will receive retirement benefits, if any, computed at the benefit levels and in accordance with the provisions of the Plan as in effect at the time they become 65.~~
- l. ~~Employees who retire after the last day of the month in which they become 65 and who choose an optional form of retirement benefit shall have such optional benefit computed using the actuarial factors which were applicable on the last day of the month in which they became 65.~~
- m. ~~Employees may elect any person as their joint survivor as opposed to restricting this designation to the spouse.~~

2. ~~Plan Modification and Administration~~

~~The plan will be provided in accordance with the provisions set forth in this memorandum to the extent that such provisions are in conformity with applicable Federal and State laws. If any such provisions require modification, such modification will be made by the Company. The administration of the Plan shall rest solely with the Company.~~

3. ~~In the event of any dispute involving any employee's computed pension amount, the dispute, at the request of the Union, may be subject for grievance and/or arbitration in the Primary Agreement. No other matters concerning the plan shall be subject to the grievance or arbitration procedure.~~

4. ~~This agreement shall become effective as of March 18, 2001 and shall remain in effect until March 13, 2004, and shall automatically continue in full force and effect thereafter until terminated or amended in accordance with the following procedure.~~

a. ~~If this agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to the termination date set forth above or sixty (60) days prior to any date thereafter on which such cancellation is to become effective.~~

b. ~~This agreement may be amended or modified by either party by giving written notice to the other party of such desire to so amend or modify sixty (60) days and not more than ninety (90) days prior to the termination date set forth above.~~

~~That written notice shall contain a full statement as the amendments or modifications desired.~~

~~Verizon South, Inc.~~

~~International Brotherhood of Electrical
Workers, Local Union 463~~

~~Paul T. Gwaltney
Consultant Labor Relations~~

~~Jim Taylor
President/Business Manager~~

~~Date: 3/18/01~~

~~Date: 3/18/01~~

MEMORANDUM OF AGREEMENT

LUMP SUM PAYMENT OPTION

1. ~~Verizon South, Inc. and International Brotherhood of Electrical Workers, Local 463, agree to modify the Plan for Hourly Employees' Pension (hereinafter referred to as the Plan). Such modifications are conditional upon the approval from the appropriate Board of Directors and a favorable determination from the Internal Revenue Service that the Plan is and continues to be qualified under Section 401(a) of the Internal Revenue Code. Therefore, the effective date of July 1, 1996 for the following modification will be contingent upon the necessary approvals.~~
2. ~~Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.~~
3. ~~The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.~~
4. ~~This Memorandum of Agreement is effective on March 18, 2001 and shall expire on March 13, 2004. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement, relating to the lump sum payment option, shall terminate on March 13, 2004 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.~~

~~Verizon South, Inc.~~

~~International Brotherhood of Electrical
Workers, Local Union 463~~

~~Paul T. Gwaltney
Consultant Labor Relations~~

~~Jim Taylor
President/Business Manager~~

~~Date: 3/18/01~~

~~Date: 3/18/01~~

MEMORANDUM OF AGREEMENT

LUMP-SUM PENSION CALCULATION

~~Verizon South and Local 463, International Brotherhood of Electrical Workers (IBEW), recognize the lump-sum pension calculations for retirement eligible employees change on January 1, 2000, as a result of the General Agreement on Tariffs and Trades (GATT) legislation.~~

~~The Company and Union agree to protect employees who are eligible to retire on or before December 31, 1999, from adverse implications from GATT legislation.~~

~~All employees who are eligible to retire on or before December 31, 1999, and who are eligible for lump-sum pension distributions will be allowed to continue to receive the highest lump-sum produced by the two lump-sum calculation methods currently used in the GTE Pension Plans and a third new method that complies with GATT. Regardless of when these employees retire, on or after January 1, 2000, they will receive the highest lump-sum amount produced by these three methodologies.~~

~~For employees who are eligible to retire on or after January 1, 2000, pensions will be calculated by using whichever of the following rates produces the largest lump-sum amount.~~

- ~~• The GTE Plan Rate (currently the 10-year treasury bond rate)~~
- ~~• The GATT rate (30-year treasury bond rate)~~

~~This Memorandum of Agreement is effective March 18, 2001 and shall expire on March 13, 2004, unless extended by the parties in writing.~~

~~Verizon South, Inc.~~

~~International Brotherhood of Electrical
Workers, Local Union 463~~

~~Paul T. Gwaltney
Consultant Labor Relations~~

~~Jim Taylor
President/Business Manager~~

~~Date: 3/18/01~~

~~Date: 3/18/01~~

AGREEMENT

between

COMMUNICATIONS
WORKERS
OF
AMERICA

AND

Kentucky ALLTEL, Inc.

Effective October 6, 2003

(October 6, 2003 through June 7, 2006)

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**ARTICLES OF AGREEMENT
BETWEEN**

Kentucky ALLTEL, Inc.

AND

**COMMUNICATIONS WORKERS OF AMERICA
Local Unions 3371 and 3372**

THIS AGREEMENT entered into this Sixth day of October, 2003 between Kentucky ALLTEL, Inc. sometimes hereinafter referred to as the "Company" and COMMUNICATIONS WORKERS OF AMERICA, sometimes hereinafter referred to as the "Union" or "Bargaining Agency."

WITNESSETH:

WHEREAS the Company and the Union solemnly agree that it should be the duty of the parties to strive at all times to administer their respective affairs as they relate to each other by the most fair and just manner possible, and,

WHEREAS the parties realizing the above, agree that it is the duty of their respective officers, agents, employees and members to conduct themselves in an honorable manner and that will be conducive to good relationships between the parties and that will tend to be beneficial to the welfare of the Company, the Union, its members and the public which they jointly serve.

NOW, THEREFORE, in consideration of the covenants and terms herein contained, the parties agree as follows:

**ARTICLE 1
RECOGNITION**

Section 1. Kentucky ALLTEL, Inc. does hereby recognize Communications Workers of America as an agency having the exclusive right to bargain with said Company on all matters relative to rates of pay, wages, hours of employment, and other conditions of employment for all employees in the Commercial, and Plant Departments at the Employer's Ashland, Berea, Bryantsville, Catlettsburg, Flemingsburg, Grayson, Greenup, Hazard, Hillsboro, Hustonville, Lancaster, Leatherwood, Lexington, Liberty, Meads, Midway, Morehead, Nicholasville, Olive Hill, Owingsville, Paint Lick, Russell, Sharpsburg, South Shore, Tollesboro, Vanceburg, Versailles, and Wilmore Exchanges, excluding Safety Supervisors, Training Supervisors, Foremen, Wire Chiefs, District Plant Supervisors, Supply Supervisors, Service Supervisors, Engineers, Engineering Assistants, Cashiers, Assistant Cashiers, District and Exchange Managers, Commercial

Supervisors, Commercial Representatives, District and Exchange Commercial Supervisors, District and Exchange Clerks, District and Exchange Secretaries, Independent Contractors, Contractors and/or Agents and their Helpers, all confidential employees, all non-operating employees, guards, and other professional and supervisory employees as defined in the Labor-Management Relations Act of 1947, as amended.

Section 2. This Agreement shall be binding upon the successors and assigns of the Company, and no provisions, terms or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfer, or reorganization of assignment of the Company or by any change of any kind in the legal status, ownership or management, thereof.

ARTICLE 2 DEFINITIONS

BASIC RATES, WAGES, PAY – The rates of pay exclusive of all differentials, premium, or other extra payments.

CALENDAR WEEK – A consecutive period of seven (7) days, the first day of which is Sunday.

CALL-OUT –

- A. A call of an employee to perform non-scheduled work for the Company.
1. If the time worked immediately follows and connects (as defined below) with regularly scheduled time, it shall not be considered a call-out.
 2. If the time worked immediately precedes and connects (as defined below) with regularly scheduled time, it shall not be considered a call-out.

Connecting Work: Any overtime work which connects with the beginning or end of a scheduled session. If the employee requests and receives time off for a relief or meal period between the scheduled session and the overtime period, such break shall not change the connecting nature of such work.

CERTIFIED UNION REPRESENTATIVES – Are those representatives who are certified in writing to the Company by an International Union Representative.

COMMON PLACE OF REPORTING – Where used in this Agreement shall mean the same building location.

CONTINUOUS SERVICE – Is service from last date of employment or re-employment.

DAY TOUR – A tour which falls wholly within the period from 7 a.m. to 7 p.m.

DIFFERENTIAL PAY – An additional payment for certain responsibilities of positions provided for elsewhere in this Agreement.

ESSENTIALLY THE SAME TYPE OF WORK – Where used in this contract, this phrase is meant to include all work operations performed by employees who regularly interchange and/or relieve each other on work assignments within the same work group, for example, Equipment Technician to Frame Attendant, Equipment Technician to Testboard Analyzer, Equipment Technician to PBX Equipment Technician, PBX Equipment Technician to Equipment Technician, Testboard Analyzer to Equipment Technician and any other similar combination.

EVENING TOURS – Evening tours are those tours of duty which end after 7 p.m.

FULL-TIME EMPLOYEE – An employee engaged to work a full-time or normal work week.

GENDER – Whenever the masculine gender is used it is intended to include female employees, where applicable.

HEADQUARTERS – An exchange designated by the Company as being the place of employment for a particular employee or employees and on which exchange the employee's basic wage rate is established.

HOLIDAY WORK – Any work which begins on an authorized holiday.

IMMEDIATE FAMILY – Within the meaning of this contract, shall be defined as consisting of wife, husband, daughter, son, mother, father, brother, sister, grandmother, grandfather, grandmother-in-law, grandfather-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchildren or other relatives regularly living in the household of the employee.

NET CREDITED SERVICE – The amount of net credited service credited to the employee upon his/her transfer from Verizon to the Company on August 1, 2002, if any, and the employee's length of continuous service with the Company since that date.

NEW EMPLOYEE – A "new employee" is one who joins this bargaining unit from off the street, as opposed to a transfer in from ALLTEL.

NIGHT TOUR – Night tours are those tours of duty which start at or after 9 p.m. and prior to 5 a.m.

NON-SCHEDULED DAY – A day on which an employee is not assigned or scheduled to work.

NORMAL WORK DAY (TOUR) – A normal work day is eight (8) hours and may be assigned on any of the days in a calendar week or a ten (10) hour day according to Article 21, Section 11.

NORMAL WORK WEEK – A normal work week shall consist of five tours or their equivalent in tours, four tours according to Article 21, Section 11 or part tours worked in a calendar week. This does not constitute a guarantee of a normal work week.

OVERTIME RATE, PAY – Overtime rate of pay is one and one-half (1 1/2) times the basic rate of pay, plus such other differential and premium increments as required under the terms of the Fair Labor Standards Act as amended.

PART-TIME EMPLOYEE – An employee who is normally scheduled to work less than the number of hours in the normal work week. If the number of hours of work for part-time employees are not equal, an attempt will be made to offer the greater number to part-time employees in order of their seniority.

PART-TIME EMPLOYEE BENEFIT CALCULATION – Those benefits that relate to the average number of hours worked (e.g., short-term disability, vacation pay, holiday pay, death in the family, jury duty, union business, etc.) will be based on the normal hours worked during the past four weeks. For this purpose only, the calculation of average hours worked will include any vacation, holiday and disability time paid. If for any reason the hours worked during past four weeks is outside of the employees' customary hours worked, the average hours worked during the previous three months will be used.

PART-TOUR – A work assignment of less length than the normal tour or work day.

PREMIUM PAY - Is the amount in addition to basic rates which an employee is paid for working evening or night hours, Sundays and holidays.

PROMOTION – Reassignment to a job having a higher maximum rate or top basic rate. Transfer from a lower rate to a higher rated exchange where the job classification or work assignment is not changed is not a promotion. Reassignment to a different job having the same maximum, or top basic rate, is not a promotion.

REGULAR EMPLOYEE – One whose employment is reasonably expected to continue for more than one (1) year. Temporary employees are not considered regular employees.

REGULAR RATES, WAGES, PAY – Basic pay plus any differential pay.

SCHEDULED HOURS – Hours falling within an employee's scheduled tour.

SCHEDULED TOUR – Any of the tours which are officially posted on the weekly work schedule for a particular employee.

SENIORITY – The amount of seniority credited to the employee upon his/her transfer from Verizon to the Company on August 1, 2002 if any, and the employee's length of continuous service with the Company since that date.

See MOA for bridging rules in the case of any employee hired or rehired after the effective date of the Agreement. (See page 103.)

SERVICE EMERGENCIES – When used in this contract shall mean that period of time or condition when, in the opinion of management, service to the public is or would be impaired unless temporary measures are applied in an expedient manner.

SERVICE REQUIREMENTS – As used in this Agreement means the requirements that are necessary to provide adequate and satisfactory telephone service to telephone subscribers.

SESSION – One of the two parts into which a tour is divided or assumed to be divided when the nature of the employee's assignment requires constant attention on duty. A session for full-time employees shall not be less than three (3) hours.

SPLIT TOUR – A normal tour where the time interval between the end of the first session and the beginning of the second session is more than one (1) hour.

SUNDAY WORK – Any work or tour which begins on a Sunday.

TECHNOLOGICAL DISPLACEMENTS – Any regular employee shall be considered displaced by a technological change when his services shall no longer be required as a result of a change in Plant or equipment, or a change in a method of operation diminishing the total number of employees formerly required to supply the same service to the Company or its subscribers, and shall not include layoffs caused by business conditions, variations in subscribers' requirements or other temporary or seasonal interruption of work.

TEMPORARY EMPLOYEE – One whose term of employment is not intended to last more than one (1) year, or who is engaged for a specific project involving a period of time of more than a year.

TRAVEL TOUR – Is the time that is required for an employee to travel from one exchange to another without stopping at intermediate points. Such travel tours are of a duration necessary to travel by public, company or private (when authorized by the Company) transportation, whichever will accomplish the most expedient, safe and economical means of traveling between any two designated points or exchanges.

WAGE LENGTH OF SERVICE – (Wage Experience Credit) – is the period credited to an employee in the application of the wage schedule for his job classification. The wage length of service does not accumulate beyond the number of months at which an employee attains the maximum for his job. If one is employed at a starting rate higher than the normal starting rate on account of previous telephone or other experience or

special training, the wage length of service will include such credit as is given at the time of employment or reemployment plus the service accumulated thereafter.

WORK DAY – The period of time between 12:00 midnight preceding and 12:00 midnight ending any day. Any tour or call-out is part of the work day on which such tour or call-out begins. Pay for work which starts at or after 12:00 midnight preceding the day and before midnight ending the day shall be at the rate prescribed for that day.

WORK GROUP – All those employees within an exchange who carry the same job title or classification and who have a common place of reporting except that employees within a single job classification performing distinctly different job duties shall not be grouped together (See Article 16, Section 1.D.).

WORKING LEADER – Non-supervisory employee on productive work who coordinates and assigns the work activity of a group of two (2) or more workers and contributes to the training of employees.

ARTICLE 3 FEDERAL AND STATE LAWS

If any provision of this Agreement, or any amendments thereto, or application of the provisions of said Agreement and amendments to any employee, groups of employees, or circumstances are rendered invalid or inappropriate by any Federal or State Law, or by the final determination of any Court, Board, or Authority of competent jurisdiction, or should the National Labor Relations Board, as a result of any proceedings, hold any employee included within the bargaining unit not properly included within such unit, the remainder of said Agreement or amendments or the application of such provisions to an employee, groups of employees and circumstances other than those as to which it is held invalid or in appropriate, shall not be affected thereby.

ARTICLE 4 SERVICE COMMITMENTS

Section 1. The Union recognizes that the Company must require its employees to follow certain operating practices and routines to provide a service that meets regulatory requirements and that will conform in uniformity to the telephone service universally furnished throughout the country, and that the Company shall have the right at all times to offer instructions to any employee to improve the operating skill of the individual and shall also have the further right to observe the work of any employee at any time, with or without the knowledge of the individual. It is the Company's responsibility to see that its employees are trained for their assigned jobs and that the

employees are kept informed of various changes in the operating routines as they apply to them.

Section 2. The Union recognizes the responsibility of its members to the Company and to the public, and agrees that it is the obligation of all of its members to report promptly and regularly for scheduled tours, and further to perform connecting work as requested and to report for extra work when called, except when the individual has valid reasons.

ARTICLE 5 UNION SECURITY

Section 1. Under Federal labor laws, and obligations under the Agreement, the Union is required to represent all of the employees in the bargaining unit fairly and equally without regard to whether the employee is a member of the Union. In consideration thereof, Agency Shop provisions will prevail during the term of this Agreement.

- A. Membership in the Union is not compulsory. Employees in the job classification within the collective bargaining unit are free to accept or to decline membership in the Union.
 - 1. Any employee who is a member of the Union may, upon proper notice, voluntarily withdraw from such membership but may not, thereby, be relieved of Agency Shop requirements herein.
- B. Subject to conditions set forth within this section, all regular full-time, part-time, and temporary employees within thirty-one (31) calendar days of hire, shall as a condition of employment, and at their option either: (1) apply for membership in the Union and, if accepted, maintain membership in good standing thereafter during the term of this Agreement, or (2) alternatively arrange to pay to the Union a service fee equal in amount to the membership dues uniformly required for all members of the same class.
- C. For purposes of Article 5, Section 1, the following definitions will apply:
 - 1. **IN GOOD STANDING** – Means that the employee pays, or tenders payment of initiation fee and periodic dues in amount and frequency regularly required by the Union as a condition of acquiring and retaining membership.
 - 2. **SERVICE FEE EMPLOYEE** – Means a covered employee who elects not to become a member of the Union, or who withdraws membership from the Union and is required in lieu of membership to pay representation fee to the Union.

3. PROPER NOTICE -- Means that the employee will notify both the Company and the Union by registered mail return receipt requested. Notice to the Company will be directed to the Labor Relations Section, and notice to the Union will be to applicable Union Local President.
- D. These Agency Shop provisions apply to all covered, newly hired employees as defined in Section 1.B whose date of engagement is on, or after the effective date of this Agreement, June 6, 1979. In addition, for the purposes of this Article only, any employee who is transferred into this Bargaining Unit will also be treated as a newly hired employee.
- E. Any employee who was a member of the Union on the effective date as specified in Section 1.D above, is subject to the Agency Shop requirements herein.
- F. Any employee who is not a member of the Union on the effective date specified in Section 1.D above, is excused from the Agency Shop requirements. However, such employee may elect to join the Union or to become Service Fee employee at any later time at his/her option.
- G. Service Fee employees are in no manner members of the Union and possess no membership rights, privileges, or responsibilities that accrue to members of the Union.
- H. No Service Fee employee shall be required to pay the representation fee during any period that, by Union rules or actions, dues payments are suspended or not enforced for regular members of the Union.
- I. Nothing herein shall be construed to limit the Union's lawful rights to determine and enforce regulations regarding acquisition of and retention of membership in the Union. Any covered employee who is refused membership, or whose membership is involuntarily terminated by action of the Union body (other than for refusal to tender initiation fee and periodic dues) shall not be subject to discharge from employment but, rather, shall take on the status of a Service Fee employee.
- J. The Company shall incur no liability in the enforcement of this Article.

Section 2. The Union agrees that it will not intimidate or coerce employees into membership in the Union. The Union further agrees that the Union initiation fees and membership dues or service fees will be uniform, reasonable and not discriminatory.

Section 3. It is expressly understood and agreed between the parties that nothing herein contained shall require the Company to discharge any employee for non-membership in the Union, except upon written demand of the Union, and only for

failure of a covered employee to tender the periodic dues or service fees required as a condition of employment.

Section 4. The Company will advise all new employees that there is a collective bargaining agreement in existence and furnish the employees with a copy of said Agreement.

Section 5. The Company further agrees to keep the authorized Union representative advised of the names of the new employees in the respective exchanges. It is agreed, upon request of the Union representative to discuss with the new employee Union membership, the Company will arrange for the employee to meet with the representative during the regular relief period of the representative.

Section 6. The union will be provided a forty-five (45) minute period during new hire orientation to conduct union related orientation.

ARTICLE 6 DEDUCTION OF UNION DUES

Section 1. The Company agrees to make bi-weekly deduction of Union dues (not including initiation fees, fines or special assessments) of any eligible employee through payroll deduction upon the order in writing by such employee, and to pay over the amount thus deducted to the Union. The written authorization shall be on the form attached to this Agreement as Exhibit B. All deductions shall be made from compensation paid to the employee in the first payroll in the current month.

Section 2. Cancellation by an employee of such written authorization for payroll deduction shall be in writing and signed by such employee, and upon receipt thereof the Company shall honor any such cancellation. An employee's authorization shall be deemed automatically canceled if the employee leaves the employ of the Company or is transferred or promoted out of the bargaining unit. The Company shall forthwith notify the Union of any such cancellation.

Section 3. The Union may, by written notice given to the Company, terminate with respect to any employee the obligation and right of the Company to make such deductions. The Company shall give notice of such termination to the employee.

Section 4. Deductions of Union dues shall be suspended during the period of an employee's leave of absence. No dues will be deducted when sufficient pay is not available to pay the full amount of one month's dues. The Company agrees in the event of inability or failure to make an authorized deduction in any month, to make such deduction during the following month. Deductions will not be made for more than one month's dues in arrears.

Section 5. For an authorized deduction to become effective in any month, the card authorizing same must be delivered to the Company on or before the 25th day of the

preceding month. When forwarding dues deduction cards to the Company, the Union agrees to transmit with such cards an invoice showing the date of forwarding and the name of each employee for whom an authorization is being forwarded.

Section 6. Remittance will be made by the Company to the Union covering dues deducted each month by the 25th day of that month. The remittance shall be transmitted via tape to tape and shall include an alphabetical list by department showing:

1. the names of employees for whom an initial deduction is being made;
2. the names of all employees for whom a deduction was made;
3. the names of employees for whom any authorized deduction was not made and the reasons for the failure to make such deduction;
4. the names of employees for whom a deduction is made for some previous month;
5. the total deductions authorized;
6. the total deductions made;
7. the total deductions authorized but not made;
8. the old and new name of employees whose name has been changed; and
9. the names of employees whose authorization has been canceled and the reason for such cancellation.

Section 7. The Union agrees to give the Company thirty (30) days' written notice prior to the effective date of any change in dues rate.

Section 8. The Union agrees that the Company assumes no responsibility in connection with deductions of dues except that of forwarding monies deducted as set forth in this Article 6. The Union shall indemnify the Company and save the Company harmless from any and all claims against the Company by an employee or employees for amounts deducted and withheld from earnings as aforesaid.

Section 9. The Company hereby agrees to honor contribution deduction authorization from its employees upon receipt of a properly executed payroll deduction authorization providing as follows:

"I hereby authorize _____ (Company Name) to deduct from my regular wages the sum of _____ each month and to forward that amount to the CWA-COPE Political Contributions Committee. This authorization is voluntarily made on the specific understanding that the signing of this authorization and the making of payments to the CWA-COPE Political Contributions Committee are not conditions of membership in the Union or of employment with the Company and that the CWA-COPE Political Contributions Committee will use the money it receives to make political contributions and expenditures in connection with federal, state, and local elections.

It is understood that deductions I have authorized will be made the second payday of the month and further that deductions suspended by reason of absence, such as during leave of absence or layoff, will be resumed automatically upon my reinstatement except in instances of military leave.

I agree and understand that the deductions authorized shall continue until canceled by me by written notice to the Company and Union.”

The monies deducted shall be transmitted to CWA-COPE at the Communications Workers of America headquarters on a monthly basis, along with an accounting of the contributors' names, amounts deducted, Social Security number and Local number.

It is understood and agreed by the Union that the Company assumes no responsibility in connection with the above deduction except that of forwarding monies due to the CWA-COPE-PCC.

ARTICLE 7 UNION ACTIVITY ON COMPANY PROPERTY

Section 1. UNION ACTIVITY ON COMPANY PROPERTY

- A. Neither the Union nor its members shall carry on Union activities on Company time, nor shall such activities occur on Company premises except as set forth in the following sub-sections:
 - 1. Union members who are also employees may solicit members, distribute Union literature and carry on similar Union organization work outside of working periods in space where no Company operations or administrative work is being performed.
 - 2. Any such solicitation and organization work shall be limited to small groups of employees (not to exceed eight) and shall not be carried on for any considerably continuous period and shall not interfere with the operations of the Company or the use of the space by other employees for the purposes for which the space is intended.
- B. If a certified Union representative is a Company employee on leave, or is a former employee, he may exercise the rights to engage in Union activities on Company property outlined in “A” above.
 - 1. The Union agrees to save the Company harmless from any claims for accidental injury or loss occurring to such representatives or their property while on Company premises.

Section 2. BULLETIN BOARDS

- A. The Union shall be permitted adequate space to place bulletin boards on Company property.

- B. The number, type, and location of Union Bulletin Boards shall be satisfactory to the Company.
- C. All Union Bulletin Boards shall be plainly designated as Union Bulletin Boards and no material shall be placed thereon except by certified Union representatives, provided, however, that none of this material, either by direct statement or by inference ridicules or belittles any of the Management personnel or Company employees.
 - 1. The Company agrees that it will not place on its bulletin boards material which either by direct statement or inference ridicules or belittles any of the Union officers or its members.
- D. Union Bulletin Boards shall be furnished and installed by the Union without cost to the Company. After installation, the bulletin boards will become the property of the Company and will be maintained by the Company.

ARTICLE 8
TREATMENT OF UNION REPRESENTATIVES

Section 1. PROMOTION AND TRANSFER OF UNION REPRESENTATIVES

- A. The Company agrees that it will not promote or transfer a Union Representative without his consent if such promotion or transfer affects his status as a representative of the Union.
 - 1. The Company shall give an International Representative of the Union two (2) weeks' advance notice of any such transfer or promotion.

Section 2. EXCUSED ABSENCES FOR UNION BUSINESS

- A. Union members who are certified in writing to the Company by a National-Union Representative of the Union as having to be absent from their Company duties shall be excused without pay for not more than thirty (30) consecutive days in any one period and not more than one hundred twenty (120) days in any calendar year. Each employee desiring to be so excused shall notify his immediate supervisor when the absence is to begin and for what period he expects to be absent. The status of employees absent under this Article shall be the same as for other employees excused from Company duties for personal reasons.

1. The excusal of employees from Company duty to perform Union duties shall not be followed to the extent of withdrawing adequate protection of telephone service in any department or locality.
2. Any employee desiring to be excused shall give the Company reasonable advance notice whenever practicable.

Section 3. LEAVES OF ABSENCE

At the request of the Union, leaves for Union activity shall be granted for a period of up to eight (8) years in any ten (10) years of employment. Not more than three (3) employees shall be granted a leave at any one time.

Employees granted leaves under this section shall be treated in the same manner as any other employee to whom a leave is granted, except he shall be guaranteed reemployment.

Upon expiration of leaves of absence which are granted in accordance with the terms of this article, a Union representative, officer or member returning to work shall be allowed full service credit for the period of absence in computing net credit and total service for pension plan benefits.

ARTICLE 9 COLLECTIVE BARGAINING PROCEDURE

Bargaining on wages, hours of employment, working conditions, and other general conditions of employment shall be conducted by the duly authorized representatives of the Union and by the duly designated representative of the Company.

The Union and the Company agree to certify to each other the names of their respective officers and representatives who are authorized to represent the parties in collective bargaining.

In meetings with Management, the number of Union representatives who shall suffer no loss in basic pay for time consumed in meetings under this Article shall not exceed four (4).

The Union or the Company may record, jointly or separately, the minutes of any collective bargaining meeting or conference by any device or system. Exception: Union Representatives in meetings with Management while negotiating memorandum agreements will suffer no loss in pay during their scheduled working hours.

**ARTICLE 10
RESPONSIBLE RELATIONSHIP**

The Company and the Union recognize that it is in the best interests of both parties, the employees and the public that all dealings between them be characterized by mutual responsibility and respect. To ensure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this contract in accordance with the language contained therein and consistent with the Union's status as exclusive bargaining representative of all employees in the unit. The grievance and arbitration provision shall be the sole remedy for all grievances which are qualified subject matter for arbitration.

Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and of the measure they have agreed upon to ensure adherence to this purpose.

**ARTICLE 11
GRIEVANCE PROCEDURE**

Section 1. Unless mutually agreed otherwise, all grievances must be initially presented at Step One of the Grievance Procedure. Any grievance, except those occurring as a result of suspension and discharge, shall be presented within thirty (30) days from the date on which such grievance shall have last occurred unless it can be shown that the Union or the employee was not aware that a grievance did exist. The Company shall not take any disciplinary action against any employee for any act or violation after the expiration of a thirty (30) day period from the date on which such violation or act occurred, unless it can be shown that the Company was not aware that a violation or act did exist.

- A. When a grievance is initiated under this Article, the steps in the grievance procedure shall be those listed below except that the parties by mutual agreement may eliminate one or more of these steps.

First – Immediate Supervisor

Second – Manager or Department Head

Third – Vice President/General Manager or his/her designated representative and a Corporate Human Resources' Representative.

Step 1. The aggrieved employee is encouraged by both the Union and the Company to present the grievance orally to his/her immediate supervisor and they shall promptly attempt to resolve the complaint informally. If the grievance is not resolved in this manner, the Union representative shall reduce the grievance to writing, in duplicate, on a form identifying the grievance, setting forth the facts and any contract

provisions giving rise to the grievance. Two (2) copies of the written grievance shall be presented by the Union representative to management within thirty (30) days, fifteen (15) for suspension and discharge, from the occurrence of the facts giving rise to the grievance. The management representative shall have ten (10) working days, unless otherwise mutually agreed, in which to answer, adjust or settle said grievance.

Step 2. If the grievance is not satisfactorily settled under Step 1 above, the representative of the Union may appeal and shall present the written grievance to the Manager, or Department Head, within ten (10) working days of the Company's answer under Step 1. The Manager, Department Head, or his/her designated representative, shall discuss the grievance and answer, adjust or settle it with the appropriate Union area representative, or his/her authorized representative, within ten (10) working days, unless otherwise mutually agreed, after the appealed grievance is presented.

It is agreed that grievance settlements reached at the first and second steps are not precedent setting to either party.

Step 3. If the grievance is not satisfactorily settled under Step 2 above and is appealed to the third step, the grievance shall be presented to the Corporate Human Resources' Representative, Vice President/General Manager or his/her designated representative by the CWA Staff Representative and/or the local president. The CWA Staff Representative will request a conference at the Third Step within thirty (30) days of the date of the appeal at the Second Level, and such meeting will be at a mutually agreeable location in the geographical location served by the bargaining unit. Following such conference, the written decision of the Company's representative at the third step shall be given to the Union within fifteen (15) days.

- B. Upon failure of the Company to submit a written decision within the specified time, the Union shall have the right to appeal to the next succeeding level.
- C. If the Union does not request a conference on an appeal within thirty (30) days of the date of the appeal, the grievance shall be closed.

Section 2. In computing any period of time prescribed by this Article 11, the day of the occurrence, presentation, appeal, decision, request or demand (after which the period of time begins to run) shall be included, unless it is a Sunday or holiday, in which event the period runs until the next day, not a Sunday or holiday. Intermediate Sundays and holidays shall be included. Any presentation, appeal, decision, request or demand required to be in writing shall be considered to be made on the date it is postmarked, or dated by personal receipted delivery.

Section 3. If a grievance cannot be settled by the above Grievance Procedure and is subject to the arbitration provisions of this Agreement, it may be referred to arbitration upon written request by the Union to the Company within sixty (60) days after a decision is rendered in Step 3 of this Grievance Procedure.

Section 4. The Union may reject a Company answer at any level of the grievance procedure. Any such rejection shall close the grievance without prejudice to the Union's contentions regarding the merits of the grievance. While the rejected grievance may not be later reinstated, should the substance of that grievance become the basis of future disciplinary action or contract interpretation, the Union and Company may present previously presented information regarding the merits of the rejected grievance in the context of the new grievance situation. In the event a rejected grievance is submitted as evidence at arbitration, the arbitrator shall have no authority to award monetary relief or damages for the rejected grievance(s).

Section 5. Grievances occurring as the result of discharges and suspensions shall be presented in writing by the Union within fifteen (15) days after the effective date of the discharge or suspension.

Section 6. An employee or group of employees shall have the right to present to and adjust with the management any grievance as provided in Section 9 (a) of the National Labor Relations Act, as amended, provided, however, that no adjustment shall be made with the employee or group of employees involved which is inconsistent with the terms of any collective bargaining agreement between the parties then in effect, and provided further that the Union has been given an opportunity to be present at such adjustment.

Section 7. When a proposed answer is given at any step, both parties have signed the grievance form, and the Union Representative has marked the appealed block on the grievance form it shall be considered appealed.

Section 8. After an employee or employees have presented a grievance to the Union for settlement and a Union representative has informed the Company that the Union represents that employee or employees, the Company will not discuss or adjust such grievance with said employee or employees, unless the aggrieved employee or employees, initiate a request that the Company discuss and adjust such grievance directly with him or them, but in no event shall an adjustment be made unless a Union representative is afforded an opportunity to be present at such adjustment.

Section 9. The Union shall keep the Company informed in writing of the names of the representatives authorized to participate in the settlement of grievances at each step of the Grievance Procedure.

Section 10. In meetings with Management, the number of Union Representatives who shall suffer no loss in pay during their scheduled working hours for time consumed in meetings with Management on grievance subjects shall not exceed two (2). In

addition to the Union Representative(s), one (1) additional employee, the named grievant, may attend and shall suffer no loss of pay.

Section 11. MINUTES OF MEETINGS

Joint minutes of any grievance meetings kept by mutual agreement of the Union and the Company shall be submitted for written approval to a representative of the Company. The Union or the Company may record, jointly or separately, the minutes of the grievance meetings in written or audio-recorded form. Visual recording devices will not be permitted in meetings between the Union and Company except by mutual written consent.

Section 12. MEDIATION

Subject to the mutual consent of both parties, and subject to the limited scope and terms set forth below, certain unresolved grievances may be mediated under the following procedures:

- A. The mediation procedures herein will only apply to disciplinary action – suspensions over three (3) days and discharges – which are specifically subject to arbitration under the primary agreement.
- B. Within fifteen (15) calendar days after the filing of the request for arbitration, under Article 12, either party may elect to use the mediation process. This election shall be in writing and must be agreed to and signed by authorized representatives of both parties.
- C. The parties will proceed to select a mediator and establish a mediation conference at the earliest date feasible to all concerns.
- D. The mediation conference will normally be held in Lexington or Ashland, Kentucky, in either a Company or Union facility.
- E. Should the availability of the mediator unnecessarily delay the processing of the grievance in the opinion of either party, another mediator may be selected or the mediation process may be bypassed and the grievance pursued to arbitration.
- F. The grievant shall be present at the mediation conference and paid by the Company.
- G. Each party shall have one principal spokesperson at the mediation conference.
- H. The mediation conference will normally be attended by those people actually involved in the grievance. Each party will be responsible for the wages/expenses of its representatives and witnesses.

- I. Any written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the mediation conference.
- J. Proceedings before the mediator shall be informal in nature. The presentation of evidence is not limited to that which has been presented in the grievance proceedings. The rules of evidence shall not apply and no record of the mediation conference shall be made.
- K. The mediator will have the authority to meet separately with any person or persons, but will not have the authority to compel the resolution of a grievance.
- L. The Company and the Union spokespersons may accept the resolution proposed by the mediator and such settlement or any other settlement agreement resulting from the conference shall not be precedent-setting, unless both parties agree.
- M. If no settlement is reached, the mediator shall provide the parties with an immediate oral advisory opinion, unless both parties agree that no opinion shall be provided.
- N. If no settlement is reached at mediation, the parties are free to arbitrate. The time limit for initiating arbitration proceedings, as specified in Article 12, Section 1.A., will not be extended due to the request for or actual mediation of the same grievance.
- O. In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator for the same grievance. In the arbitration proceedings there shall be no reference to the fact that a mediation conference was or was not held and there shall be no reference to or use made of any statement, oral or written, or things done at the mediation conference.
- P. The fees and expenses of the mediator shall be shared equally by the parties.

ARTICLE 12 ARBITRATION

Section 1. REFERRAL TO ARBITRATION

- A. If the Union and the Company fail to settle by negotiations any difference or dispute between them arising out of, pertaining to, or involving the interpretation, meaning, application, performance, or

operation of any of the provisions of this contract, such grievance, difference, or dispute shall be referred to arbitration upon written request to the Company by the Union. The Union shall have six (6) months from the date of this request to contact the Company to initiate arbitration proceedings. Upon failure of the Union to make such contact, the grievance shall be considered closed.

- B. Neither the Union nor the Company shall take any steps or inaugurate any proceedings, legal or otherwise, to stay the arbitration of any such difference or dispute except and exclusively for the following reasons:
1. That the grievance procedure has not been exhausted provided that the matter is one involving a grievance and provided, further, that neither party precludes the use of the grievance procedure, or;
 2. That the difference or dispute is expressly or specifically excluded from arbitration by express terms in the contract. Unless the contract expressly provides that a specified difference or a specified dispute involving the interpretation, meaning, application, performance, or operation of a particular provision is excluded from arbitration, no such difference or dispute shall be considered as non-arbitrable.

Section 2. ARBITRATION PROCEDURE

- A. The arbitrator shall render decisions as expeditiously as possible on any and all matters submitted as provided in this Article. Unless waived or modified by mutual consent of the parties, the decision shall be rendered in no more than 30 days from the date that the arbitrator receives from the parties all the facts to be used in the decision.
- B. The Union and the Company agree to provide all necessary facilities and cooperation with the arbitrator in every way possible.
- C. The arbitrator may make such investigation as he may deem proper.
- D. Either on his own initiative or at the request of either party, the arbitrator may hold a hearing and examine the witnesses of each party.
- E. Both the Company and the Union shall have the right to cross-examine all witnesses in the arbitration hearing.
- F. The arbitrator, the Union or the Company shall have the right to record or have recorded the proceedings of the arbitration.

Section 3. AUTHORITY AND DECISION OF ARBITRATOR

- A. The arbitrator shall have authority to rule on the full merits of any grievance, difference or dispute properly referred to him/her and shall have the authority to order performance either prospectively or retroactively.
- B. The arbitrator shall have no authority to add to or subtract from the provisions of any contract between the parties but this in no way shall limit him in the interpretation or meaning he may place upon any of the provision of any contract in rendering a decision and/or an award.
- C. The arbitrator shall have authority to decide on questions of fact or law involved in any difference or dispute referred to him.
- D. Where the dispute or complaint submitted to arbitration involves the payment of money by the Company, retroactively or otherwise, to an employee or employees within the bargaining unit covered by this Agreement, the arbitrator shall have the authority to include in his/her award an order for such payment of money, retroactively or otherwise, if, in his/her judgment, such money award is justified. However, in no other dispute submitted to arbitration shall the arbitrator have the authority to include in the award an order for the payment of money by either party to this Agreement to the other.
- E. The decision and/or award of the arbitrator shall be final and binding on both parties and enforceable in a court of law.

Section 4. COST OF ARBITRATION

- A. Compensation and expenses of the arbitrator and the general expenses of the arbitration shall be shared equally by the parties.
- B. Each party shall bear the expenses of its representatives and witnesses.

Section 5. SELECTION OF ARBITRATOR

- A. If, within 15 calendar days after receipt of the written request to arbitrate, the parties are unable to agree on the person to be selected as arbitrator, either or both parties may request a list of seven arbitrators from the American Arbitration Association. After receipt of the list of arbitrators, the parties shall select an arbitrator from the list by alternately striking from the list until there is one name remaining. The remaining name will be the arbitrator. The party who strikes the first name from the list shall be determined by lot.

**ARTICLE 13
RECORDS**

Section 1. PERSONNEL RECORDS

All personnel records kept by the Company regarding any employee within the bargaining unit shall be subject to his inspection.

- A. When entries other than those of a routine nature are made to an employee's personnel record which may affect the conditions of his employment, the employee shall be so advised.
- B. In the event of a dispute or grievance, all personnel records kept by the Company regarding any employee within the bargaining unit shall be subject to inspection of a Certified Union Representative upon request, and with written approval of the employee.

Section 2. GENERAL RECORDS

Records kept by the Company, which are pertinent to collective bargaining between the parties, shall be made available to certified Union representatives upon request during the notification period (preceding contract negotiations) or during contract negotiations.

- A. In the event of a dispute or grievance, all records which are pertinent to the subject in dispute will be available to certified Union representatives upon request.

**ARTICLE 14
DISCHARGES, DEMOTIONS, AND SUSPENSIONS**

Section 1. NOTICE

- A. No employee covered by this Agreement shall be demoted, suspended, or discharged except for proper cause.
- B. The Company shall give the employee or employees involved and a National Representative of the Union written notice and cause of any demotion, suspension, or discharge action.
- C. The Company agrees that no employee will be demoted, suspended, or discharged without prior complete investigation by the appropriate level of management.

Section 2. USE OF GRIEVANCE AND ARBITRATION PROCEDURE

Any employee or employees involved in any demotion, suspension, or discharge action shall have full access to the Grievance and Arbitration Procedure established by Articles 11 and 12 of this Agreement. (For exception, see Section 4 of this Article.)

Section 3. REINSTATEMENT

- A. If as a result of such grievance or arbitration procedure it is determined that the employee be reinstated, the Company agrees to reinstate the employee and to reimburse him to the extent agreed by the parties, in the case of a grievance, or to the extent awarded by the arbitrator, in the case of arbitration, on the following basis:
1. In a discharge or suspension case, the employee shall receive his basic rate of pay for the time agreed or awarded, less the amount of the time agreed or awarded, less the amount of any termination pay received from the Company and unemployment compensation received or receivable and/or wages received from other employment.
 2. In a demotion case, the employee shall be made whole for the difference, if any, between his basic rate on the job to which he/she was demoted for the number of days the lower rated job to the extent agreed or awarded.

Section 4. LIMITATIONS

- A. In the event any employee is discharged who has less than six (6) months of net credited service, a charge that the discharge was without proper cause shall be subject to the full Grievance Procedure set forth in Article 11 of this Agreement, but shall not be subject to arbitration.
- B. In the event an employee is demoted who has less than three (3) months' service in a job from which he/she is demoted, a charge that the demotion was without proper cause shall be subject to the Grievance Procedure set forth in Article 11 of this Agreement but shall not be subject to arbitration.

**ARTICLE 15
NON-DISCRIMINATION**

It is agreed that neither the Company nor the Union will discriminate against any employee because of race, creed, color, religion, sex, age, national origin, or membership or non-membership in the Union. We are also committed to the employment and advancement of qualified handicapped individuals, disabled veterans, and veterans of the Vietnam era. Commitment also is made to make reasonable accommodations for qualified handicapped individuals wherever feasible.

**ARTICLE 16
PROMOTIONS, JOB VACANCIES AND TRAINING**

Section 1. JOB BIDDING

- A. Pertinent information regarding all job classifications within the bargaining unit shall be permanently posted by the Company within all exchanges covered by this Agreement.
- B. When an approved vacancy exists, the Company will post information describing the vacancy on a recording accessible to all employees via a toll-free number. The recording will include vacancy specifics such as job title, location and department.
- C. The recording will be posted on a designated day of the week and remain active for one calendar week. During the posting period, which shall be specified on the recording, employees may apply for the vacancy by faxing a Company provided job bid form to a designated fax number. The employee shall also provide a copy of the job bid to the Union. Faxed job bids must be received in Human Resources by the end of the posting period. If an employee does not have access to a fax machine they may, as an alternative, submit a valid job bid by meeting the following two (2) requirements prior to the end of the posting period: (1) They must mail the job bid to Human Resources via certified U.S. Mail, and (2) They must contact a designated Human Resources' representative, either by telephone call or voice message, to advise their job bid has been mailed.
- D. This procedure will be utilized by employees desiring a change of job classification, exchange, location or work group.
- E. During the term of this Agreement the Company may develop additional methods to announce and apply for job vacancies utilizing available technology such as the intranet or internet. The Company may run these alternative announcement system(s) in addition to the toll-free number.

Should the alternative systems prove effective and reasonably available to all employees, the parties agree to meet and discuss transitioning to this new system in lieu of the toll-free number. Any change is dependent on mutual agreement.

- F. Job bids shall contain the job posting number, job classification and exchange requested, as well as an outline of the education, experience, training, and other necessary qualifications which the bidder feels that he/she possesses and which are pertinent to the job classification.
- G. All Temporary and Part-Time vacancies, and Utility person vacancies will not be posted for bidding purposes, but will be posted to reflect who received the job and how it was filled. However, employees desiring to be considered for these positions may apply online through the Company Intranet (currently RECS). The Company will notify the Union as to who was awarded the job.
- H. When an exchange has more than one common place of reporting for the same job classification, a regular employee who wishes to transfer between such places of reporting shall submit an application on the Job Bid form in accordance with the provisions of Section 1.B. above. The bid shall also contain the present and requested place of reporting.
 - 1. An employee who successfully completes a specific Company provided technical training course such as EAX 1,2,3, GTD 5, 1000, ETS-4, TSPS, etc. of 200 hours or more duration which pertains to his/her job title will be required to perform in that job title for a period of 24 months before he/she is eligible to bid under this paragraph.
- I. In the application of Article 2 Work Group, the Company may elect to establish separate work groups according to functional and/or specialized duties.
 - 1. For example: When there are Installation and Maintenance Specialists having the same place of reporting, those specializing in installation, maintenance, or key work, may be established as separate work groups.
 - 2. For example: When there are Equipment Technicians having the same place of reporting, those specializing in maintenance of step equipment versus S.A.T.T. equipment may be established as separate work groups.

The above is not intended to be all inclusive as to work groups that may be established but are several examples of work groups within a classification at one location.

3. When the Company initially establishes a functional or specialized work group within a classification at a reporting location, the qualified employees in the work group affected shall select movement into the new work group by seniority.
4. A regular employee who wishes to transfer between specialized work groups in a classification shall do so by order of seniority upon submitting an application on the Job Bid form and it shall be handled as a transfer.
5. When new job(s) in the bargaining unit are created by technological change, the job(s) shall be offered to a sufficient number of present employees in seniority order who are currently performing the work.

Section 2. FILLING JOB VACANCIES

A. Order of Priority

1. Vacancies shall first be filled by reinstatement from military leave of absence under the provisions of Article 31, Section 4.
2. Vacancies shall next be filled by grouping together employees wishing to return to their designated former job classification and exchange or to their designated former job classification in another exchange within the district, from which they were transferred, laid off, force adjusted, technologically displaced, or granted leave, as follows:
 - a. Employees transferred from one exchange to another or from one job classification to another at the instance of the Company under the provisions of Article 17, Section 1.B. for a period of four (4) years from the date of the transfer.
 - b. Employees moved from one exchange to another or one job classification to another as the result of a force adjustment under the provisions of Article 18, for a period of four (4) years from the date of the force adjustment.
 - c. Inactive employees wishing to return from either a medical leave of absence under Article 28 or a regular leave of absence under Article 30.
 - d. Inactive employees laid off under the provisions of Article 18.

All such employees wishing to return to their designated former job classification and exchange under this Section 2.A.2. will be considered concurrently, in seniority order. An employee may decline a vacancy more than 35 miles (driving distance by shortest route as depicted on an Official Kentucky Highway Map) from their designated former job classification and exchange and still retain rights to consideration under this Section 2.A.2. Conversely, employees declining such vacancies within 35 miles forfeit recall rights to their designated former job classification and exchange.

3. Vacancies shall next be filled by concurrently considering employees, in seniority order, who are:
 - a. Active employees in the same job classification wishing to transfer between different specialized work groups, places of reporting and/or exchanges within the bargaining unit. (See Article 17.)
 - b. Regular full-time bidders from within the bargaining unit, including those bids described in Section 1.C. above.
 - c. Inactive employees laid off under the provisions of Article 18 desiring a job other than their designated former job classification and exchange.
 - d. Inactive employees wishing to return from either a medical leave of absence under Article 28 or from a regular leave of absence under Article 30, desiring a job other than their designated former job classification and exchange.
4. Vacancies shall next be filled by regular part-time employees bidding from within the bargaining unit in order of seniority.
5. Vacancies shall next be filled by temporary employees within the bargaining unit in order of seniority.
6. If there are no bids for that job classification and exchange or those bids are from ineligible or unqualified employees, the Company may fill the job vacancy from other sources.

B. Basis for Selection

1. The Company may require the passing of properly validated pre-placement tests as a condition of being considered as an eligible bidder for an announced vacancy.

2. Lateral moves, when excess force conditions exist in a particular job classification group, shall be handled in accordance with Article 17, Section 1, Paragraphs A. and B.
3. In considering for job vacancies the return of employees from leave of absence, the reemployment of laid-off employees, or the reclassification of part-time employees to full-time employees, the Company shall give consideration to seniority, qualifications, service requirements and the reason the employee desires the job vacancy. If the employee is returning from a leave of absence or a layoff, the Company shall also consider whether he has experienced any impairment during the leave or layoff which would render him unqualified to do the work, or whether he has been guilty of misconduct during the leave or layoff which would have been proper cause for discharge. Part-time employees who desire full-time work will be given preference for full-time vacancies in their job classifications and respective exchanges before new employees are hired for such vacancies.
4. Consideration shall be given in order of seniority to an employee's request to transfer in the same job classification between places of reporting in the same exchange (Section 1.C. above), provided that: a job vacancy exists in the location requested; he is qualified to perform the job duties required and his services can be profitably utilized at the location requested; and service requirements permit his release from his present assignment. (Note: This Section 2.B.4. does not apply to employees in the Equipment Installer-Repairer job classification except for transfers submitted to Supply and Transportation since the common place of reporting for such employees is their entire exchange.)
5. In filling job vacancies through job bidding (except those stated in Section 2.B.4. above), seniority among those applicants who have passed required pre-placement test(s) shall be the determining factor if other necessary qualifications of the individuals are substantially equal, and further providing the service requirements permit the release of bidding employees from their present assignment. In determining the relative qualifications of competing eligible candidates, the Company will consider aptitude, skills, job knowledge, prior experience and job performance, dependability, and the candidates' performance in their interview process.
 - (a) Company is not required to consider a bid from an employee who has not occupied his/her present job classification during the preceding fifteen (15) months.

However, if the Company considers a bid from such an employee, all such employees bidding on that job classification and exchange must be considered.

- (b) The provision of 5.(a) above shall apply to employees who have been recalled or reclassified to their previous job following a force adjustment. However, all continuous time spent in their former location and/or job classification immediately preceding the force adjustment shall be included toward meeting the specified fifteen (15) months' time limits.
- (c) The provision of 5.(a) above shall not apply to employees who are force reduced under the provisions of Article 18 and who are reclassified to a lower rated job classification as a result.

C. Selection, Rejection, and Notification

- 1. If the selected employee declines to accept the vacant job upon notification or is otherwise unable to fill the vacant job within thirty (30) calendar days of the notification of selection, his job bid will be canceled.
- 2. The Company will notify the designated Union Representative and each eligible bidding employee with more seniority of the name and service date of the person who was selected to fill the job vacancy. The designated Union Representative and successful bidding employee will be notified of the selection not later than thirty (30) days after the posting is removed from Company Bulletin Boards.
- 3. When a job posting is canceled, the designated Union Representative and the bidding employee(s) will be notified in writing.
- 4. A selection activity report will be furnished monthly to the Local Union Presidents with a copy to the CWA Staff Representative. Such report will contain a listing of all jobs filled in the preceding month. The information will also contain the name of the selectee, new job classification, new exchange and place of reporting, old job classification, old exchange and place of reporting, seniority date, selection date and job vacancy number.

D. Promotional Increase Treatment

- 1. When an employee is reclassified to a higher rated job classification, the employee's wage rate shall be adjusted to the

rate of pay on the new schedule which is next above the employee's present rate. Progression increases will then proceed from the date of the previous progression increase.

2. Notwithstanding Section D.1. above, an employee who has been reclassified to a lower rated job as a result of a force reduction and who is subsequently promoted to any job classification on the wage schedule from which he/she was displaced (within 2 years) shall be placed on the appropriate wage step as indicated by their total wage length of service (wage experience credit) including credit for all time spent in the lower rated job.
3. When an employee is force adjusted under the provisions of Article 18 and is reclassified to a higher rated job classification previously held as a result, the employee's wage rate will be adjusted to the same wage step previously held while in that classification.

E. Moving Expense

1. When an employee bidding on a job is selected for a job vacancy, or otherwise fills a job at his request, any transfer or moving expense will be borne by the employee. The employee will suffer no loss of basic pay for reasonable time off to arrange for the moving of household furnishings and to make the trip to the new location.
2. Moving expenses in connection with a Company initiated transfer shall be in accordance with Article 23, Section 6.

Section 3. PREFERENCE FOR TRAINING

- A. When an employee within a work group is to be selected for formal training to equip him for some higher-rated work within the bargaining unit, the matter shall be treated and handled in line with the principles contained in Section 1 of Article 16.
 1. "Formal Training" includes the selection of employees who are scheduled to relieve in a higher job within the bargaining unit.
 2. In case of unanticipated need for selecting a person to fill in temporarily in a higher-rated job within the bargaining unit, the principles of seniority as outlined in Section 2 of Article 16 shall be used.

**ARTICLE 17
TRANSFERS**

Section 1. **TRANSFERS**

- A. When it is necessary to fill a job by a temporary or permanent transfer from one exchange to another, from one job classification to another, one work group to another, or one location to another, preference shall be granted in the order of seniority to employees who are willing to accept transfer, provided they meet the requirements of the job to be filled.

- B. When it is necessary to fill a job by a temporary or permanent transfer from one exchange to another, from one job classification to another, one work group to another, or one location to another, and no employee is willing to accept the transfer, the transfer shall be made by transferring in the inverse order of seniority provided they meet the requirements of the job to be filled.

- C. Temporary transfers may be made after the members performing essentially the same type of work in the work group into which the temporary transfers are to be made have been offered the opportunity to work six (6) days if such work is available.
 - 1. The requirement for the 6th day shall not be applicable to transfers of seven (7) calendar days or less.

 - 2. The Local President will be advised of any temporary transfers exceeding ten (10) calendar days.

- D. When it is necessary temporarily to transfer employees from one exchange to another due to material shortage delaying work they are customarily assigned, or from lack of work, these temporary transfers shall not be considered as a requirement, that employees into whose exchange other employees are transferred be offered the sixth (6) day of work each week in the same or any other work group

- E. Temporary transfers shall be limited to six (6) months' duration and shall be made in accordance with Paragraph A and B of this Article, except temporary transfers in case of service emergencies which may be made without following the provisions of Paragraphs A and B for a period of time not to exceed ten (10) calendar days.

- F. The provisions of Section 1.C. and 1.E. shall not apply to line crews temporarily transferred for periods not exceeding six (6) weeks or to Equipment Installer-Repairers working in their own classification.

Section 2.

- A. The Company recognized the undesirability, both from the standpoint of the transferred employees and of the resident employees, of temporarily transferring employees to work away from their regular location or of receiving employees from other companies for extended periods, and shall not effectuate such transfers except when the protection of the service requires that they be made or when the workload is such within a given period that the regular employees cannot perform the required work.
- B. Basic pay treatment for temporarily transferred employees shall continue in accordance with the wage progression schedule in effect within their job classification at their headquarters. Any evening or premium pay applicable shall be paid in accordance with the schedule for such premium in effect in the office or exchange in which they are temporarily working.

**ARTICLE 18
FORCE REDUCTIONS**

Section 1. REDUCTION IN FORCE

- A. The Company will notify the Local President and the appropriate CWA Staff Representative of known force reductions prior to the reductions.
- B. Whenever the Company deems it necessary to part-time or layoff regular employees such force adjustment shall be made effective among employees within the work group(s) concerned.
- C. When force adjustments are necessary, the Company agrees to negotiate the means for the reduction with the Union. If agreement is not reached within 15 days after negotiations begin, the Company will proceed as follows:
 - 1. If required by the provisions of Article 19 and/or any MOA dealing with subcontracting, contracted employees will be released immediately.¹
 - 2. Within particular functions affected by reduction in force, temporary and part-time employees will be immediately notified of layoff with two weeks' notice.

¹ Section 1.C.1. is not intended to impede the elimination of classifications as set forth in the attached MOA.

3. In an attempt to minimize the number of involuntary force reductions, all employees within the work group(s) targeted for force reduction may be offered, at the Company's discretion, the option to voluntarily accept one of the following, subject to their meeting the requirements of the option selected:
 - a. Termination Pay Plan (TPP)
 - b. Employee Adjustment Income Plan (EAIP)
 - c. EAIP Alternative

- D. After complying with C.1, 2 & 3 above, further reductions shall be made by selecting employees for force reduction in inverse order of seniority within the work group(s) concerned.
 1. Employees identified as surplus under Section 1 have the right to claim vacancies within the same district subject to the following:
 - a. Vacancy claimed will be one in which he/she currently or formerly worked successfully or is on the same or lower wage schedule.
 - b. The employee must be able to meet the minimum qualifications for any vacancy claimed.

Such employees will be grouped together with employees described in Article 16, Section 2.A.2. and considered concurrently for vacancies, in seniority order.

Section 2. EXERCISING SENIORITY

Any regular full-time employee having 12 or more months' seniority who has been identified as surplus under Section 1. above, shall have the right to claim another job within the bargaining unit in which he formerly worked successfully or any other job on the same or a lower wage schedule in the same department subject to the following:

- A. An employee exercising seniority to claim a job must claim the job currently filled by the employee having the least seniority in the job classification within the district selected. For the purposes of this Article 18, Section 2, the Lancaster District will be comprised of Berea, Bryantsville, Hustonville, Lancaster, Liberty and Paint Lick exchanges.
- B. An employee must be able to satisfactorily perform any job claimed without extensive training.

Section 3. RECALL

- A. For a period of four (4) years after the effective date of any layoff, force adjustment, technological displacement or involuntary transfer, the

following will apply to employees laid-off or who have exercised their seniority under Article 18, or Article 17 involuntarily transferred:

1. Employees with 12 or more months' seniority who have been laid-off or who have exercised their seniority under Article 18, or involuntarily transferred under Article 17, shall be given one offer of recall to a designated former job classification and exchange subject to the provisions of Article 16, Sections 2.A.2, and the following:

At the time of any layoff, involuntary transfer, force adjustment, technological displacement or granting of leave, the Company will provide all employees a form on which to designate one (1) former job classification and exchange to which they desire recall. (NOTE: Employees force adjusted, technologically displaced or involuntarily transferred to multiple job classifications and exchanges over a period of time must choose and designate one (1) former job classification and exchange to which they desire recall.)

All employees are required to make such a designation for any and all layoffs, involuntary transfers, force adjustments, technological displacements and leaves of absence. Employees failing to designate a former job classification and exchange forfeit all recall rights until such time a designation is made. Employees may take or change their designation at any time by notifying Human Resources by certified U.S. Mail. In the event Human Resources receives multiple designations, the one (1) designation of latest date will prevail. Only those designations postmarked on or before the date Human Resources receives a personnel requisition will be considered valid for that requisition.

2. Laid-off (inactive) employees with 12 months' seniority will be given one offer of re-employment to a position other than their designated former job classification as vacancies occur. Acceptance or refusals of such a vacancy will not cancel the employees recall right to a former job classification and exchange within their former district, subject to the provisions of Article 16, Section 2.A.3., as vacancies occur. Acceptance or refusal of such a vacancy will not cancel the employee's recall rights to former job classification as described in Article 17 or Article 18.
3. For the purposes of recall under Article 17 or Article 18 the Berea, Bryantsville, Hustonville, Lancaster, Lexington, Liberty, Midway, Nicholasville, Paint Lick, Versailles and Wilmore exchanges shall be considered together as one district.

4. Employees being offered return from layoff will be notified by registered letter sent to the last mailing address shown in the Company's records. Employees must accept or refuse return within 10 days of mailing and if they accept must report to the job within 15 days from the date the offer was received or forfeit all rights to reinstatement.
5. No impairment which existed at termination of the last preceding period of Company service shall be considered as proper cause for a denial of reemployment.
6. Any employee rehired under this section shall have the continuity of his service protected. Interruptions in service of 30 days or less shall be treated as a furlough.
7. Where the time periods specified in 3.A.4. above will work an undue hardship on an employee, they may be extended.

Section 4. SEPARATION ALLOWANCE

Regular employees laid off in accordance with this Article shall be paid a termination allowance in accordance with the following table.

Complete Years of Net Credited Service	No. of Weeks Basic Pay
1	1
2	3
3	5
4	6
5	8
6	11
7	12
8	14
9	16
10	18
11	20
12	22
13	24
14	26
15	28
16	30
17	32
18	34
19	36
20 and over	40

Section 5. REASSIGNMENT PAY PROTECTION

When an employee is to be placed in a lower job classification as a result of force reduction or technological displacement and the employee's wage rate prior to the adjustment is in excess of the maximum wage rate for the new job, the employee's rate will be adjusted to the maximum rate for the new job, effective at the beginning of the first payroll period that occurs six months after the effective date of the reclassification. When the employee's rate of pay at the time of the adjustment is equal to or less than the top rate of the new job classification, the employee shall be paid at his/her existing rate.

Section 6. MEDICAL BENEFITS

When an employee is laid off under Article 18, medical benefits will continue for six (6) months. The Company will issue a lump sum check which is grossed up. Employees can elect Cobra coverage.

**ARTICLE 19
CONTRACTING WORK**

1. The Company will not subcontract work normally performed by bargaining unit personnel (except as set forth in paragraph 2, below) if such subcontracting will cause the layoff of employees regularly performing essentially the same type of work. (This restriction shall not apply to work performed by employees holding job classifications, which will be eliminated during the life of this Agreement; Vehicle Maintenance Technician, Building Service Technician, and Public Access Sales Technician.
2. Notwithstanding the above, the Company shall also have the right to contract construction work which is beyond the capacity of the regular employees to perform.
3. Prior to any layoff, and over a period of 60 days after the Company has notified the Union of a need for force reduction, the Company will meet with the Union for the purpose of bargaining with the Union as to how reductions in force may be limited or avoided through the elimination of contractors. Should such bargaining fail to produce an agreement, the Company will proceed with the force reduction in accordance with other provisions of this Agreement.
4. It is agreed that when work is contracted the Company will not permit the contractor to perform the work with personnel who are paid less than the minimum rate specified in this agreement for the crafts involved in the contracting work.
5. Effective January 1, 2006, the Union may reopen this Agreement for the sole purpose of bargaining modifications in this Article.

**ARTICLE 20
WAGES**

Section 1. All progression steps on the schedules will be applied automatically as shown in the Appendixes covering basic wages.

Section 2. The wage schedules agreed upon that apply to employees are set forth in Appendix 1 for Plant, and Commercial Department employees.

Section 3. **WAGE RATES**

A. Full-time employees

The rates of pay and progression schedules for full-time employees shall be those shown in the appendixes covering basic wages.

B. Part-time employees

1. The actual rates and increases for part-time employees shall be determined by the accumulation of the actual hours worked as they relate to the normal, full-time work week.

2. A part-time employee shall receive a progression increase when he has accumulated hours worked equal to the number of months on the particular progression step on the schedule.

C. The Company shall have the right to determine the amount of wage credit for new employees who possess experience or training which qualify those individuals for rates of pay greater than the specified starting rates. A "new employee" is one who joins this bargaining unit from off the street, as opposed to a transfer in from an ALLTEL affiliate.

The Company shall also have the right to make necessary adjustments in the rates of pay for such employees for a six (6) month period after date of original employment.

**ARTICLE 21
HOURS OF WORK AND BASIS OF COMPENSATION**

Section 1. **SCHEDULES**

A. Weekly work schedules shall be posted for all employees officially by 3:00 p.m. on Wednesday. The schedule shall contain the name,

seniority date, and assigned tours for the next calendar week for each employee.

- B. Work schedules shall stipulate the starting and ending time of each session. At locations where no Management person is assigned to supervise the employee involved, a letter to such employee which meets the requirements of Section 1., Paragraph B., may be addressed to him/her advising that until further notice he/she is to work that schedule. At such locations, this shall be considered as complying with Section 1., Paragraph A.

Section 2. SELECTION OF HOURS ON SCHEDULE

- A. Employees transferred, reclassified to a new job, returning from leave of absence or furlough, or employees who shall have their service bridged shall be allowed to choose by seniority on the master schedule at the next 13 week revision after entering the work group.
- B. Sunday, Saturday and Holiday Schedules shall be rotated among the employees within a work group in such a manner as to provide approximately equal opportunity of securing Sunday, Saturday and Holidays as scheduled days off.
- C. All employees shall have the right to exercise or re-exercise their seniority in the selection of tours at each revision of the master schedule or at intervals of every 13 weeks in case there is no such revision. Any individual selecting a tour on the master schedule shall be assigned that tour if he/she is adequately qualified to perform the work of the selected tour and if service requirements permit, except that employees having less than three (3) months' service may be assigned any tours.
- D. Not more than thirty-one (31) days prior to the specified effective date of a new master schedule (Monday through Friday or Monday through Saturday, as appropriate) or in the reassignment of an existing master schedule, the Company will concurrently post:
 - 1. A copy of the schedule (or a notice) indicating the starting and ending time of tours, together with the starting and ending time of each session and the number of each group of tours.

Example –

Scheduled Tours	Number of Tours
8 a.m. – 12 noon – 1 p.m. to 5 p.m.	6
8 a.m. – 12:30 p.m. – 1:30 p.m. – 5 p.m.	4
9 a.m. – 1 p.m. – 5 p.m. – 9 p.m.	3
3 p.m. – 7 p.m. – 8 p.m. – 11 p.m.	3

The posting shall also show the effective date of the new schedule and the date (not earlier than three days following the date of posting) on which the Company will begin contacting employees.

- E. The Company shall make a reasonable effort to contact for choice of tours by seniority, employees on vacation, working out of town, on sick benefits, or not at work for any reason, employees who were unable to be reached previously. All contacts shall be operator verified.
- F. Any employee shall have the right to inform his/her supervisor of preferred tour choice, if they will be unavailable for any reason at the time selections are made.
- G. Any employee the Company cannot contact shall be assigned by seniority the best possible tours available upon their return to the work group.
- H. If two or more employees have the same seniority date, date of birth shall determine seniority order.
- I. No employee may choose the positions where they are to work. Management will have the right of placing them on the position where they are needed or where Management decides they are to work.

Section 3.

Tours may fall on any day of the week necessary to meet service requirements except that the tours and part tours which make up the normal work week may not be spread over more than six (6) days of the calendar week.

No employee shall be scheduled to work more than thirteen (13) consecutive days, except in a case of a service emergency.

Section 4. CHANGE IN SCHEDULED TOURS

- A. Tours may be shifted or changed at the request of any employee. Requests for such changes will be accepted between the hours of 7 a.m. and 6 p.m. on Monday through Friday even though the requested changes may fall on any day of the calendar week.

Changes, as stated above, will be accepted provided:

1. No replacement of the employee's schedule is required and when the services of the employee making the request may be profitably used during the hours to which he wishes to change.
2. When a replacement of the employee's schedule is required, the change shall be made providing an agreeable shift can be made

in the schedule of another employee, and providing such other employees agree to work the shifted tours at the regular rate.

- B. Hours worked during tours shifted by the Company shall be paid for as follows:
 - 1. All hours worked within the 48 hours after notice of the shift but outside of the officially posted tour shall be paid for at the overtime rate.
 - 2. All hours worked after expiration of 48 hours notice and outside of the officially posted tour shall be paid for as if no shift in such tour had been made.
- C. If the Company contacts an employee in connection with a shift of his tour and the employee agrees to the shift, the shift shall not be considered at the request of the employee.
- D. It is understood by the parties that, in order to meet service requirements, meal periods of various durations are scheduled by the Company.

However, consideration will be given to requests from a shift within a work group to schedule meal periods for different durations when service requirements can be met.

Should it become necessary to change meal periods requested by the work group, the provisions of Article 21, Section 4.B.1. will not apply.

Section 5. RELIEF PERIODS

- A. All employees shall be assigned or allowed one fifteen (15) minute relief period during each session worked.
 - 1. Such relief periods shall be scheduled or allowed as near the mid-point of the session as feasible or practicable but, in no event, shall they be scheduled to start less than one (1) hour from the beginning or end of each session unless a service emergency develops.
 - 2. Employees who drive Company vehicles in the normal course of employment may be permitted to take early or late relief at the direction of the immediate supervisor for improved efficiency when arriving at or leaving the job location.

Section 6. ARRANGEMENT OF TOURS

- A. Arrangement of tours shall be as specified by the Company.
- B. The Company shall have the right to determine the number of employees that are to be scheduled at any time.

Section 7. TIME WORKED OUTSIDE OF SCHEDULED TOURS

- A. All employees required to work outside of a scheduled tour of duty will be paid a minimum of two hours pay at the overtime rate. (See exception Section 8.)
 - 1. In the event any employee is called for work, and after reporting for duty, it is found that there is not work available, he shall be credited with two (2) hours of work.
- B. Employees on such "call-out" shall have wages computed for a reasonable period from the time the employee leaves the residence until the time the employee returns to the residence, immediately upon completion of the call-out assignment(s).

Section 8. PART-TIME EMPLOYEES

- A. Part-time employees may work on days off, or additional hours outside their posted schedule on any day without being paid the overtime rate if the total hours are not over eight (8) per day or forty (40) per week.
- B. Part-time employees shall be utilized on tours that have not been selected by regular full-time employees.
- C. Part-time employees
 - 1. The actual rates and increases for part-time employees shall be determined by the accumulation of the actual hours worked as they relate to the normal full-time work week.
 - 2. A part-time employee shall receive a progression increase when he has accumulated hours worked equal to the number of months on the particular progression step on the schedule.

Section 9. SEPARATE SCHEDULES – SATURDAY AND/OR SUNDAY AND HOLIDAY

Where separate Saturday and/or Sunday and holiday schedules are used, the following procedures shall be followed:

- A. When separate Saturday and Sunday schedules are used, employees who are to be assigned work on Saturdays and Sundays under the provisions of this agreement may notify their supervisor in writing of their preference for choice of tours by not later than noon Monday preceding the Saturday or Sunday involved. Such tours will be assigned as chosen in accordance with seniority insofar as service requirements permit. This notification of preference does not permit the employee to be assigned better hours than her/his seniority entitles. Employees who have not notified the supervisor as outlined above, will be assigned the same tour, or the nearest available tour as they are assigned on other days of the week.

- B. Where separate holiday schedules are used, the Company will post a copy of the schedule to be worked by not later than Monday of the fourth week preceding the week in which the schedule involved becomes effective. Also the Company will concurrently post a list of employees tentatively assigned to work the holiday. It is recognized that the employees scheduled to work the holiday may vary from the list of employees tentatively assigned to work the holiday due to service requirements and changes in the force available. Employees who are to be assigned work on holidays under the provisions of this agreement may notify their supervisor in writing of their preference for choice of tours by not later than noon Monday of the third week preceding the holiday. Such tours will be assigned as chosen in accordance with seniority insofar as service requirements permit. This notification of preference does not permit the employee to be assigned better hours than her/his seniority entitles. Employees who have not notified the supervisor, as outlined above, will be assigned the same tour or the nearest available tour as they are assigned on other days of the week.

Section 10. EMPLOYEES RETURNED TO THE BARGAINING UNIT

Employees may be returned to the bargaining unit, in seniority order and shall do so in strict compliance with Article 5 of this Agreement.

Section 11. 4-10 SCHEDULES

The Company and the Union agree to establish a ten (10) hour day, forty (40) hour work week. Four-ten schedules may apply in any situation where the employees and management mutually agree to the assignment.

- A. Overtime – Overtime will be paid for hours worked in excess of ten (10) in any one day or forty (40) in any one week. An exception is made when an employee is allowed to make up time as described in paragraph 2.A.

B. Holidays

1. All weeks which contain a fixed holiday (New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day) will be handled in one of the following ways: The affected employees will agree to either revert to normal eight hour days in order to be paid the normal 40 hours per week, or as an alternative, employees may remain on a ten hour schedule and work thirty hours for the week. A third option may be made available by the Company on a case-by-case basis only when business considerations warrant. The Company may allow the employee to work three days and make up the additional two hours on straight time during the three days.
2. With supervisory approval, the five floating holidays, may be scheduled during the ten-hour tours. These holidays will be converted to 40 hours. An employee scheduled off for one of the holidays listed in this paragraph will be compensated for up to ten (10) hours. The compensated hours will be deducted from the employee's total holiday hours. Holidays must be scheduled in increments of ten (10) or eight (8) hours, unless the remaining total hours are less than eight (8) hours. Holiday time paid but not worked, up to a maximum of ten (10) hours, will be counted toward the calculation of overtime.

Employees on a 4-10 schedule will receive the same total number of paid holiday hours as employees on a 5-8 schedule.

3. For the employee on the "four-ten" schedule who works on the holiday or day designated as holiday, holiday allowance is eight (8) hours and pay for the time worked will be computed in accordance with Article 24.
- C. Vacation – Vacation shall be paid on the basis of forty (40) hours per week. A vacation week will be paid on the basis of five (5), eight (8) hour days. However, should an employee take a vacation day as "day at a time", they will be allowed to take four (4) ten (10) hour days. In no case will an employee receive more hours of vacation per vacation week as a result of being on a four-ten schedule than an employee who is not on a four-ten schedule.
- D. Authorized Paid Absences (death in immediate family, and jury/witness duty) – in those instances where payment is provided for authorized absences, the pay will be up to ten (10) hours per day.

- E. Sickness – Disability Benefits – For an employee working the “four-ten” schedule, payments will be made on the basis of a ten (10) hour day. When applicable, a waiting day will be limited to eight (8) hours.

Section 12. MEAL PERIODS

It is understood by the parties that, in order to meet service requirements, meal periods of various durations are scheduled by the Company.

However, consideration will be given to requests from a shift within a work group to schedule meal periods for different durations when service requirements can be met.

Should it become necessary to change meal periods requested by the work group, the provisions of Article 21 will not apply.

**ARTICLE 22
PREMIUM AND DIFFERENTIAL PAYMENTS**

Section 1. Employees in all departments shall be paid in addition to their basic rates, premiums for evening or night tours worked in accordance with the following:

Section 2. Employees will be paid \$1.00 per hour for all hours worked after 8:00 p.m. and before 6:00 a.m.

- A. Where a combination of scheduled and overtime work on the same day extends into a period for which night premiums are payable, only the overtime rate shall be paid for the hours which are worked beyond the normal scheduled time.
- B. Night premiums will not be paid when an employee is receiving the overtime rate. Evening or night premiums will not be paid for call-outs.

Section 3. WORKING LEADER

Any employee who serves as a working leader shall be paid, in addition to his/her basic rate, differential rates in accordance with the following table: (The principles outlined in Article 16, Section 2.B.4. shall apply to appointments of Working Leaders):

Number of Employees Assigned	Weekly Differential
1	\$15.00
2 and over	\$30.00

Section 4. DIFFERENTIAL FOR WORKING ON HIGHER RATED JOBS

- A. The basic rate of an employee substituting in a higher rated non-bargaining unit hourly rated position, shall be paid at the next higher rate

on the wage schedule for the job in which he/she is substituting, providing the employee works in a higher rated job for one (1) hour or more in any one (1) day.

- B. Any bargaining unit employee who substitutes in a higher rated job within the bargaining unit shall be paid at the next higher rate on the wage schedule for the job in which he/she is substituting. The employee shall be paid the appropriate rate for all time worked in the higher rated job with the new rate being at least \$.50 greater than the employee's regular basic wage rate.

Section 5. **MANAGEMENT RELIEF DIFFERENTIALS**

- A. Hourly employees who are designed by management to be in charge of other hourly employees or of a non-supervisory managerial function will receive an in-charge differential of \$.75 per hour.

- 1. The above shall apply if the employee relieving works in the position a minimum of one (1) hour.

Section 6. **DIFFERENTIAL FOR TRAINING**

An employee directed by the Company to assist in the training of any employee shall be paid in addition to his basic rate \$2.50 per session.

Section 7. Employees working split tours shall be paid in addition to their regular rate the amount of \$2.50 per tour if both sessions of the tour are worked in whole or in part.

**ARTICLE 23
TRAVEL TIME AND TRAVEL CONDITIONS**

Section 1. **PLACE OF REPORTING**

- A. The Company shall designate the place within his/her headquarters at which an employee shall report for work.

- 1. This may be at an office, garage, storeroom or place of vehicle storage. In case of plant forces who do not operate a motor vehicle in performing their regular duties, they shall report to the job location when employees must relieve each other. However, this does not preclude the reporting by any member of a work group to the job site when mutually agreed thereto by the parties concerned.

2. Nothing in this section shall be construed as prohibiting the Company from designating the job or a location en route to the job for any employee when such designation is requested by the employee and agreeable to the Company.
3. The headquarters for Equipment Installer-Repairers shall be Ashland, Lexington, or Morehead.

Section 2. TIME CONSIDERED WORKED

- A. Time spent by an employee in traveling from his/her designated place of reporting to the job, and from the job back to such place at the conclusion of the day's work, shall be considered as time worked.
- B. Time during the scheduled or assigned hours of an employee which is spent at the direction of the Company in traveling from one job assignment to another or from one town to another shall be considered as time worked.
- C. Time spent by an employee, at the direction of the Company, in traveling before or after the hours of his/her scheduled or assigned tour, which may be described as "all in a day's work," shall be considered as time worked.
- D. Where an employee is directed to travel continuously for more than a full work day, the time spent traveling shall be compensated for at the basic rate for one travel tour. Time spent traveling in Company vehicles shall be considered as time worked.
- E. An employee required to travel on a day on which he/she was not scheduled or assigned to work or on Saturday, Sunday or a holiday shall be considered as working on those days.
- F. Employees who drive Company vehicles in the normal course of their work may drive a reasonable distance for relief and/or meal periods. Driving for meal periods shall be on the employee's own time.

Section 3. TRAVEL EXPENSE

Employees who are required to work away from their headquarters and are not returned to such headquarters at the end of the working day shall have their expenses handled in accordance with the following:

- A. The Company will specify the means of transportation to be used, other than the employee's personal car; however, the Company, at its option, may authorize the employee to use his/her personal car if it is agreeable to the employee. Whenever an employee is authorized to use his/her personal car in connection with job duties, such car shall be used as

directed by the Company, and the Company will reimburse the employee per the current ALLTEL policy.

This mileage allowance will be increased during this Agreement's term to match allowance increases for non-bargaining unit employees.

- B. The Company may, at its option, provide board and/or lodging for employees. (Exception: Equipment Installer-Repairers are not required to accept Company provided board and/or lodging unless they are attending Company sponsored schools.)
- C. If the Company does not provide board and/or lodging, an employee may select one of the following options:
 - 1. As of September 17, 2000 (per day) meal allowance of \$28.00; Breakfast - \$6.50; Lunch - \$6.50; Dinner - \$15.00; Lodging Allowance - \$19.00. If conditions indicate that adjustments are necessary, additional allowances may be authorized. All allowances are in lieu of all other expenses, except job connected transportation as stated in Section 3.A. above. If less than three meals are consumed away from his/her headquarters, payment will be on a prorate basis. Meals paid for by the Company shall be eaten on the employee's own time.
 - 2. A commuting allowance per day or part day worked in lieu of all other expenses. When receiving the commuting allowance, the employee travels on his/her own time, using personal transportation to and from his/her regularly established home. Such employee may be directed or permitted to ride one way in a Company vehicle without depriving the employee of this allowance.

ZONE COMMUTING ALLOWANCE

Zone 1 - \$12.00	Up to 20 miles
Zone 2 - \$20.00	21 to 40 miles
Zone 3 - \$28.00	41 to 60 miles
Zone 4 - \$35.00	Over 60 miles

Employees traveling on Company business to a location outside of Kentucky will be allowed a meal allowance of \$30.00 per day for each full day of travel.

- 3. Company provided lodging with the meal allowance as provided in Section 3.C.1. above.
- D. Notwithstanding other provisions of this Agreement, employees will be paid the appropriate commuting allowance (See Section C.2. above)

when working in his/her home location, when such assigned location is not in his/her headquarters, unless such alternate reporting is by mutual agreement of the employee and management. Where there is mutual agreement, alternate reporting, without commuting allowance, is appropriate at any reporting location.

- E. When the Company has not returned an employee (who is receiving expenses under Section 3.C.1. or 3.C.3. above) to his/her headquarters by the weekend of other day(s) off and when work conditions permit, such employee may return to his/her home on his/her own time with his/her travel expenses paid by the Company. The Company will not pay travel expense in excess of the amount the Company would have otherwise paid for board and lodging for the period involved. Any amount in excess of board and lodging will be paid by the employee. Such employee will be expected to report back to his/her temporary work location at the beginning of his/her next scheduled tour. If the employee remains at the temporary work location during scheduled off days, expenses will be provided under Section 3.C.1. or 3.C.3 for such day(s).
- F. When an employee is sent out of state, and the Company determines that the allowances established under Section 3.C.1. or 3.C.3. above are inadequate, additional allowances will be authorized.

Section 4.

After reporting to work if an employee uses his/her personal vehicle in the daily course of work at the direction of the Company, mileage will be paid for reporting to other work locations during the day. Such payments would be in addition to any applicable commuting allowance.

Section 5. EXPENSES IN CONNECTION WITH PERMANENT TRANSFERS

- A. The Company shall pay transfer or moving expenses when an employee is permanently transferred at the instance of the Company.
- B. The employee will suffer no loss of regular pay for reasonable time off to arrange for the moving of household furnishings and to make the trip to the new location.

Section 6. EXPENSES IN CONNECTION WITH FORCE REDUCTION

Transfer or moving expense in connection with the exercise of the rights under Article 18 shall be borne by the employee except that he/she shall suffer no loss of basic pay for up to 2 days off to arrange for the moving of household furnishings and travel time to the new location.

Section 7. When employees are attending Company sponsored training schools outside the state of Kentucky for a period of time in excess of three (3) weeks, they may be allowed to return to their headquarters once every three (3) weeks with reasonable travel expenses paid by the Company provided they do not absent themselves from class.

ARTICLE 24 HOLIDAYS

Section 1. Both parties recognize the importance of providing exceptional customer service and also allowing additional flexibility for employees to observe holidays. To maximize these objectives the following holiday schedule will be effective:

- Seven designated holidays
 - New Years Day
 - Memorial Day
 - Fourth of July
 - Labor Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Day

- Five Floating Holidays

Section 2. HOLIDAYS EXCUSED AND WORKED

A. Insofar as service requirements permit, employees, except those described in 1 and 2 below, shall be excused with basic pay on authorized holidays.

1. Absentees, meaning employees failing to report for scheduled work on the holiday, or on either of the days which immediately precede or follow the holiday, shall receive no pay for the holiday unless such absences are excused as indicated below:
 - a. Excused absences are illnesses or those absences with pay as specified under non-productive time, Article 29.
 - b. Requested days off when granted by management will be considered as excused absence under this section, provided such request for absence was made in a reasonable time in advance of the absence.
2. Employees on formal or informal leaves of absence for five (5) or more days in a holiday week, including the holiday, are not eligible for such holiday.

B. Insofar as service requirements permit, holiday assignments shall be rotated among the employees within a particular work group.

1. Each holiday will be considered separately in the rotation of holiday schedules.

Section 3. When an authorized holiday falls within an employee's vacation period, an additional day of vacation shall be provided to connect with the vacation period, or at another time if requested by the employee and approved by the Company.

Section 4. When an authorized holiday falls on an employee's scheduled day off, he/she may be granted another day off within the same work week.

Section 5. As to employees not normally subject to Saturday scheduling, if the holiday falls on Saturday the preceding Friday will be observed.

Section 6. When an authorized holiday falls on Sunday, the following Monday shall be recognized and observed as the holiday.

Section 7. An employee who has accumulated six (6) months of continuous service may select a regular scheduled work day to observe as a Floating Holiday provided:

A. While it is recognized that there may be appropriate exceptions, each employee is expected to notify the supervisor at least ten (10) calendar days preceding the day desired to observe as a Floating Holiday so that management may review work requirements to determine that the day requested is available so that the schedule may be properly posted. The supervisor may waive this requirement. Employees may be granted a Floating Holiday under special circumstances without regard to the time limit as provided herein with the approval of the supervisor.

B. When two (2) or more employees in a work group select the same day and because of service requirements all requests cannot be approved, the less senior employee(s) will choose alternate day(s) in order of seniority.

C. If there is a failure to select a Floating Holiday by October 1, management will designate the day(s) to be observed.

Section 8. PERSONAL TIME OFF

A. Regular full-time employees will be eligible to take time off from work to take care of immediate personal needs.

B. Employees who elect to utilize this benefit will do so by using up to five (5) floating holidays, if eligible. Time off shall be granted in increments of four (4) hours, for a total not to exceed forty (40) per year.

- C. At least forty-eight (48) hours advance supervisory notice and approval are required prior to the beginning of the employee's tour. This forty-eight (48) hour notice may be waived by mutual consent. Based on service requirements, supervision reserves the right to grant or deny the request.
- D. Should any increment of the eight hours remain as of November 1, supervision may schedule the remaining increment to ensure orderly work force management.
- E. The supervisor's denial of a request is subject to the grievance procedure but not the arbitration procedure of the Collective Bargaining Agreement.

**ARTICLE 25
SUNDAY, HOLIDAY AND OVERTIME PAYMENTS**

Section 1. Payment shall be made at the overtime rate for all time worked in any one day in excess of the length of a normal tour and for time worked in any one calendar week in excess of five such tours or their equivalent.

Section 2. SUNDAY PAY

Employees working on Sunday shall be paid at the rate of one and one-half times the basic hourly rate for all time worked and shall also receive any applicable evening or night premium.

Section 3. HOLIDAY PAY

Employees who work on an authorized holiday shall be paid (in addition to one day's regular pay) at the rate of one and one-half times the basic hourly rate for all time worked. In addition, they shall also receive any applicable evening or night premium.

Section 4. Insofar as practicable, overtime work shall be assigned to employees within a work group who desire it.

Section 5. Employees called out to work during hours outside their scheduled hours for that day shall be paid at the overtime rate for all such call-out hours. (See exception Article 21, Section 4.A. and 8.)

Section 6. Employees who are scheduled to work on December 24 or December 31 shall be paid at the overtime rate for all time worked after 7 p.m.

Notwithstanding any other provisions of this Agreement, when Christmas falls on Sunday the Holiday schedule will apply on Sunday and the weekend schedule will apply on Monday.

Note: This paragraph applies to scheduling only and in no way alters or adjusts payment of wages.

Section 7. NON-COMPOUNDING OF OVERTIME

- A. Any overtime paid for work on any day or days will not be compensated for again in computing overtime due for the week.
- B. Absent paid time for a holiday, jury and witness duty, death in the immediate family, pallbearer time, excused non-paid time of Local Union Officers spent on Union activity and Certified Stewards involved in grievance investigation shall be included in the computation of overtime. All other absent paid time shall not be included in the computation of overtime.

**ARTICLE 26
EQUALIZATION OF OVERTIME PAY
WORK OPPORTUNITY**

Section 1. Insofar as practicable opportunity for overtime pay work shall be kept equalized among qualified employees within each work group. In connection with the review of an alleged grievance, the Company will furnish the record of the previous ninety (90) day period of overtime pay hours worked by employees within the work group involved.

Section 2. POSTING OF OVERTIME RECORDS – PLANT AND COMMERCIAL DEPARTMENTS

- A. The Company will post bi-weekly on bulletin boards at the normal place of reporting for a work group the following:
 - 1. The number of overtime pay hours outside of the regular schedule that each employee did not work after being contacted or after an attempt has been made to contact the employee at the telephone number provided by the employee concerning overtime pay work.
 - 2. The number of overtime pay hours worked outside of the regular schedule by each employee.
 - 3. The total of (a) and (b) above.
 - 4. The cumulative total of overtime pay hours worked outside of regular schedule and not worked by each employee.

- a. Non-scheduled Sunday work and time worked in excess of a normal tour on a holiday shall be included in the overtime pay time and shall be posted.
 - b. Call-out time to be posted in Section 2.A.(a) above and Section 2.A.(b) above shall include all hours paid for at the overtime rate.
- B.
 - 1. When an employee enters a work group initially or moves to another work group he/she shall be credited for the purpose of equalization of overtime pay work opportunity with an average of the overtime pay hours worked and not worked within the work group into which he/she enters.
 - 2. When an employee is absent from his/her work group for his/her normal vacation he/she shall, upon his/her return, be credited with his/her cumulative total at the time of the beginning of the absence.
 - 3. An employee absent from his/her work for reasons other than normal vacation, shall upon his/her return, be credited with his/her cumulative total at the end of the payroll period in which he/she last worked, plus the average overtime pay hours worked and not worked credited to employees in his/her work group during his/her absence. This will establish his/her cumulative total at the beginning of the payroll period in which he/she returns.
 - 4. When an employee signs a no call list, as provided in Section 3, below, he/she shall, for the period(s) during which he/she is subject to such no call list, be credited with the average overtime pay hours worked and not worked credited to employees in his/her work group, plus any overtime hours he/she actually works, for the period he/she remains on the no-call list.
- C. An agreed upon form will be used to post the information required by this procedure.
- D. This procedure will not apply where there is only one employee in a job classification in a common place of reporting.
- E. All overtime worked and/or offered to any employee shall be included in the overtime list posted in his/her work group.

Section 3.

- A. Anyone who does not want to be called for overtime will, at revision of each 13 week schedule, sign up on a no call list. He/she will be

accredited for any hours they would have been called for on overtime on the list as hours not worked and added in the cumulative total.

- B. This does not preclude them from working connecting overtime, service emergencies, or when no one else is available to work.

Section 4. In those instances where a work group uses Ready to Serve, any employee who chooses not to fulfill his turn in the rotation, and is permitted to trade that rotation with another employee, shall be credited for the respective week with the number of overtime pay hours worked by the employee who served in the Ready to Serve capacity for that week.

Section 5. The purpose of this process shall be to seek the equalization of overtime opportunity on an on-going basis. If the Union believes that the purpose is not being served by the manner in which the process is being administered, it will call that concern to the attention of the Company, by grievance or otherwise, and any interim adjustment in hours charged or in the order of assignments agreed upon by the Company and Union will be made.

Section 6. Nothing contained in the provision shall suggest that overtime is not a required element of the job.

Section 7. At the termination of this Agreement, June 7, 2006, a determination will be made as to whether any employee was denied the opportunity to work at least 75% of the average overtime offered to his/her work group. That average will be calculated on the basis of the principles and procedures set forth in Sections 2 and 3 of this Article. Additionally, as overtime records are posted, bi-weekly, they become final if not grieved within fourteen days of posting. If it is determined at the conclusion of this Agreement that an individual has not been credited with opportunity to work at least 75% of the average overtime offered his/her work group over the period of this Agreement, that employee will be paid 75% of the difference, i.e., 75%, times one and one-half his/her regular hourly rate, times the difference between 75% of the work group average and the number of overtime hours offered to him/her.

**ARTICLE 27
VACATIONS**

Section 1. VACATION ELIGIBILITY

- A. Employees who have completed twelve (12) months of more of net credited service shall be granted a vacation with basic pay during each calendar year as follows:

Two (2) weeks vacation to employees with less than five years' service except that vacations may not be scheduled for an employee until after the completion of twelve (12) months of service.

Three (3) weeks vacation to employees who will complete five (5) or more years of service within the calendar year in which the vacation is granted.

Four (4) weeks vacation to employees who will complete fifteen (15) or more years of service within the calendar year in which the vacation is granted.

Five (5) weeks vacation to employees who will complete twenty-five (25) or more years of service within the calendar year in which the vacation is granted.

Note: The service prescribed by the above shall be the net credited service.

- B. A part-time employee is entitled to one (1) week's vacation with pay after working 2,080 hours. Thereafter, the amount of vacation they will receive per year will be determined by relating their net credited service to A. above. Vacation pay for part-time employees shall be based on the average number of hours worked per week during the most recent four (4) weeks as described in Article 2.

Section 2. VACATION ASSIGNMENTS

- A. Insofar as service requirements permit, vacations may be taken at any time during the calendar year and shall be scheduled in the order of seniority within a particular work group. Not later than November 1 of the preceding year, the Company shall post a statement showing the available periods within which vacations may be taken and the number of vacations available for each period, for the following year.

- B. Not earlier than November 15 the Company will make a reasonable effort to contact employees, in the order of their seniority, so that they

may choose a vacation period from those available. Employees who will not be readily available between November 15 and December 15 may express their preference for choice of vacation periods in advance of being contacted and, if available, their vacation periods will be assigned as chosen in accordance with seniority insofar as service requirements permit. Employees not making a selection at time of contact, employees not expressing advance choices, employees whose advance choice is not available, and employees whom the Company was unable to contact after a reasonable effort to do so, shall be passed over but shall have the right to make a selection from the remaining available vacation periods in accordance with their seniority at any subsequent time prior to December 15. For an employee electing to take his/her vacation in segments, he/she shall be entitled to exercise preference for only one segment until all other employees who have expressed preference for their vacation or the first segment have been assigned or have been passed over because their preference was not available. A segment of vacation is a continuous period of vacation (in full week increments beginning with Sunday of the first week and ending with Saturday of the last week) with no work time between the beginning and end of such vacation period. Employees who have not made a vacation selection by December 15 may be assigned any of the remaining available periods.

During the selection period an employee who has made a selection will not be allowed to change that selection. Insofar as service requirements permit, an employee shall be assigned the vacation period of his/her choice.

1. The "order of seniority" as used in this section shall be determined by the employee's seniority on January 1 of the vacation year.
 2. After vacation assignments have been completed, a list of such assignments shall be prepared and posted or shall be otherwise available to employees throughout the calendar year.
 3. The Company will give consideration to a request of an employee based upon his impelling reasons for a vacation period not included in the posting under A. above.
- C. Vacations may be rescheduled during the unexpired portion of the vacation year upon the request of any employee.
1. Provided no replacement is required, vacation periods shall be rescheduled upon the request of an employee.

2. Where a replacement is required and an agreeable change can be made with another employee, vacation periods shall be rescheduled upon the request of an employee.
- D. Once vacations have been scheduled they shall not be changed at the initiative of the Company except in cases where service requirements demand such changes or such changes will obviate the layoff or separation of other employees.

Section 3.

- A. Vacations shall not be accumulated from year-to-year. In successive calendar years, vacations cannot be taken consecutively.
- B. Employees cannot waive their vacations and draw double pay for working during the time allowed.
- C. Notwithstanding any other provisions of this Agreement, employees unable to take their remaining vacation in the current calendar year due to being on a Sickness-Disability period may reschedule such remaining vacation time in the next succeeding calendar year, but no later than March 31st of that year.
- D. The vacation schedule for a calendar year will include the last week of that calendar year, even if it overlaps into the following calendar year, unless December 31 falls on a Sunday.

Section 4. VACATION TREATMENT TO EMPLOYEES LEAVING THE SERVICE

An employee who leaves the employment of the Company other than by discharge for cause before his/her vacation is completed, shall be granted pay in lieu of such vacation at termination provided he/she has given the Company a minimum of two (2) weeks prior notice of his/her leaving.

Section 5. VACATION TREATMENT FOR EMPLOYEES RETURNING TO THE SERVICE

An employee who resumed employment following a leave of absence and who has not previously received his/her vacation for the year in which he/she resumes employment shall be eligible for a vacation when he/she has worked for as much as thirteen weeks following his/her last paid vacation.

Section 6. VACATIONS FOR EMPLOYEES TRANSFERRING

- A. An employee transferring to an associated company before his/her vacation is scheduled to begin shall receive such vacation before transferring to the other company, if such transfer is arranged on that

basis. If the transfer is made before the vacation is given, the company receiving the employee on transfer will be so advised.

- B. An employee eligible for vacation under this Agreement, transferring to this Company from an associated company shall receive a vacation for the current year from this Company unless he/she has previously received such vacation from the other company.
- C. Vacation Limitation. Vacations are not cumulative and may be taken only during the calendar year within which they are due. Exception: Section 3.C. of this Article.

Section 7. DAY-AT-A-TIME VACATIONS

- A. Employees will be allowed to take vacation on one-day-at-a-time basis with the following restrictions:
 - 1. All vacation weeks will be selected as provided in Section 2 prior to any request for day-at-a-time is considered.
 - 2. All vacation day-at-a-time requests will be approved on a service requirements permitting basis.
 - 3. Employees wishing to take a vacation day-at-a-time will make this request a minimum of fourteen (14) days in advance.
 - 4. At the time the vacation day is approved, the employee will specify in writing the day and vacation week from which the day-at-a-time vacation will be deducted.
 - 5. Vacation weeks will be taken according to the schedule unless used via vacation day-at-a-time.

Section 8. VACATION BANKING

- A. Employees eligible for four (4) weeks or more of vacation may carry forward a limited number of weeks each vacation year in accordance with the following provisions:
 - 1. Employees eligible for four (4) or more weeks of vacation may carry forward one (1) vacation week for each vacation year.
 - 2. Employees eligible for five (5) weeks of vacation may carry forward two (2) vacation weeks for each vacation year.
 - 3. No more than four (4) weeks total shall be accumulated.

4. Such carried forward vacation shall be subject to advance written application.
5. Future scheduling of such carried forward accumulated vacation is subject to Company approval.

Section 9. HARDSHIP VACATION

The parties agree that in rare and extreme circumstances it may be appropriate to allow employees to donate a portion of their vacation to an employee facing personal hardship. The Company and CWA agree to work together to the benefit of the affected employee.

In order to insure that this is limited to truly unusual and extreme circumstances, the following process will be used.

Application of this provision will require concurrence by the CWA Staff Representative and a Corporate Human Resources' representative on a case-by-case basis.

When either management or the Union identify a situation where a verifiable extreme personal hardship exists, the details will be forward to a Corporate Human Resources' representative and the CWA Staff Representative for evaluation. After agreement has been reached that the circumstances warrant the application of donated vacation and the maximum has been established, the need will be made public to the employee body to solicit volunteers. No employee will be allowed to donate more than one week and the departmental impact will be considered prior to final approval.

**ARTICLE 28
SICKNESS AND DISABILITY BENEFIT PLAN**

Section 1. All regular employees within the bargaining unit shall, after a term of net credited service of twelve (12) months, be qualified to receive payments when physically disabled from working by reason of sickness or noncompensable accident injury.

Section 2. Sickness Disability Benefits shall be as follows:

This is effective 6/1/2000:

Net Credited Service	Weeks of Full Pay	Weeks of Half Pay	Waiting Period
12 months<5 years	4 weeks	9 weeks	2 days
5 years<10 years	13 weeks	13 weeks	1 day
10 years< 20 years	13 weeks	39 weeks	1 day
20 years +	13 weeks	39 weeks	0 day

(When week is used under this Article it shall mean a period of five (5) days and the pay will be at the basic rate). Employees on a four ten hour work week should refer to Article 21, Section 11E.

Section 3. When an employee with five (5) years or more of accredited service is absent, the waiting day will be waived if no sickness disability benefits have been paid in six (6) months immediately prior or if the absence is due to hospitalization or outpatient surgery.

Note: The waiting day for employees with 10-20 years' service and the provisions of the new Section 3 will be effective 6/1/2000.

Section 4. If an employee has received sickness disability benefits for any period and is again absent on account of sickness within fourteen (14) days after the termination of such period, any benefits on account of such further sickness shall begin on the first day of absence. If, during the previous illness, no sickness benefits were paid due to a waiting period not having been completed, the employee will be required to complete the remainder of the uncompleted waiting period, if applicable.

Section 5. Successive periods of sickness disability shall be counted together as one period in computing the period during which the employee shall be entitled to benefits, except that any sickness occurring after an employee has been continuously engaged in the performance of duty for thirteen (13) weeks shall be considered as a new sickness and not as part of any disability which preceded such period of thirteen (13) weeks.

Section 6. An employee's length of service as of the first day of absence determines the length of time for which benefits will be paid during that absence.

Section 7. Any employee who is required to be absent from work or who finds it necessary to leave work due to illness will make reasonable effort to report to his/her immediate superior at the beginning of such absence.

- A. If an employee wishes to leave town for longer than 24 hours during a period when he/she is receiving sickness disability benefits he/she will make reasonable effort to notify his/her supervisor of his/her intentions in advance.

Section 8. Vacations will be rescheduled if an employee is ill on the first day of his/her vacation period or the first day of any subsequent full week segment of his/her vacation period to the extent that he/she would be unable to take his/her vacation, or such segment, or return to work; his/her vacation, or such segment, shall be rescheduled upon request.

Section 9. An employee with more than twelve (12) months of service who is required to leave work due to illness after having worked one hour of the first session will be paid regular wages for that session and the second session will be subject to benefits or will constitute the first half day of the waiting period. Such an employee

who leaves work due to illness after having worked one hour of the second session will be paid for the full day and the waiting period or benefits will begin on the following scheduled day.

Section 10. Employees who are physically disabled by reason of accidental injuries arising out of and in the course of employment for this Company shall be paid the difference, if any, between the amount paid to the employee under Worker's Compensation and the amount prescribed in Section 2 above. No waiting period will be required under this section.

Section 11. Employees who are physically disabled by reason of injuries received while engaged in employment other than with this Company, for which they receive compensation, will not be eligible for benefits under this Article for such disability.

Section 12. Employees receiving benefits under this plan must take proper care of themselves and have proper treatment. Benefits will be discontinued to employees who refuse or neglect to follow the recommendations of the physician in attendance. The Company at its option may require a doctor's certificate in any case.

Section 13. Part-time employees shall be entitled to benefits under this Article after working 2,080 hours. Thereafter, the amount of sickness benefits they will receive will be determined by relating their net credited service to Section 2 above. Payment to part-time employees shall be computed by dividing the number of hours actually worked during the four full calendar weeks prior to the beginning of the absence by 20. The result will represent the number of hours to be received per day.

Section 14. The Company may at its discretion make allowances over and above those provided by this article without establishing precedent.

Section 15. Benefits shall not be payable for both accident and sickness at the same time to the same person.

Section 16. If it becomes apparent that the plan is being abused, the Company shall have the right to give the Union thirty (30) days' written notice in advance that the plan may be modified or terminated.

Section 17. Upon expiration of pay benefits as provided in this Article, an employee may request and shall be granted a Leave of Absence for medical reasons not to exceed six (6) months. If upon expiration of the medical leave, the employee is still unable to return to work, he/she may request a leave under Article 30, Section 1.

ARTICLE 29
NON-PRODUCTIVE TIME

Section 1. **Jury and Witness Duty.** Employees on jury or subpoenaed witness duty will not lose base pay for normally scheduled hours. This will be in addition to any pay received for jury service.

Section 2. **Death in the Immediate Family.** An employee shall suffer no loss of basic pay for a reasonable amount of absence due to a death in his/her immediate family.

Section 3. **Elections.** If reasonable notice be given his/her supervisor, an employee shall be allowed a reasonable amount of scheduled time away from his/her assigned duties on account of service at the polls in connection with federal, state, municipal or county elections.

Section 4. **Voting.** If reasonable notice be given his/her supervisor, an employee shall suffer no loss of basic pay for reasonable time off in voting in any federal, state, municipal or county elections.

Section 5. **Quarantine.** Absence due to unavoidable quarantine shall be subject to the same treatment as absence due to personal illness provided under Article 28.

Section 6. **Visit to Doctor.** The Company shall have the right to require any employee to submit himself/herself for a medical examination by a physician at no cost to the employee. When an employee is required by the Company to visit a physician, he/she shall not suffer loss of pay.

Section 7. Employees not permitted to work by management because they have been exposed to some communicable disease not subject to legal quarantine shall be compensated in accordance with the benefits as provided in Article 28.

Section 8. Absences excused with pay other than those provided for in this Article may be permitted at the discretion of management without establishing a precedent.

Section 9. Notwithstanding Section 8, above, employees who are pallbearers shall be allowed the necessary time off with pay, up to a maximum of four (4) hours.

**ARTICLE 30
LEAVES OF ABSENCE**

Section 1. LEAVES OF ABSENCE (OTHER THAN MILITARY)

- A. Leaves of absence or departmental leave without pay shall be granted for good cause and for reasonable lengths of time provided service requirements permit and further provided there is nothing in the record of the employee requesting the leave which would prevent his reemployment.
- B. Leaves of absence shall be requested in writing, and the Company shall reply in writing stating the period for which the leave is granted.
- C. See Article 28, Section 17, Leave of Absence for medical reasons.

Section 2. An employee desiring to be reinstated from a leave of absence shall give the Company reasonable advance notice of the date such reinstatement is desired. A leave of absence granted to an employee shall terminate if the employee engages in gainful occupation without the prior written approval of the Company.

Section 3.

- A. Leave. An absence in excess of thirty (30) days.
- B. Departmental Leave. An absence for thirty (30) days or less.

Section 4.

- A. An employee returning from leave shall be reinstated provided work is available on the job at which he was working at the time of going on leave.
- B. If work is not available under A. above, the employee may be reinstated on any available job that is not a promotion for which he/she can qualify after a reasonable training period.
- C. If work is not available under B. above, the employee shall be offered reinstatement before any new employees are hired.
 - 1. An employee who is notified that work is available shall have fourteen (14) days from the date of mailing of any such notice to inform the Company of his intention to accept reinstatement and thirty (30) days from the date he was notified to report for work. If he fails to accept the job, the Company's obligation under this section will cease.

- D. Before reinstating an employee returning from leave of absence, consideration will be given as to whether any impairment has been encountered during the leave which would render him unqualified to do the work or whether he has been guilty of misconduct during the leave which would have been proper cause for discharge.

Section 5. None of the periods of leaves of absence under this Article shall be included in computing the employee's net credited service, nor shall such leave constitute a break in the continuity of an employee's net credited service.

ARTICLE 31 MILITARY LEAVE OF ABSENCE

Section 1. GRANTING OF MILITARY LEAVES AND THEIR DURATION

Military leave of absence will be granted to all employees (male and female) who leave positions, other than temporary, to enter the Armed Forces of the United States after June 27, 1950. Such leaves will extend from the day employees report for military service to the ninety-first (91st) day following their release from active military duty, or from hospitalization continuing for one year after discharge, or until the return to active employment, whichever date is earlier, provided that military leaves will not be extended to include a reenlistment or voluntary continuation of active duty. For the purpose of this contract, "Armed Forces" shall include the Army, Navy, Air Force, Marine Corps, National Guard, Coast Guard and the Public Health Service.

Section 2. VACATION PAY

An employee who has not taken the vacation which he/she is entitled to take in the calendar year may take the vacation due him/her prior to reporting for military service or a cash payment in lieu of vacation may be paid, but the election shall be made by the employee.

Section 3. MILITARY LEAVE PAY

- A. An employee who is granted a military leave will receive upon application the difference between his/her military pay and his/her company pay where the company pay is the greater, for a period of time dependent upon the employee's net credited service with the Company as set forth below in 3. provided:
 - 1. This payment will terminate upon an employee's release from active military duty when the release is prior to the expiration of the period for which the employee would receive payment under subsection 3.
 - 2. An employee who receives more than one military leave in any consecutive twelve (12) months' period during the tenure of this

Agreement shall be given as his/her military leave pay the difference between the payment he/she received for his/her last leave and the payment he/she would receive for the present leave if it were his/her original leave, following the schedule in subsection 3.

- | | | |
|----|--|--|
| 3. | Employee's net credited service on date of reporting to military service | No. Mos. Company will pay difference between employee's military pay and Company pay |
| | Beginning 7 th Mo. through 12 th Mo. | 1 month |
| | Beginning 13 th Mo. through 36 th Mo. | 2 months |
| | Beginning 37 th Mo. through 60 th Mo. | 3 months |
| | Beginning 61 st Mo. and over | 4 months |
4. For purpose of making military leave payment, "Military Pay" will include basic pay plus any allowances for grade or rank, service, and special qualifications or duty as these are in effect and apply to the employee upon his/her entrance into military service.
 5. For purpose of making the military leave payment, "Company Pay" will be computed on the employee's basic hourly rate in effect on the date the military leave becomes effective.
 6. For the purpose of this Agreement, 21.75 days constitute a month in the computation of Company pay.

Section 4. REINSTATEMENT

Employees who are granted military leaves of absence will be reinstated in their former positions with the Company or will be given positions of like seniority, status, and pay provided he/she applies within ninety (90) days after discharge and presents a certificate of satisfactory service or an honorable discharge from military service. Full recognition for wage progression and for all other purposes will be given to military leaves of absence in the same manner that the period of time would be recognized had the employee remained continuously in the position he/she held at the beginning of his/her leave of absence.

Section 5. GROUP LIFE INSURANCE AND SICKNESS BENEFITS

An employee will have his/her Group Life Insurance in the amount in force at the time of his/her leaving continued in force by the Company for a period of 120 days. It will then be terminated.

An employee at the time of his/her reinstatement with the Company shall be immediately eligible to receive sickness benefits in effect at that time as though he/she had been in active employment of the Company.

Section 6. RESERVE TRAINING

Any regular full-time employee who is a reserve officer or has enlisted in any of the reserve units shown below shall, when ordered for training by his/her Commanding Officer to any training center or camp, be excused by the Company to receive such training provided, however, such absence does not exceed the period of two (2) weeks annually. The employee shall receive the difference by which his/her regular full-time pay with the Company exceeds his/her government pay for the working days on which he/she is absent.

A. List of Military Units to be included in the above paragraph.

Army	Marine Corps	State Guard
Navy	Coast guard	Marine Guard
Air Force	National Guard	

**ARTICLE 32
PENSIONS**

All employees who are both employed on the effective date of this Agreement and covered by this Agreement on its effective date shall continue to be covered by the provisions of the ALLTEL Corporation Pension Plan which presently covers them. (This means that the old Verizon Plan for Hourly Paid Employees' Pensions provisions will continue in effect for these employees. See former Verizon-CWA MOAs at the back of this Agreement which describe features and methods, which, except where contrary to law, will continue to be followed in administration of the Plan.)

All employees who are not described in the first sentence of the Article (including, but not limited to, rehires, and transferees) shall be covered by the provisions of the ALLTEL Corporate Pension Plan referenced in the National pension agreement between ALLTEL and CWA.

**ARTICLE 33
INCLEMENT WEATHER**

Employees are not required to perform their regularly assigned duties when it would be unsafe to do so. When employees have reported for a normal work day and the work is discontinued by management due to inclement weather, they will be assigned to inside activities for their normal tours so that they will incur no loss in straight time pay. When employees are confronted with inclement weather they shall call their designated supervisor for instructions in accordance with this Article. Rain gear is provided for use when required by weather conditions.

**ARTICLE 34
SAFETY AND FIRST AID**

Section 1. It is agreed that the Company will make every reasonable effort to provide the employees with safe and sanitary working conditions and the Union will lend its support and encouragement to the practice of safety by employees.

Section 2. The Company will insofar as practicable instruct its employees in safe methods and practices of performing their work through a safety program consisting of instruction on Company time in safety practices and first aid.

Section 3. No employee's wearing apparel shall in any way interfere with the proper execution of his/her duties.

Section 4. The parties agree to form a Joint Worker's Compensation Action Committee. The goal of the committee is the reduction of work related injuries and improved employee satisfaction with the handling of claims.

The committee is charged with investigating problems and making recommendations that will result in the resolution of Worker's Compensation related problems as well as prevention. The Company will provide appropriate information and support to the process. The committee shall not formulate policy nor have the authority to modify existing labor agreement provisions.

The committee will be comprised of three (3) CWA nominated members and three (3) representatives of the Company. Meetings will be held at mutually agreed upon frequency and times.

**ARTICLE 35
TOOLS**

Tools used by the employees in the performance of their duties for the Company shall be purchased and furnished the employee by the Company as follows:

Employees who are furnished tools by the Company will be held responsible for the proper use, maintenance, and care of such tools. Tools that are lost, stolen or mistreated to the extent that they are no longer usable, will be replaced by the Company; however, the employee will be required to pay for said tool and/or tools and will be billed accordingly. Employees will be held to an accounting of all tools upon termination of the service of the employee with the Company.

**ARTICLE 36
NON-PERFORMANCE OF WORK BY SUPERVISORS**

The Company agrees that it will not work supervisory employees who are excluded from the bargaining unit on work normally performed by bargaining unit employees. Supervisors may perform work only when it is necessary during the process of actually training an employee or during periods of service emergencies. The parties, however, recognize that there are proper exceptions to this general practice made in the interest of the service, and in such cases, nothing herein is intended to prohibit the Company from working such supervisory employees on such non-supervisory work for short periods of time.

**ARTICLE 37
PRINTING AND DISTRIBUTION OF CONTRACT**

Section 1. The Union and the Company agree to share equally the expense of the printing of this Working Agreement in sufficient numbers to supply the needs of both parties.

Section 2. The Company shall distribute this Agreement to its present employees and to its new employees when they begin work with the Company.

Section 3. The Union and the Company agree to work together to expedite the printing and distribution of this Working Agreement with the objective that this process will not exceed six (6) months from the date of ratification.

**ARTICLE 38
AMENDMENTS**

Any provisions of this Agreement may be amended, modified, or supplemented at any time by mutual consent of the parties hereto without in any way affecting any of the other provisions of this Agreement.

**ARTICLE 39
JOB DESCRIPTIONS AND JOB CLASSIFICATIONS**

Section 1. The Company shall furnish the Union a description of the job content of each non-management job title no later than thirty (30) days prior to the expiration of the primary Agreement. This is not intended to imply that the Company is limited from modifying the job content during the term of the Agreement nor that the Union is limited in its right to challenge the wage rate should they feel the value of the job has been changed as a result of a mid-term change.

Section 2. **JOB DESCRIPTIONS**

The Company shall furnish to the Union descriptions for newly created or changed job titles included within the bargaining unit sufficient to identify the jobs being described and the general nature of such jobs. The use of these descriptions shall not restrict the overlapping nor interchange of job duties as required by service conditions or the prudent operation of the business.

Section 3. **JOB CLASSIFICATIONS**

The Company will notify the Union of the creation of new title classifications whose job content is of such nature as to render the employee or employees assigned to the new title classification eligible for Union membership so that the Company and the Union may determine jointly the appropriate wage classification in advance of the time the new title classification is made effective.

**ARTICLE 40
GROUP INSURANCE**

For the term of this Agreement the Company will maintain and make available to employees the Medical PPO benefits, Dental benefits, Prescription Drug benefits, Life/AD&D benefits, and LTD benefits, described to the Union during negotiation, or benefits substantially similar thereto. To the extent that these benefits are insured and/or administered by insurance carriers/administrators, the Company may change

such carriers/administrators. The Company will also make available to employees any HMO and/or EPO option which the Company contracts with an insurance carrier or medical provider to provide in areas covered by the bargaining unit. Such HMO/EPO options may change from year to year.

With respect to Medical PPO benefits, Prescription Drug Plan benefits and any HMO/EPO option made available, premium costs shall be shared, 85% by the Company and 15% by the employee. Specifically, whether the employee selects employee only, employee and spouse, employee and children, or employee and family coverage, the Company will pay 85% of the premium and the employee will pay 15% of the premium.

With respect to Dental benefits, the premium costs shall be paid by the Company for employee only coverage. With respect to any and all other levels of Dental coverage (spouse, children or family) the total premium cost will be shared 50% and 50%.

ARTICLE 41 NO STRIKE, NO LOCKOUT

Section 1. During the term of this Agreement, neither the Union nor any employee covered by this Agreement shall instigate, promote, sponsor, engage in or condone any interruption of or interference with work over any dispute involving the interpretation or application of this Agreement, or for any other reason, including a sympathy strike. However, no employee will be required to cross primary picket lines, except those appearing at Kentucky ALLTEL facilities located within the territory covered by the bargaining unit referenced in this Agreement.

In the event that any employee or group of employees covered by this Agreement shall, during the term of this Agreement, participate or engage in any of the activities herein prohibited, the Union agrees immediately upon being notified by the Company, to direct such employee or groups of employees to cease such activity and resume work at once.

Section 2. During the term of the Agreement, the Company agrees not to cause, permit or engage in any lockout of its employees.

Section 3. The Company and the Union agree that the grievance and arbitration procedures provided herein shall be the sole and exclusive means of resolving all grievances arising under the terms of this Agreement.

ARTICLE 42
RECOGNITION AWARDS

The Company will have the right to make recognition awards of more than token value to individual employees. The purpose of such awards is to recognize and reward employees for their efforts and/or innovative contributions that assist the Company in meeting its goals and objectives.

The criteria for recognition awards to individuals shall be that the employee's contributions generally result in one or more of the following:

- Improved customer satisfaction.
- Exemplary treatment and service to customers or co-workers.
- Measurable contribution toward generation of increased revenue, the completion of a project, or improvement of operations including employee safety and/or accident reduction.
- Improves quality of service and/or cost reductions in daily operations.

Examples are:

- An evening for two on the town
- Tickets for two to a sporting event
- Gift certificate
- Check for amount of award
- Combination of the above

**ARTICLE 43
DURATION AND EFFECTIVE DATES
MEMORANDUM OF AGREEMENT**

**Between
Kentucky ALLTEL, Inc.
And
COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO**

1. This Agreement shall become effective this Sixth of October 2003, and shall remain in effect until midnight June 7, 2006, and shall continue in effect thereafter until terminated by sixty (60) days' written notice given by either party to the other expressly stating its intention to terminate the Agreement.

2. Either party may notify the other of its desire to negotiate amendments or modifications (if not terminated by the other party) by serving written notice sixty (60) days immediately prior to June 7, 2006, or at any date thereafter with sixty (60) days' written notice.

COMMUNICATIONS WORKERS OF AMERICA

Judy Dennis
Tilson Allen
Phillip D. Coldiron
Mike Garkovich
Terry Thompson
Mike Roberts

KENTUCKY ALLTEL, INC.

William Moul
Katherine Warn
Sharon Hammond
Charles Harwood
Bill Brown
Maya Baker

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 1

Job Titles:

**Custodian
Utilityperson**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$6.88	\$7.12	\$7.37
6 Months	\$8.46	\$8.75	\$9.06
12 Months	\$10.14	\$10.50	\$10.87
18 Months	\$12.31	\$12.84	\$13.29

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 2

Job Titles:

**Clerk Typist
Teller**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$7.99	\$8.27	\$8.56
6 Months	\$8.69	\$9.00	\$9.31
12 Months	\$9.46	\$9.79	\$10.13
18 Months	\$10.29	\$10.65	\$11.02
24 Months	\$11.19	\$11.58	\$11.99
30 Months	\$12.16	\$12.59	\$13.03
36 Months	\$13.24	\$13.70	\$14.18
42 Months	\$14.55	\$15.16	\$15.69

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 3

Job Titles:

**Dispatch Clerk
Garage Attendant
Plant Clerk-Op. Center
Service Assistant**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$8.57	\$8.87	\$9.18
6 Months	\$9.06	\$9.37	\$9.70
12 Months	\$9.57	\$9.91	\$10.26
18 Months	\$10.11	\$10.47	\$10.83
24 Months	\$10.68	\$11.06	\$11.44
30 Months	\$11.30	\$11.70	\$12.11
36 Months	\$11.94	\$12.36	\$12.79
42 Months	\$12.63	\$13.07	\$13.53
48 Months	\$13.35	\$13.82	\$14.30
54 Months	\$14.16	\$14.65	\$15.17
60 Months	\$15.12	\$15.75	\$16.30

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 4

Job Titles:

**DAC Specialist
Paystation Collector
Service Representative**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$8.06	\$8.34	\$8.64
6 Months	\$8.77	\$9.07	\$9.39
12 Months	\$9.56	\$9.90	\$10.24
18 Months	\$10.41	\$10.78	\$11.15
24 Months	\$11.35	\$11.75	\$12.16
30 Months	\$12.38	\$12.81	\$13.26
36 Months	\$13.50	\$13.97	\$14.46
42 Months	\$14.71	\$15.22	\$15.75
48 Months	\$16.20	\$16.87	\$17.46

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 5

Job Titles:

**Assignment Clerk
Frame Attendant
Testboard Analyzer**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$8.83	\$9.14	\$9.46
6 Months	\$9.59	\$9.93	\$10.28
12 Months	\$10.41	\$10.78	\$11.15
18 Months	\$11.30	\$11.70	\$12.11
24 Months	\$12.28	\$12.70	\$13.15
30 Months	\$13.32	\$13.79	\$14.27
36 Months	\$14.46	\$14.97	\$15.49
42 Months	\$15.68	\$16.23	\$16.80
48 Months	\$17.18	\$17.88	\$18.50

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 6

Job Titles:

**Building Maintenance Technician
Public Access Sales Technician
Public Telephone Collector-Maintainer
Shop Repair Specialist
Storekeeper**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$9.97	\$10.32	\$10.68
6 Months	\$10.88	\$11.26	\$11.65
12 Months	\$11.87	\$12.29	\$12.72
18 Months	\$12.98	\$13.43	\$13.90
24 Months	\$14.17	\$14.67	\$15.18
30 Months	\$15.46	\$16.00	\$16.56
36 Months	\$16.87	\$17.46	\$18.07
42 Months	\$18.40	\$19.05	\$19.71
48 Months	\$20.28	\$21.09	\$21.83

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 7

Job Titles:

**Assignment Specialist
Business Zone Technician II
Cable Splicer
Customer Zone Technician
Dispatch Technician
Facility Person
I&M Specialist
Lineworker
Truck Driver**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$10.64	\$11.01	\$11.40
6 Months	\$11.62	\$12.03	\$12.45
12 Months	\$12.66	\$13.10	\$13.56
18 Months	\$13.82	\$14.30	\$14.80
24 Months	\$15.05	\$15.58	\$16.12
30 Months	\$16.43	\$17.00	\$17.60
36 Months	\$17.93	\$18.55	\$19.20
42 Months	\$19.54	\$20.22	\$20.93
48 Months	\$21.46	\$22.31	\$23.09

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 8

Job Titles:

**Building Services Technician
Business Zone Technician I
Equipment Installer-Repairer
Equipment Technician
Special Service Test Technician
Sr. Building Maintenance Technician
Vehicle Maintenance Technician**

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$11.10	\$11.48	\$11.89
6 Months	\$12.14	\$12.57	\$13.01
12 Months	\$13.27	\$13.73	\$14.21
18 Months	\$14.50	\$15.01	\$15.53
24 Months	\$15.88	\$16.43	\$17.01
30 Months	\$17.36	\$17.96	\$18.59
36 Months	\$18.97	\$19.64	\$20.32
42 Months	\$20.77	\$21.50	\$22.25
48 Months	\$23.17	\$24.08	\$24.92

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 9

Job Titles:

Retail Sales Consultant

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$7.51	\$7.78	\$8.05
6 Months	\$7.73	\$8.00	\$8.28
12 Months	\$8.54	\$8.84	\$9.15
18 Months	\$9.36	\$9.68	\$10.02
24 Months	\$10.31	\$10.67	\$11.04
Top	\$11.99	\$12.51	\$12.96

**APPENDIX I
WAGE SCHEDULES**

Wage Schedule 10

Job Titles:

Customer Engineer-Data Applications

	Effective <u>10/06/03</u>	Effective <u>6/8/04</u>	Effective <u>6/8/05</u>
Start	\$14.12	\$14.61	\$15.12
6 Months	\$15.40	\$15.94	\$16.50
12 Months	\$16.78	\$17.36	\$17.97
18 Months	\$18.31	\$18.95	\$19.61
24 Months	\$20.04	\$20.74	\$21.46
30 Months	\$21.94	\$22.71	\$23.50
36 Months	\$24.04	\$24.88	\$25.76
42 Months	\$26.39	\$27.32	\$28.27
48 Months	\$29.12	\$30.24	\$31.30

LETTER OF INTENT – SERVICE COMMITMENTS

June 2, 1976

Mr. T. J. Volk
Administrative Assistant
to Vice President
Communications Workers of America
District 10
1300 City National Bank Building
1928 First Avenue North
Birmingham, Alabama 35203

Dear Mr. Volk:

This will confirm our understanding of the changes agreed to in the service commitments clause. This language serves as acceptance by the Union and the employees of their obligation to do their part in furnishing proper service to our customers. The language is not intended to waive any part of the labor agreement nor to grant the Company additional authority in exercising its management prerogatives.

Very truly yours,

A.K. McNulty
Director of Personnel

**MEMORANDUM OF AGREEMENT
EMPLOYEE ADJUSTMENT INCOME PLAN (EAIP)**

1. Kentucky ALLTEL, Inc. and Communications Workers of America recognize the need for technological change in the business and hereby enter into this Memorandum of Agreement (hereinafter referred to as the Agreement). In order to lessen the economic impact upon regular employees who become surplus due to technological change, the Company and the Union agree to establishment the EMPLOYEE ADJUSTMENT INCOME PLAN (the Plan). "Technological change" shall be defined as a change in a plant or equipment, or a change in the method of operation, diminishing the total number of regular employees required to supply the same services to the Company or its subscribers. "Technological change" shall not include layoffs or force realignment caused by business conditions, variations in subscribers' requirements or temporary or seasonal interruptions of work.

2. During the term of this Agreement, if the Company notifies the Union in writing that a technological change has created or will create a surplus in any job title in any work group and/or work location, regular employees meeting the following qualifications shall be eligible for Plan participation.

- A. Accredited service of fifteen (15) or more years.
- B. The combination of age and accredited service must total at least 76 as of the date of the Company's notice to the Union.

However, the Company reserves the right to apply this Plan to any surplus in force, whether or not it is brought about by technological change that the Company deems appropriate. All elections shall be voluntary, and acceptance by the Company will be in order of seniority.

3. The Company reserves the right to determine the job titles and work group(s) and/or work location(s) in which a surplus exists, the number of work groups and/or work locations in which a surplus exists, the number of employees in such titles and locations which are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Plan. In no event shall the number of employee elections accepted under the terms of the Plan exceed the number of employees determined by the Company to be surplus.

4. An employee's election to leave the service of the Company and receive adjustment pay benefits must be in writing and transmitted to the Company within fourteen (14) calendar days from the date of the Company's offer in order to be effective, and it may not be revoked after such fourteen (14) calendar day period.

5. For employees who are eligible in accordance with Sections 1 and 2, the Company will pay a monthly benefit as follows:

Schedule of Adjustment Pay Benefits

Years of Accredited Service	Monthly Payment
15 but less than 20	\$600
20 but less than 25	\$700
25 but less than 30	\$770
30 but less than 35	\$850
35 but less than 40	\$940
40 or more	\$1,040

6. Adjustment pay benefits for employees, who so elect to leave the service of the Company in accordance with Section 2, shall begin within one (1) month and after such employee has left the service of the Company and shall continue until twenty-four (24) monthly payments have been made.

7. In addition, the affected employee may elect one (1) of the following options which shall not exceed \$3,500.

- A. For up to twenty-four (24) months from the date of separation, a continuation of Company-paid premiums for existing medical plan coverage (excluding dental coverage) for the employee and his/her dependents; or in lieu thereof, the employee may elect to receive a lump sum alternative of \$3,500 subject to legally required deductions.
- B. Reimbursement for successful completion of retraining in a new career field within a twenty-four (24) month period from the date of separation.

Eligible employees may receive financial assistance for approved courses and/or programs undertaken at accredited or state-approved educational institutions.

The cost of tuition, required textbooks, and required lab and entrance fees will be reimbursed up to a maximum of \$3,500 as follows:

- (i) 35% reimbursement of approved costs upon presentation of receipted bills;
- (ii) 65% reimbursement of approved costs upon submission of proof of successful completion of course/program.

Approved training expenses that are covered by other employers, government benefits or scholarships will not be subject to reimbursement by the Company.

- C. A miscellaneous moving expense associated with an actual relocation to a new residence within a twenty-four (24) month period from the date of separation.

8. The maximum amount of adjustment pay benefits payable shall in no event exceed a total of \$24,960 and when combined with one of the elected options shall not exceed \$28,460. The dollar amounts set forth in this Agreement shall be prorated for regular part-time employees based on the percentage of a full year's equivalent (i.e., 700 hours worked taken as a percent of 2080 hours equals 33.65%).

In no event shall the total adjustment pay benefits exceed the equivalent of twice the employee's annual compensation at the basic weekly wage rate (exclusive of tour premiums or temporary differentials, overtime pay, commissions, bonuses, or other extra payments) received during the year immediately preceding the termination of service.

9. In addition to the benefits set forth in Sections 5, 6 and 7, employees who so elect to leave the service of the Company and receive adjustment pay benefits may elect to receive, in combination with such benefits, a retirement service pension if eligible for such pension.

10. Payments under the Plan, with the exception of the retraining benefits, shall cease upon the reemployment of a recipient by the Company or any affiliated or subsidiary companies within ALLTEL. If an employee is enrolled in a course/program at the time of reemployment, the 65% reimbursement portion of the retraining benefits will be made upon the successful completion of the course/program within twenty-four (24) months from the date of separation or twelve (12) months from the date of reemployment, whichever occurs later. No reimbursement will be made beyond that date.

11. Re-employed employees must complete one (1) full year of accredited service with the Company before becoming eligible again for termination benefits. In subsequent terminations to which this Agreement is applicable, the employee shall receive the difference between the termination benefits for which he or she is presently eligible and any benefits previously received.

12. All benefits payable under the Plan are subject to legally required deductions.

13. Upon the death of a recipient, all remaining adjustment pay benefits under the Plan will be paid as a lump sum to the designated beneficiary or estate.

14. This Agreement will be implemented prior to invoking the provisions of Article 18 (Force Reduction) of the Collective Bargaining Agreement, when conditions set forth in Section 1 of this Agreement exist as determined by the Company.

15. An employee who elects under the Plan shall not be entitled to any of the provisions outlined in Article 18 of the Collective Bargaining Agreement, nor any other termination allowance offered by the Company.

16. Neither the right to effect a technological change, the determination of a surplus condition, eligibility for participation in the Plan, nor any other part of this Plan or

Agreement shall be subject to the arbitration procedure of the Collective Bargaining Agreement.

17. This Memorandum of Agreement is effective on this Sixth day of October 2003, and shall expire on June 7, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the EAIP, shall also terminate on June 7, 2006 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations
October 6, 2003

Judy Dennis
CWA Representative
October 6, 2003

MEMORANDUM OF AGREEMENT

EMPLOYEE ADJUSTMENT INCOME PLAN (EAIP) ALTERNATIVE

18. Kentucky ALLTEL, Inc. and Communications Workers of America agree to this Employee Adjustment Income Plan (EAIP) Alternative.

19. Employees, otherwise eligible for the EAIP, may elect this alternative in lieu of the EAIP when offered at the Company's discretion.

20. In lieu of the 24 monthly payments and the \$3,500 option (for medical benefits, education benefits or moving expenses), eligible employees may elect to receive a lump sum, subject to legally required deductions. The lump sum payment schedule is as follows:

<u>Years of Accredited Service</u>	<u>Monthly Payment</u>	<u>Lump Sum Payment</u>
15 but less than 20	\$600	\$17,900
20 but less than 25	\$700	\$20,300
25 but less than 30	\$770	\$21,980
30 but less than 35	\$850	\$23,900
35 but less than 40	\$940	\$26,060
40 or more	\$1,040	\$28,460

21. This Memorandum of Agreement is effective on this Sixth of October 2003, and shall expire on June 7, 2006. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the EAIP Alternative, shall also terminate June 7, 2006 and shall not survive the expiration of this memorandum of agreement unless agreed to by the parties in writing.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations
October 6, 2003

Judy Dennis
CWA Representative
October 6, 2003

**MEMORANDUM OF AGREEMENT
TERMINATION PAY PLAN
EFFECTIVE JUNE 2, 1991**

Section 1. Kentucky ALLTEL, Inc. and Communications Workers of America recognize the need for technological change in the business and hereby enter into this Memorandum of Agreement. In order to lessen the economic impact upon regular full-time employees brought about by technological change, the Company and the Union agree to establish the Termination Pay Plan ("the Plan"). For purposes of this Memorandum of Agreement only, "technological change" shall be defined as a change in plant or equipment, or a change in a method of operation, diminishing the total number of regular employees required to supply the same services to the Company or its customers. "Technological change" shall not include situations where layoffs or force adjustments would be necessary as a result of business conditions, variations in customers' requirements, or temporary or seasonal interruptions of work. The Plan shall apply when technological change would otherwise bring about a need to lay off and/or force adjust employees in any job classification.

Section 2. During the term of this Agreement, if the Company notifies the Union in writing that a technological change has created a surplus situation in a particular location or classification while vacancies exist in different locations or classification(s), the transfer procedures in Article 16, Article 17 and Article 18 will not be used in filling the vacancies if such use would prevent the Company from offering vacant positions to qualified employees who are surplus and are in positions having the same or higher top rates than those of available vacant positions. To the extent necessary for the Company to offer qualified surplus employees transfers or reclassifications to lateral or lower positions, the job posting and bidding provisions of Article 16 shall be waived. Regular full-time employees, who have not been offered a transfer or reclassification to a position within 40 miles of their present headquarters, who meet the following qualifications shall be eligible for plan participation:

- A. Net credited service of one year or more.
- B. Not eligible to participate in the Employee Adjustment Income Plan.

The Company reserves the right to apply the Plan to any surplus situation not brought about by technological change that the Company deems appropriate. All elections shall be voluntary. (Regular full-time employees who may become surplus as a result of any sale or other disposition by the Company of a property/operation will be subject to the Plan, if offered by the Company, unless the employees are offered at least comparable employment by the new management of the property/operation.)

Section 3. The Company reserves the right to determine the job classification(s) and work group(s) and/or work location(s) in which a surplus exists, the number of employees in such classifications, work groups and locations who are considered to be surplus, and the date on which or the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Plan. (It is agreed that the names of the surplus employees will be the least senior employees in the surplus group, the number of such employees being equal to the number that the Company identifies as being surplus.) In no event shall the number of employees who make an election under the terms of the Plan exceed the number of employees determined by the Company to be surplus. Additionally, an employee's election to leave the service of the Company under the terms of the Plan and receive adjustment pay benefits must be in writing and received by the Company within seven (7) calendar days from the date of the Company's offer in order to be effective, and it may not be revoked after such seven (7) calendar day period.

Section 4. For employees who elect the Plan in accordance with the foregoing, the Company will provide:

- A. one week's pay at the "basic rate" as defined in the Labor Agreement for each full year of net accredited service up to and including ten (10) years.
- B. two (2) weeks' pay at the basic rate for each full year of net accredited service in excess of ten (10) years to a maximum of thirty-six (36) weeks' pay in total.
- C. continuation of one-half (1/2) of the Company paid premiums for existing medical, dental, and life insurance coverage for the employee and his or her dependents for a period not to exceed six (6) months.
- D. reimbursement for the successful completion of retraining in a new career field within a twenty-four (24) month period from the date of separation at a cost not to exceed \$3,000.00.
- E. Reimbursement up to \$2,200 for packing and cartage fees for a move 50 miles or more from the employee's present residence within a twenty-four (24) month period from the date of separation. (Employees electing reimbursement for retraining benefits under (D.) above will not be eligible for the miscellaneous moving expense).

To be eligible for retraining benefits, approved courses, and/or programs must be taken at accredited or state-approved educational institutions, and enrollment must be within three (3) months from the date of separation from the Company.

The cost of tuition, required textbooks, required lab and entrance fees will be reimbursed as follows:

- (i) 35% reimbursement of approved costs upon presentation of receipted bills, and
- (ii) 65% reimbursement of approved costs upon submission of proof of successful completion of the course/program.

Approved training expenses that are covered by other employers, government benefits or scholarships will not be subject to reimbursement by the Company.

If an employee is enrolled in a course/program at the time of re-employment by the Company or any affiliated or subsidiary companies within ALLTEL Corporation, the 65% reimbursement portion of retraining benefits will be made upon successful completion of the course/program within twenty-four (24) months from the date of separation or twelve (12) months from the date of re-employment whichever occurs later. No reimbursement will be made beyond that date.

The dollar amounts set forth in this section shall be prorated for regular part-time employees based on the percentage of hours normally scheduled in a normal work week, i.e., thirty (30) hours normally worked in a normal work week would result in termination benefits paid at 75% of those set forth in Paragraphs (A.), (B.), (D.) and (E.) of this Section 4.

Section 5. Termination pay benefits for employees who so elect to leave the service of the Company in accordance with the foregoing shall begin within two (2) weeks after such employee has left the service of the Company and shall continue on a normal pay cycle until the earliest of (a) exhausting of benefits as set forth in Section 4, or (b) offer of re-employment by the Company or any affiliated or subsidiary companies of the within ALLTEL Corporation at a location within 40 miles of the employee's last headquarters location, (employee will be expected to report for work no later than one (1) weeks after the offer) or (c) death of the former employee.

Section 6. In the event that an employee should be rehired by the Company, said employee must complete one (1) full year of net credited service with the Company before becoming eligible again for termination benefits. In subsequent terminations to which this Agreement is applicable, the employee shall only receive the difference between the termination benefits for which presently eligible and any benefits previously received.

Section 7. This Agreement will be implemented prior to invoking the layoff/force adjustment provisions of Article 18 of the Labor Agreement when conditions set forth in Sections 1 or 2 of this Agreement exist as determined by the Company.

Section 8. An employee who elects under the Plan shall not be entitled to any of the provisions outlined in Article 18.

Section 9. Neither the right to effect a technological change, the determination of a surplus situation, eligibility for participation in the Plan, nor any other part of the Plan or Agreement shall be subject to the arbitration provisions of the Labor Agreement.

Section 10. This Agreement is effective this Sixth day of October 2003, and shall remain in effect up to and including June 7, 2006.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
UTILITYPERSON**

The parties agree that the Utilityperson shall perform general labor duties which are unskilled or low-skilled. The duties are listed below, and it is understood that wiring terminations will not be performed by Utilitypersons under any circumstances.

It is further agreed that the number of Utilitypersons on the active payroll shall not exceed three (3) of the total number of bargaining unit employees on the active payroll at the time of the hire, unless the parties mutually agree to increase the maximum percentage of Utilitypersons.

It is further agreed that the work performed by the Utilityperson will not in any way cause layoffs or part-timing or reduce the regular earnings of any other regular employee of the Company in any other classification.

It is further agreed that no duties outside of those listed will be added to the duties of a Utilityperson unless mutually agreeable to both parties. Safety and Defensive Driving training will be the only training required other than on-the-job training.

It is further agreed that any full-time employee may submit a Letter of Request to the Division Personnel Manager requesting consideration for this position. Any full-time employee that may be determined to be surplus as a result of a force reduction will be given priority in filling a vacant position or displacing a current Utilityperson who may have less seniority.

This position is effective June 4, 1989 unless an earlier date is agreed upon between the Local Union President and the General Manager.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
READY TO SERVE**

The parties agree that our future success will require that the Company be able to respond to after hours maintenance requirements in a timely manner. To that end, it is agreed that both parties will make every reasonable effort to insure that volunteers are

readily available to serve on Ready to Serve. Should there be a problem, the parties agree to meet in an effort to reach workable solutions. The following shall apply:

1. In specific job classifications and/or specialized work groups where business needs exist, the Company will determine the number of employees needed to be on Ready to Serve.
2. The application of Ready to Serve will be on a voluntary basis for all applicable work groups. However, if the Company is unable to get a volunteer, the Company may rotate the assignment among all qualified employees in the work group for the remainder of the six-month period. The six-month periods will be January through June and July through December of each calendar year basis. Employees on Ready to Serve are expected to be available and accessible to respond in a timely manner as determined by business needs.
3. The Company will rotate Ready to Serve duties among the qualified employees. The period of rotation will be seven (7) days.
4. Ready to Serve differential pay shall be \$12.00 per day for each scheduled work day of assignment and \$15.00 per day for each non-scheduled day of assignment. No additional premiums and/or differentials will be paid while Ready to Serve pay is in effect, while the employee is off duty.

If work is performed, the employee shall receive the Ready to Serve pay plus the applicable call-out amount as contained in the Primary Agreement.

For the purposes of this Memorandum, a Ready to Serve day begins at 5:00 p.m. and ends at 4:59 p.m. the next day.

5. Normal contact to the employee will be via the regular telephone switch network. In such areas where other technology may be available to contact the employee (example: pagers), such will be used at Company discretion.
6. This practice does not supercede normal call-out procedures if additional employees are needed.
7. The Company may elect to apply all work groups.

8. In work groups with more than 30 employees, a maximum of two employees may be required to be on Ready to Serve at one time. However, in no case will an employee be required to be on Ready to Serve more than once a month.
9. The Company agrees to continue existing practice of allowing employees to take their vehicle home.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
DRUG/SUBSTANCE ABUSE POLICY**

ALLTEL seeks to establish and maintain a work environment that is free from the effects of improper drug use. "Improper drug use" includes the use of (i) any drug or substance (including alcohol) that is illegal under federal, state or local laws, (ii) any drug not prescribed by a licensed physician for the current treatment of the employee, or (iii) any legal drug or substance (including alcohol) in quantities or any other manner that would or would not be likely to adversely affect the ability of the employee to report to work on time and in a mental and physical condition conducive to the competent performance of his or her duties. Any improper drug use by an employee, whether off the job or on the job, can adversely affect the work place and our ability to accomplish our goal of a work environment free of improper drug use.

ALLTEL's improper drug use policy is:

Improper drug use is prohibited.

Employees may be subject to probable cause testing:

Should they report to work exhibiting an unsteady gait, slurred speech, or

- Disoriented behavior.
- In the case of an eyewitness report of usage or the presence of a strong odor associated with that of a drug or alcohol.

The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance on ALLTEL premises or while conducting ALLTEL business at customer or prospect locations or otherwise off ALLTEL premises or during working hours (including breaks) is absolutely prohibited. Violations of this policy will result in disciplinary action up to and including termination and may have legal consequences.

Any employee who participates in improper drug use while off the job will also be subject to disciplinary action up to and including discharge if he or she reports to work in a mental or physical condition not conducive to the competent performance of his or her duties. Additionally, if (in the judgment of ALLTEL) that improper drug use or the result of that improper drug use is likely to undermine public confidence in ALLTEL, subject ALLTEL to public criticism, or interfere with the employee's ability to continue an efficient and productive relationship with other employees, ALLTEL customers, prospects, or others with whom ALLTEL employees typically deal, the

employee will be subject to disciplinary action up to and including possible termination.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations
October 6, 2003

Judy Dennis
CWA Representative
October 6, 2003

**MEMORANDUM OF AGREEMENT
USE OF CONTRACTORS**

The parties agree that this Memorandum of Agreement is to be applied in addition to the language in Article 19 concerning the use of contractors.

The Company agrees that the use of contractors to perform bargaining unit work related to R1/B1 (single line residence and single line business accounts) and maintenance of central office equipment will be limited as follows:

1. The Company may use contractors to perform the above referenced work when the following conditions exist:
 - a. "An act of God" type service emergency (e.g. flood, hurricane, etc.).
 - b. To backfill for employee(s) on disability (one for one replacement).
 - c. For a maximum of 75 days when the Company has an approved job requisition and is in the process of filling a job vacancy (one for one replacement).
 - d. A competitive bid project (pulling wire).
 - e. For a period of seven (7) consecutive days, or more, the Company's month to date status fails to meet one or more of the Public Service Commission required service indices for service installation, trouble clearing, and/or trouble reports per 100 access lines. (Note: Such seven day period may be during a single monthly PSC reporting period or may overlap two such periods.) In such instances the contractors authorized by this sub-paragraph will be released at close of business on the day when month to date compliance with the Public Service Commission indices is known to be restored. The Company will provide the Union with daily reports as to PSC indices compliance for the duration of contractor use under this sub-paragraph. In the case of the trouble clearing and trouble report indices, the report will be provided on each workday for the previous workday. In the case of the installation indices, the report will be provided on each workday, and will contain the most recent Company data available. In determining compliance or non-compliance with PSC service indices pursuant to this subparagraph, the measurement will be by jurisdiction, i.e., by State, Division, and DAC. If there is non-compliance only within a DAC, use of contractors under this MOA will be only within that DAC. If non-compliance is within more than one

DAC in a given Division, use of contractors under this MOA may be anywhere within the respective Division. If non-compliance is Statewide, use of contractors under this MOA may be anywhere in the State.

- f. Where contractors are utilized under 1 (a) or 1 (e), the Company will offer overtime opportunity to employees in the respective job classification(s) and affected geographic area, in a reasonable amount, during the period of time such contractors are being utilized under these subparagraphs and during the seven day period leading to such contracting under subparagraph 1 (e). During circumstances covered by 1(a) and during the period of time when contractors are actually on the property under 1(e), a "reasonable amount" of overtime opportunity will, generally, mean two hours per weekday and eight (8) hours on Saturday.
2. The Company and Union agree that any additional use of contractors to perform the above referenced work will require mutual agreement.
3. These restrictions will be effective six (6) months after effective date of new contract.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
ELIMINATION OF JOB CLASSIFICATIONS AND WORK ASSIGNMENT**

1. It is recognized that the Company will be discontinuing in-house functions currently performed by Building Service Technicians, Public Access Sales Technicians, and Vehicle Maintenance Technicians. This will eliminate these classifications and the positions currently held by employees with those job titles.

2. (A) Present incumbent employees in the classifications being eliminated shall, prior to January 1, 2004, be absorbed in the classification of CZT, within their respective District, without posting or bidding, with their wages frozen (following contract effective date increase) until the new Wage Scale classification catches up and then they will proceed under that progression, and these people will not be restricted to the 15 month time in title for bid purposes. This transfer of personnel will not result in the layoff of CZT personnel through December 31, 2004. Thereafter, the provisions of Article 19 shall govern.

(B) For purposes of this MOA, "District" shall mean the (1) Lexington, (2) Morehead, (3) Ashland, and (4) Hazard Districts. (The Lexington District shall be defined in Article 18, Section 3 (A)(3) of the Agreement.)

3. It is understood that nothing in Article 19 of the Agreement shall prevent elimination of the subject positions, it is being understood that the work presently performed by the employees holding these eliminated positions will be contracted out, and that paragraph 4 of Article 19 does not apply to such contracted work.

4. The Company also has stated its intent to subcontract certain work which has traditionally been performed by Lineworkers and Central Office Equipment Installation Technicians, and to reduce the number of employees in those classifications by attrition. While such attrition is occurring, it should be expected that employees in these classifications will routinely be assigned to work in other classifications, and that the provisions of Article 17 of the Agreement shall not apply to such work assignments, but the Company will attempt to honor seniority in making such job assignments where practical.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
ALLTEL EDUCATIONAL ASSISTANCE PROGRAM**

GENERAL DESCRIPTION

ALLTEL Corporation encourages the educational growth and development of its employees by sponsoring the Educational Assistance Plan (the "EAP"). Employees will be eligible for the plan provisions stated in this MOA.

The EAP is a fringe benefit plan administered according to the Internal Revenue Code (IRC) Sections 127 and 132. Eligible employees are reimbursed out of general corporate assets for covered expenses.

Reimbursement for an eligible employee may not exceed a maximum of \$2,000 only for the life of the agreement or the Company policy, whichever is greater, per calendar year.

COVERED EXPENSES

The following expenses are covered:

Tuition

Tuition equivalent expenses such as:

- Testing fees associated with qualifying for a course of study leading to a degree (e.g., SAT, ACT, GMAT)
- Testing fees for professional certification (e.g., CPA, PHR, CEBS)
- Fees for CLEP and other credit examination tests for which the employee receives a college credit
- Required general activity, lab, course fees
- Book expenses associated with course work
- Study materials associated with professional certification examinations (e.g., CPA Review Course)
- Correspondence courses if they meet all of the following conditions:
 1. Appropriate educational facilities are not readily available; and
 2. The course of study is job related or the degree is related to ALLTEL's business; and
 3. A form of certification is issued at the end of the course indicating successful completion; and

4. The course of study or the educational institution has been approved by a state or professional association.

WHAT IS NOT COVERED

- Any of the covered expenses listed above if the employee does not pass the course or test or become certified
- Any of the covered expenses listed above for which the employee received a scholarship or grant
- Late fees
- Installment payment fees
- Parking fees
- Retest fees
- Courses involving sports, games, or hobbies are excluded, even if required for the degree program
- Study aids not required for the course
- Supplies, including calculators, diskettes, pens and notebooks

ELIGIBILITY REQUIREMENTS

- Employee must be classified as regular full-time or regular part-time and scheduled to work at least 20 hours per week
- Courses must be:
 - Job related and normally taken at an accredited college, university, vocational/technical school or in an adult education program; or
 - Non-job related if taken as part of a degree program at an accredited college or university. The degree program must be related to ALLTEL's business (i.e., degrees utilized by ALLTEL)
- Reimbursement is limited to two courses per term
- The employee must receive a grade of "C" or higher. A grade report must accompany the request for reimbursement.
- Course work must not adversely affect the employee's job performance.
- All class hours must be outside of the employee's normal working hours.

- The employee must be active on ALLTEL's payroll at the time of reimbursement.

TAXATION OF REIMBURSEMENT

EAP reimbursements for undergraduate classes are non-taxable income. Reimbursements for graduate classes taken after December 31, 2001 are considered non-taxable income.

Tax laws change often. Accordingly, ALLTEL can provide no guarantee that any educational assistance will remain tax-free.

APPLICATION PROCESS

- An employee interested in educational assistance should:
 1. Complete an Educational Assistance Application prior to enrollment. Any applications received after course enrollment must be accompanied by a written explanation from the employee's supervisor outlining the reason for the delay and why the application should be approved.
 2. Obtain two levels of management approval on the application form.
 3. Route the approved form to the Human Resources' representative coordinating the EAP program for the employee's business unit.
- The EAP program coordinator will review the application and notify the employee and the employee's supervisor if the application is approved. Notification may be via E-mail, an approved copy of the application form, or written correspondence.

REIMBURSEMENT AGREEMENT

Employees seeking benefits under the Educational Assistance Plan will be required to sign a reimbursement agreement that provides for reimbursement to ALLTEL of educational benefits paid during the 12 months preceding termination of employment.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
SENIORITY/NET CREDITED SERVICE**

1. All seniority and net credited service as of the effective date of the contract shall be as identified on the document showing the dates provided to ALLTEL by Verizon; provided that the Company will communicate each employee's seniority and net credited service date to the respective employee, in writing, following negotiations, and will offer each employee the opportunity to challenge the date(s) asserted by the Company. If any employee challenges, he/she will be permitted to supply information supporting his/her challenge, and the parties will seek to resolve the different positions. If the dispute cannot be resolved, it will be subject to grievance and arbitration.

2. Any employee hired after the effective date of the new contract will be credited with no seniority and no net credited service for prior service with any employer, except as follows:
 - (a) If the employee was transferred from Verizon to Kentucky ALLTEL on August 1, 2002, subsequently left Kentucky ALLTEL employment and is rehired by the Company, he/she shall be credited with the net credited service he/she held on August 1, 2002, plus that which he/she earned from August 1, 2002 through the date his employment first thereafter terminated.
 - (b) If an employee has previously worked for Kentucky ALLTEL or another ALLTEL affiliate, he/she shall be credited for such prior service for purposes of net credited service.
 - (c) If the employee transfers from an ALLTEL affiliate, having come from a bargaining unit with a reciprocal agreement, i.e., one which would grant a Kentucky ALLTEL bargaining unit employee credit for Kentucky ALLTEL seniority on transfer to the affiliate from Kentucky ALLTEL, the employee will be granted seniority consistent with such reciprocity agreement.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

**MEMORANDUM OF AGREEMENT
REFERRAL OF PRODUCTS & SERVICES**

1. It is in everyone's best interest that employees sell Company products and services to existing/potential customers. Employees in the following classifications: Business Zone Technician, Customer Zone Technician, and Customer Engineer-Data Applications are required to participate in the referral programs established by the Company.
2. Participating employees will create records of his/her referrals by using and following the mechanisms and procedures determined by the Company.
3. The Company will not discipline any employee during the term of our new collective bargaining agreement, through June 7, 2006, solely for failure to complete sales or referrals. This will not prevent the discipline of any employee for other reasons (even if the employee also happens to have a poor referral record), subject to the usual just cause standard.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations

Judy Dennis
CWA Representative

October 6, 2003

October 6, 2003

KENTUCKY ALLETEL, INC.
AND
COMMUNICATIONS WORKERS OF AMERICA
MEMORANDUM OF AGREEMENT
(Clarifications/Understandings/2003 Bargaining)

During 2003 bargaining, substantial changes were made in the collective bargaining agreement and in benefit plans. The purpose of this Memorandum of Agreement is to clarify some of these changes, and to recite certain understandings not specified on the face of the collective bargaining agreement.

Specifically, the parties have agreed, as follows:

1. Pensions – The removal from the contract of previous memoranda of agreement, between Verizon and CWA, does not imply any change in pension plan features and benefits with respect to those employees who, under Article 32 of the collective bargaining agreement, continue to be covered by the old Verizon Plan For Hourly Paid Employees provision. For example, the lump-sum option, the thirty years and out provision, and the rule of 76 provision continue to apply to those employees.
2. Retiree Medical – The Company’s premium contribution toward retiree medical benefits will remain unchanged through December 31, 2003. Thereafter, effective January 1, 2004, the Company’s obligation reduces to 75% of the cost for employees retiring in 2004; effective January 1, 2005, the Company’s obligation reduces to 65% of the cost for employees retiring during 2005; and effective January 1, 2006, the Company’s obligation reduces to 55% of the cost for employees retiring during 2006. The percentage applicable at the date of the respective employee’s retirement will continue to apply throughout his/her retirement. For purposes of underwriting, i.e., the setting of premium determination, retirees and their claims experience will be pooled separately from active employees.
3. Group Insurance – The Comparative document attached hereto, under the column “Proposed Coverage”, identifies the group insurance program agreed to in bargaining, and referenced in Article 40 of the collective bargaining agreement. Also attached is a letter, dated August 11, 2003, setting forth additional commitments by the Company with reference to medical, dental, and prescription drug plan considerations.

4. 401(k) – Effective for payroll periods after the final 2003 payroll period, i.e., the last payroll period fully completed during calendar year 2003, all Company matching contributions to the ALLTEL Corporation Thrift Plan shall cease.
5. Team Incentive and Telephone Concession – The previously existing team incentive benefit plan and telephone concessions benefit have been eliminated.
6. Transfer of Work – It is understood that any permanent transfer of work, which would result in a loss of bargaining unit positions, will be subject to the Company's statutory bargaining obligations, if any.
7. Business Attire – Attire and appearance consistent with reasonable workplace expectations is required.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

Katherine J. Warn
Director – Labor Relations
October 6, 2003

Judy Dennis
CWA Representative
October 6, 2003

Historical Reference Only

**MEMORANDUM OF AGREEMENT
PLAN FOR HOURLY PAID EMPLOYEES' PENSIONS**

Verizon South, Inc. and Communications Workers of America agree to modify the Plan for Hourly Employees' Pensions. Such modifications are subject to approvals by the Company's Board of Directors and the United States Department of the Treasury. Therefore, the effective date of January 1, 2001 for the modifications will be contingent upon receipt of all necessary approvals.

Specific language will be prepared to modify our present Plan for Hourly Paid Employees' Pensions to effect the following:

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>
40 or more years	\$ 11,700
35 but less than 40 years	10,300
30 but less than 35 years	8,900
25 but less than 30 years	7,500
20 but less than 25 years	6,100
15 but less than 20 years	4,700

Spouse's Pension— if a married employee who is a Plan participant dies in the service of the Company after he/she attains the age of 65 or after he/she has five or more years' Vesting Service, there shall be paid to his/her spouse a Spouse's Pension, effective the first day of the month following the month of the employee's death.

The Spouse's Pension is computed the same way the employee's pension would be computed if he/she had retired at the end of the month in which death occurred and had chosen the 50% Joint Survivor Annuity.

The 3% per year reduction for employees who take early retirement before age 55 does not apply to the Spouse's Pension.

The following provisions remain the same:

A. — Unreduced Early Retirement — All eligibility provisions of the current plan shall remain in effect, except that employees who have thirty (30) years or more of accredited service may elect to take a service pension that is unreduced for early retirement.

B. — The present pension computation amount of 1.35% of average basic compensation during the five (5) consecutive years of highest earnings will be used.

~~C. — Disability Retirement — Any employee who shall become disabled on or off the job and whose accredited service is 15 years or more shall be entitled to a Disability Pension in accordance with the applicable provisions of the Plan.~~

~~D. — Employees who have at least 15 years of service can retire when the sum of their age and service equals "76" (Rule of 76).~~

~~E. — The pension for an employee, with less than 30 years of service, who retires early is reduced 3% for each year the employee is under age 55. Maximum 18% reduction.~~

~~F. — Accredited service will be granted for all work beyond age 65, but not past age 70.~~

~~G. — During the period after age 65, any improvement in the average basic pay during 5 consecutive years until the last day of the month in which the employee reaches age 70, will be used in the pension benefit calculation.~~

~~H. — During the period after age 65 and on or before age 70, improvements agreed to in pension calculation formula for all represented employees will be used in the pension benefit calculation at the time of the employee's retirement.~~

~~I. — Employees shall not be entitled to receive pension benefits while in the active employment of the Company.~~

~~J. — Employees will not be allowed to continue in the active employment of the Company beyond the first of the month following the month during in which they become 70 years of age.~~

~~K. — Employees who retire on the last day of the month in which they become 65 will receive retirement benefits, if any, computed at the benefit levels and in accordance with the provisions of the Plan as in effect at the time they become 65.~~

~~Employees who retire after the last day of the month in which they become 65 and who choose an optional form of retirement benefit shall have such optional benefit computed using the actuarial factors which were applicable on the last day of the month in which they became 65.~~

~~Employees may elect any person as their joint survivor as opposed to restricting this designation to the spouse~~

~~Plan Modifications and Administration~~

~~The Plan will be provided in accordance with the provisions set forth in this memorandum to the extent that such provisions are in conformity with applicable Federal and State Laws. If any such provisions require modification, such modification~~

will be made by the Company. The administration of the Plan shall rest solely with the Company.

In the event of any dispute involving any employee's computed pension amount, the dispute, at the request of the Union, may be subject for grievance and/or arbitration in the Primary Agreement. No other matters concerning the Plan shall be subject to the grievance or arbitration procedure.

This agreement shall become effective as of June 4, 2000 and shall remain in effect until midnight, June 7, 2003, and shall automatically continue in full force and effect thereafter until terminated or amended in accordance with the following procedure:

A. — If this agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to the termination date set forth above or sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

B. — This agreement may be amended or modified by either party by giving written notice to the other party of such desire to so amend or modify sixty (60) days and not more than ninety (90) days prior to the termination date set forth above.

That written notice shall contain a full statement as the amendments or modifications desired.

Verizon South, Inc. _____ Communications Workers
of America
Local Unions 3371 & 3372

Paul T. Gwaltney _____ Judy Dennis
Consultant Labor Relations _____ CWA Representative

Date: 8/09/00 _____ Date: 8/09/00

Historical Reference Only

**MEMORANDUM OF AGREEMENT
LUMP-SUM PAYMENT OPTION**

1. ~~Verizon South, Inc. and Communications Workers of America agree to modify the plan for Hourly Employees' Pensions (hereinafter referred to as the Plan). Such modifications are conditional upon the approval from the appropriate Board of Directors and a favorable determination from the Internal Revenue Service that the Plan is and continues to be qualified under Section 401(a) of the Internal Revenue Code. Therefore, the effective date of July 1, 1993 for the following modification will be contingent upon the necessary approvals.~~

2. ~~Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.~~

3. ~~The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from the service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.~~

4. ~~This Memorandum of Agreement is effective September 17, 2000 and shall expire June 7, 2003. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the lump sum payment option, shall also terminate June 7, 2003 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.~~

~~Verizon South, Inc. _____ Communications Workers
of America
Local Unions 3371 & 3372~~

~~Paul T. Gwaltney _____ Judy Dennis
Consultant - Labor Relations _____ CWA Representative~~

~~Date: 8/09/00 _____ Date: 8/09/00~~

Historical Reference Only

**MEMORANDUM OF AGREEMENT
LUMP SUM PENSION CALCULATION**

~~GTE South, Inc. and Communications Workers of America (CWA), recognize the lump sum pension calculations for retirement eligible employees change on January 1, 2000, as a result of the General Agreement on Tariffs and Trades (GATT) legislation.~~

~~The Company and Union agree to protect employees who are eligible to retire on or before December 31, 1999, from adverse implications from GATT legislation.~~

~~All employees who are eligible to retire on or before December 31, 1999, and who are eligible for lump sum pension distributions will be allowed to continue to receive the highest lump sum produced by the two lump sum calculation methods currently used in the GTE South, Inc. Pension Plans and a third new method that complies with GATT. Regardless of when these employees retire, on or after January 1, 2000, they will receive the highest lump sum amount produced by these three methodologies.~~

~~For employees who are eligible to retire on or after January 1, 2000, pensions will be calculated by using whichever of the following rates produces the largest lump sum amount.~~

~~-The GTE South, Inc. Plan Rate (currently the 10 year treasury bond rate)~~

~~-The GATT rate (30 year treasury bond rate)~~

~~This Memorandum of Agreement is effective January 1, 1999, and shall expire on December 31, 2001, unless extended by the parties in writing.~~

~~Verizon South, Inc. _____ Communications Workers
of America
Local Unions 3371 & 3372~~

~~_____ Donald R. Walton _____ T. O. Moses
_____ Richard Esquivel _____ Dina G. Beaumont
_____ J. Randall McDonald _____ Morton Bahr, President
_____ Executive Vice President
_____ Human Resources & Admin.~~

~~_____ Date: 4/19/99 _____ Date: 3/15/99~~

**MEMORANDUM OF AGREEMENT
ALLTEL EDUCATIONAL ASSISTANCE PROGRAM**

GENERAL DESCRIPTION

ALLTEL Corporation encourages the educational growth and development of its employees by sponsoring the Educational Assistance Plan (the "EAP"). Employees will be eligible for the plan provisions stated in this MOA.

The EAP is a fringe benefit plan administered according to the Internal Revenue Code (IRC) Sections 127 and 132. Eligible employees are reimbursed out of general corporate assets for covered expenses.

Reimbursement for an eligible employee may not exceed a maximum of \$2,000 only for the life of the agreement or the Company policy, whichever is greater, per calendar year.

COVERED EXPENSES

The following expenses are covered:

Tuition

Tuition equivalent expenses such as:

- Testing fees associated with qualifying for a course of study leading to a degree (e.g., SAT, ACT, GMAT)
- Testing fees for professional certification (e.g., CPA, PHR, CEBS)
- Fees for CLEP and other credit examination tests for which the employee receives a college credit
- Required general activity, lab, course fees
- Book expenses associated with course work
- Study materials associated with professional certification examinations (e.g., CPA Review Course)
- Correspondence courses if they meet all of the following conditions:
 5. Appropriate educational facilities are not readily available; and
 6. The course of study is job related or the degree is related to ALLTEL's business; and
 7. A form of certification is issued at the end of the course indicating successful completion; and

8. The course of study or the educational institution has been approved by a state or professional association.

WHAT IS NOT COVERED

- Any of the covered expenses listed above if the employee does not pass the course or test or become certified
- Any of the covered expenses listed above for which the employee received a scholarship or grant
- Late fees
- Installment payment fees
- Parking fees
- Retest fees
- Courses involving sports, games, or hobbies are excluded, even if required for the degree program
- Study aids not required for the course
- Supplies, including calculators, diskettes, pens and notebooks

ELIGIBILITY REQUIREMENTS

- Employee must be classified as regular full-time or regular part-time and scheduled to work at least 20 hours per week
- Courses must be:
 - Job related and normally taken at an accredited college, university, vocational/technical school or in an adult education program; or
 - Non-job related if taken as part of a degree program at an accredited college or university. The degree program must be related to ALLTEL's business (i.e., degrees utilized by ALLTEL)
- Reimbursement is limited to two courses per term
- The employee must receive a grade of "C" or higher. A grade report must accompany the request for reimbursement.
- Course work must not adversely affect the employee's job performance.
- All class hours must be outside of the employee's normal working hours.

- The employee must be active on ALLTEL's payroll at the time of reimbursement.

TAXATION OF REIMBURSEMENT

EAP reimbursements for undergraduate classes are non-taxable income. Reimbursements for graduate classes taken after December 31, 2001 are considered non-taxable income.

Tax laws change often. Accordingly, ALLTEL can provide no guarantee that any educational assistance will remain tax-free.

APPLICATION PROCESS

- An employee interested in educational assistance should:
 4. Complete an Educational Assistance Application prior to enrollment. Any applications received after course enrollment must be accompanied by a written explanation from the employee's supervisor outlining the reason for the delay and why the application should be approved.
 5. Obtain two levels of management approval on the application form.
 6. Route the approved form to the Human Resources' representative coordinating the EAP program for the employee's business unit.
- The EAP program coordinator will review the application and notify the employee and the employee's supervisor if the application is approved. Notification may be via E-mail, an approved copy of the application form, or written correspondence.

REIMBURSEMENT AGREEMENT

Employees seeking benefits under the Educational Assistance Plan will be required to sign a reimbursement agreement that provides for reimbursement to ALLTEL of educational benefits paid during the 12 months preceding termination of employment.

Kentucky ALLTEL, INC.

Communications Workers of America
Locals 3371 & 3372

By: _____

By: _____

Date: _____

Date: _____

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Tools	Article 35	
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40		
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37		
Choice	Article 21, Sect. 2	
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5	
	Article 22, Sect. 7
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29	
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23	
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Union Officer	Article 8, Sect. 1
12	
Vacation	Article 27, Sect. 6
56	
Travel Conditions	Article 23
44	
Travel Expenses	Article 23, Sect. 3
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Absence	Article 8, Sect. 2 & 3	12-
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Access to		
General Records	Article 13, Sect. 2	
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Access to		
Personnel Records	Article 13, Sect. 1 B	
21		
Activity on		
Property	Article 7, Sect. 1	
11		
Affiliation	Article 5	
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11	Dues	Article 6	9-
12	Functioning	Article 8, Sect. 1	
13	Management		
	Conferences	Article 9	
9	Membership	Article 5	7-
12	Officer, Promotion or Transfer	Article 8, Sect. 1	
16	Rights	Article 11, Sect. 8	
9	Security	Article 5	7-
92	Utilityperson	MOA	

V

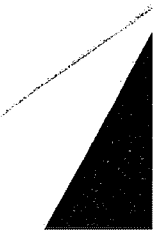
29	Vacancies, Filling	Article 16	22-
55	Vacation		
	Assignments	Article 27, Sect. 2	54-
58	Banking	Article 27, Sect. 8	57-
56	Change, Company Request	Article 27, Sect. 2 D	
55	Change, Employee Request	Article 27, Sect. 2 C	
55	Contracting	Article 27, Sect. 2 B	54-
57	Day-at-a time	Article 27, Sect. 7	
56	Dismissed Employee	Article 27, Sect. 4	
54	Eligibility	Article 27, Sect. 1	
	Employee		

56	Leaving Service	Article 27, Sect. 4	
49	Holiday	Article 24, Sect. 3	
59	Illness	Article 28, Sect. 7 & 8	
56	Limitations	Article 27, Sect. 3	
64	Military Leave	Article 31, Sect. 3	63-
56	Pay	Article 27, Sect. 3 B	
50	Personal Time Off	Article 24, Sect. 8	
54	Posting	Article 27, Sect. 2 A	
54	Seniority	Article 27, Sect. 2 A	
59	Sickness	Article 28, Sect. 7	
57	Transfer	Article 27, Sect. 6	56-

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	Wage		
2	Basic	Article 2	
3	Credit (Length of Service)	Article 2	
35	Progression Step	Article 20, Sect. 1	
28	Rates		
36	Full-Time	Article 16, Sect. 2 D	
	Part-Time	Article 20, Sect. 3	
35	Schedules		
	Starting Rates	Article 20, Sect. 3 C	
	Weather		
66	Inclement	Article 33	

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Calendar	Article 2
2	
Witness Duty	Article 29
61	
Work	
Contract	Article 19
35	
Day	Article 2
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Group	Article 2
6	
Holiday	Article 2
3	
	Article 24
48	
Leader	Article 2
6	
Schedules	Article 21, Sect. 1
36	
Sunday	Article 25, Sect. 2
50	
Time	Article 23, Sect. 2
45	



27. Do the relevant Kentucky-based Applicant(s) anticipate that substantially all of their respective Kentucky operations will remain headquartered in Lexington, Kentucky, if the proposed transfer is approved? Please provide a copy of any and all documents that demonstrate that the Applicants are committed to retaining their Kentucky headquarters in Lexington, Kentucky if the proposed transfer is approved.

Response: Yes. No changes to Kentucky operations will occur as a result of the transaction.

Response provided by Dan Powell.

a. Please identify and list the facilities, customer service center(s), financial services operations, etc., that are located in Lexington and/or Fayette County. If such operations are not located in Lexington/Fayette County please provide their location. Assuming the proposed transfer is approved, would any operations be relocated to Lexington? If so, please identify which operations and when. If not, please explain why not.

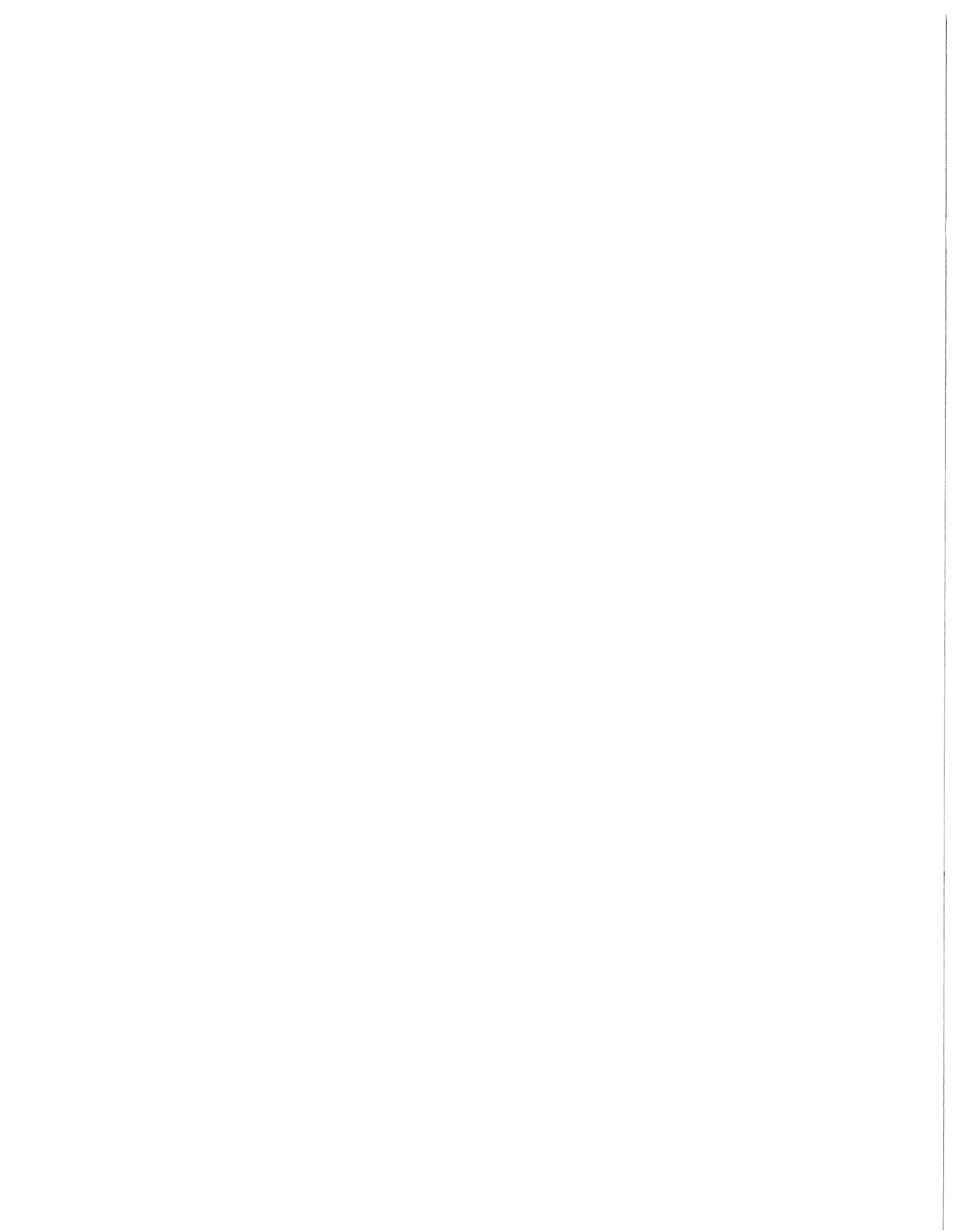
Response: Applicants do not maintain the requested information in the requested format in the ordinary course of business. As made clear in the verified Amended and Restated Application and testimony and throughout these responses, no changes to Kentucky operations will occur as a result of the transaction. As a result, no operations will be relocated to Lexington as a result of these transactions. Further, because the Kentucky-based entities operate throughout various exchanges in the Commonwealth, it would not be practical for Applicants arbitrarily to relocate operations to Lexington.

Response provided by Dan Powell.

28. Are the Applicants willing to accept a condition as part of the approval of the proposed transfer that headquarters in the Commonwealth of Kentucky (for the relevant Applicant(s)) will remain in Lexington for the next ten years? In the event that such a condition is unacceptable, please state why.

Response: Market forces and success in the competitive market will dictate future plans beyond these transactions, and Applicants cannot accept unreasonable or severely limiting conditions that treat it differently from its competitors. Any discussion of such must be addressed in terms of a full and final settlement and disposition arrangement between Applicants, the Commission, and all intervenors. Applicants look forward to meaningful settlement discussion with all participants to this proceeding and will provide proposed settlement terms and conditions for consideration as a settlement offer at that time.

Response provided by Jeffery Gardner.



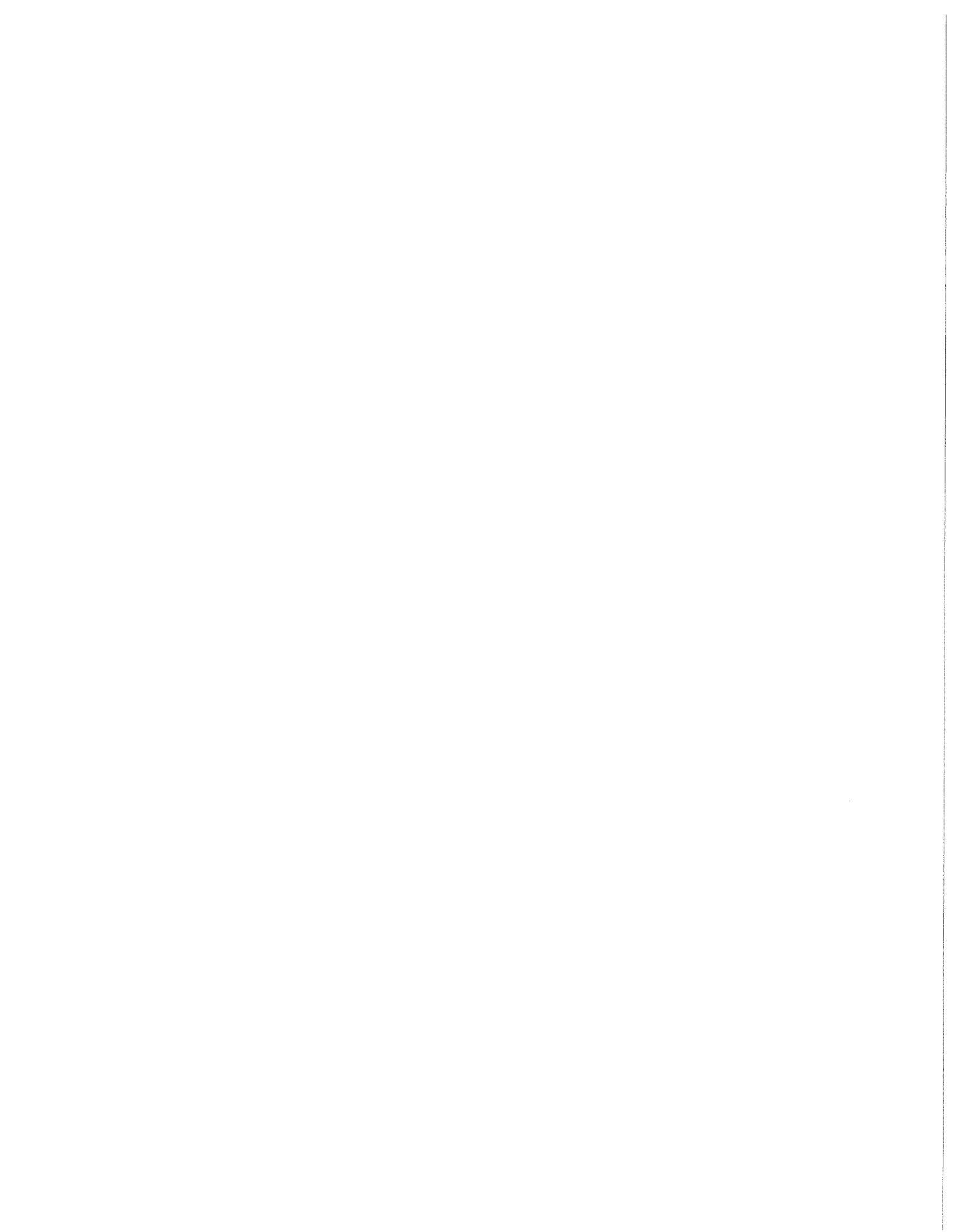
29. What will happen to each of the Kentucky-based Applicants current Board of Directors, officers, and senior management as a result of an approval of the proposed transfer? Please provide a copy of any and all documents that demonstrate a requirement that the boards, officers, and upper-level management will remain the same if the proposed transfer is approved.

Response: Any former officers and directors of AKI and KAI that are remaining with Alltel will be removed and replaced with the new management team. However, this action does not alter the local operations management team. Attached is a current list of current board members and officers of AKI and KAI.

Response provided by Jeffery Gardner.

a. With respect to both centralized and local (Kentucky-based) management services, please list all management personnel that will not be retained if the proposed transfer is approved, including name, title, and job function.

Response: See responses to questions 20, 21, and 22.



ALLTEL Kentucky, Inc.

**Joint Written Consent in Lieu of Meeting
of the Sole Stockholder and the Board of Directors**

The undersigned, being the sole stockholder (the "Sole Stockholder") and all the members of the Board of Directors of ALLTEL Kentucky, Inc., a Kentucky corporation (the "Company"), acting in accordance with the Company's organizational documents and the laws of the state of its organization, hereby adopt by written consent the following resolutions in lieu of holding a meeting and direct that this written consent be filed with the minutes of the proceedings of the Sole Stockholder and the Board of Directors of the Company, respectively:

NOW, THEREFORE, BE IT RESOLVED, that the Sole Stockholder hereby removes all current members of the Board of Directors of the Company and elects the following persons (the "New Directors") as the sole members of the Board of Directors of the Company to serve in such capacity until their respective successors shall be duly appointed and qualified:

Jeffery R. Gardner
Francis X. Frantz

RESOLVED FURTHER, that the New Directors hereby remove all current officers of the Company and appoint the persons set forth on the attached Schedule I (the "New Officers") to the offices set opposite their respective names, to hold such offices until their successors shall be duly appointed and qualified; and

RESOLVED FURTHER, that all actions heretofore taken by the New Directors or any of the New Officers on behalf of the Company are hereby approved, ratified and confirmed in all respects as and for the acts and deeds of the Company.

IN WITNESS WHEREOF, each of the Sole Stockholder and the New Directors duly signed this written consent as of the 15th day of December, 2005.

SOLE STOCKHOLDER:

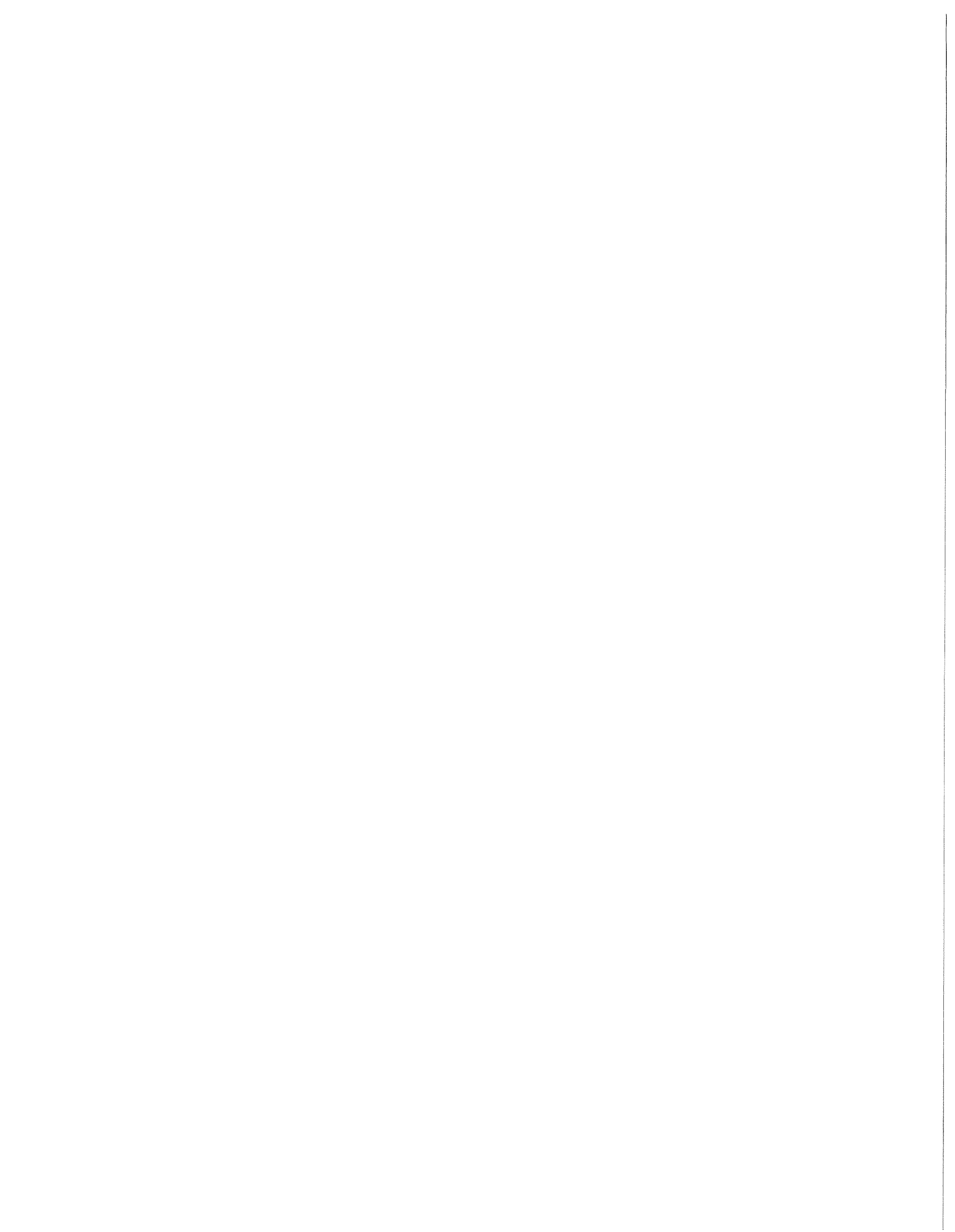
ALLTEL Corporation

By: Jeffrey H. Fox
Name: Jeffrey H. Fox
Title: Group President - Shared Services

NEW DIRECTORS:

Francis X. Frantz
Francis X. Frantz
Director

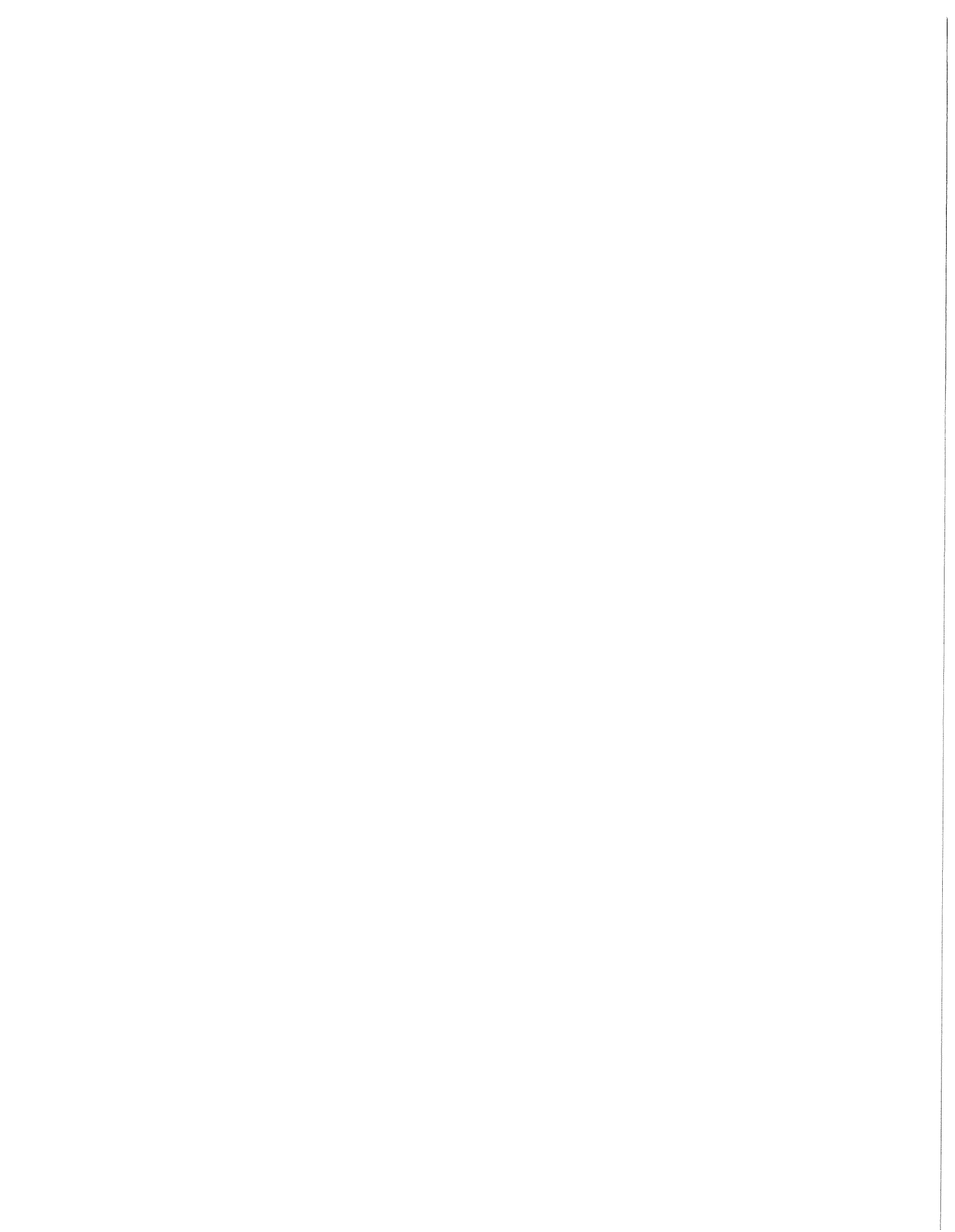
Jeffery R. Gardner
Jeffery R. Gardner
Director



SCHEDULE I
to Joint Written Consent Dated December 15, 2005

Officers of ALLTEL Kentucky, Inc.

Jeffery R. Gardner	President and Chief Executive Officer
Dan Powell	Area President
Barry Bishop	Vice President – Wireline Services
Brian Harman	Vice President – Wireline Services
Brent Whittington	Chief Financial Officer
Susan Bradley	Senior Vice President – Human Resources
Cindy Nash	Senior Vice President – Customer Service
Frank Schueneman	Senior Vice President – Network Operations
Mike Rhoda	Senior Vice President – Regulatory
Robert G. Clancy	Senior Vice President – Investor Relations and Corporate Communications
Francis X. Frantz	Secretary
Judith K. Lemke	Vice President – Tax
John A. Ebner	Treasurer
David Cameron	Assistant Secretary



Kentucky ALLTEL, Inc.

**Joint Written Consent in Lieu of Meeting
of the Sole Stockholder and the Board of Directors**

The undersigned, being the sole stockholder (the "Sole Stockholder") and all the members of the Board of Directors of Kentucky ALLTEL, Inc., a Delaware corporation (the "Company"), acting in accordance with the Company's organizational documents and the laws of the state of its organization, hereby adopt by written consent the following resolutions in lieu of holding a meeting and direct that this written consent be filed with the minutes of the proceedings of the Sole Stockholder and the Board of Directors of the Company, respectively:

NOW, THEREFORE, BE IT RESOLVED, that the Sole Stockholder hereby removes all current members of the Board of Directors of the Company and elects the following persons (the "New Directors") as the sole members of the Board of Directors of the Company to serve in such capacity until their respective successors shall be duly appointed and qualified:

Jeffery R. Gardner
Francis X. Frantz

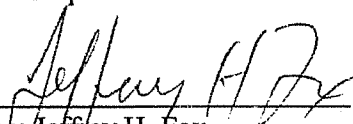
RESOLVED FURTHER, that the New Directors hereby remove all current officers of the Company and appoint the persons set forth on the attached Schedule I (the "New Officers") to the offices set opposite their respective names, to hold such offices until their successors shall be duly appointed and qualified; and

RESOLVED FURTHER, that all actions heretofore taken by the New Directors or any of the New Officers on behalf of the Company are hereby approved, ratified and confirmed in all respects as and for the acts and deeds of the Company.

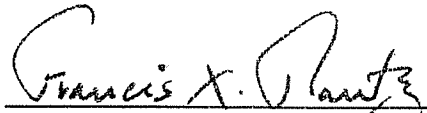
IN WITNESS WHEREOF, each of the Sole Stockholder and the New Directors duly signed this written consent as of the 15th day of December, 2005.

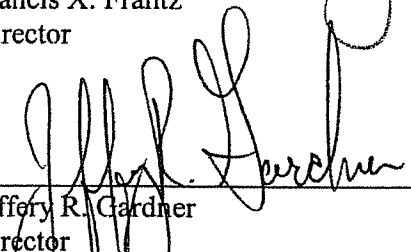
SOLE STOCKHOLDER:

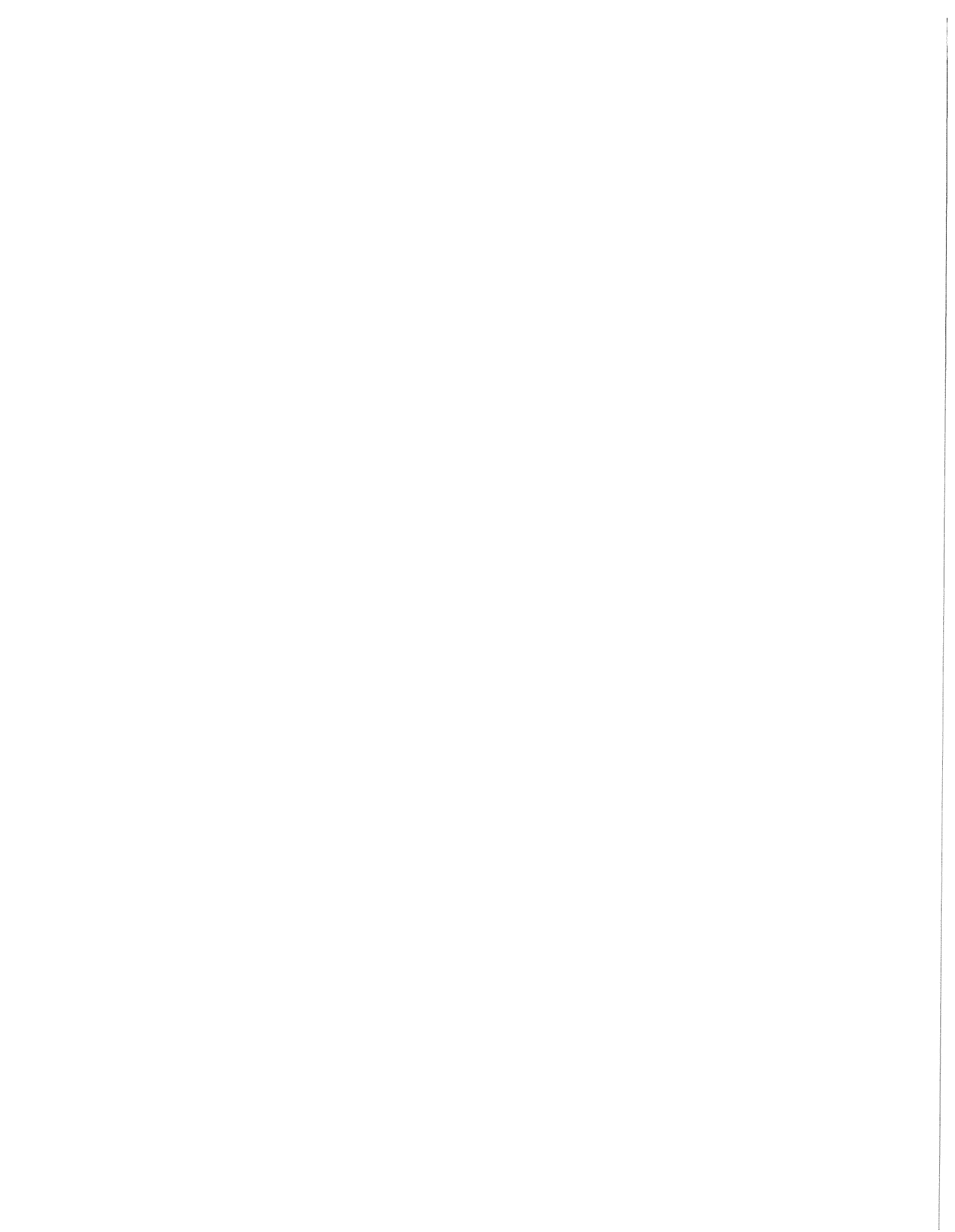
ALLTEL Corporation

By: 
Name: Jeffrey H. Fox
Title: Group President - Shared Services

NEW DIRECTORS:


Francis X. Frantz
Director


Jeffery R. Gardner
Director



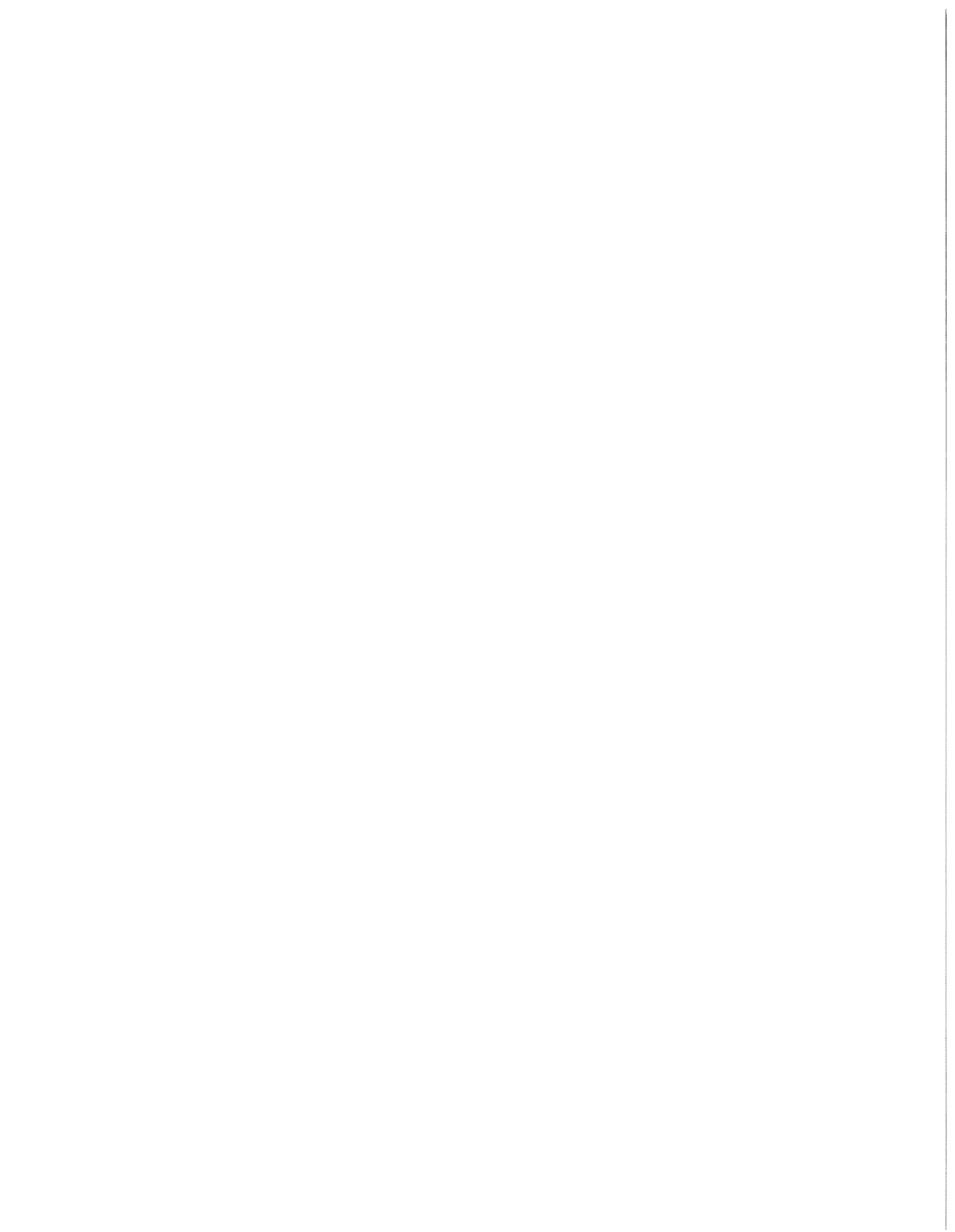
SCHEDULE I
to Joint Written Consent Dated December 15, 2005

Officers of Kentucky ALLTEL, Inc.

Jeffery R. Gardner	President and Chief Executive Officer
Dan Powell	Area President
Barry Bishop	Vice President – Wireline Services
Brian Harman	Vice President – Wireline Services
Brent Whittington	Chief Financial Officer
Susan Bradley	Senior Vice President – Human Resources
Cindy Nash	Senior Vice President – Customer Service
Frank Schueneman	Senior Vice President – Network Operations
Mike Rhoda	Senior Vice President – Regulatory
Robert G. Clancy	Senior Vice President – Investor Relations and Corporate Communications
Francis X. Frantz	Secretary
Judith K. Lemke	Vice President – Tax
John A. Ebner	Treasurer
David Cameron	Assistant Secretary

30. Who will be the Board of Directors and officers of the "surviving corporation"? Is this the same corporate structure as before the approval? Please provide documents showing the corporate structure, including names, titles, and locations both before and after the approval.

Response: This information was included in the Application and Amended and Restated Application filed on December 22, 2005 and January 26, 2006 respectively and is updated in question 31 below.



31. Please list all members of the "senior executive team" (Testimony of Powell, at page 14).

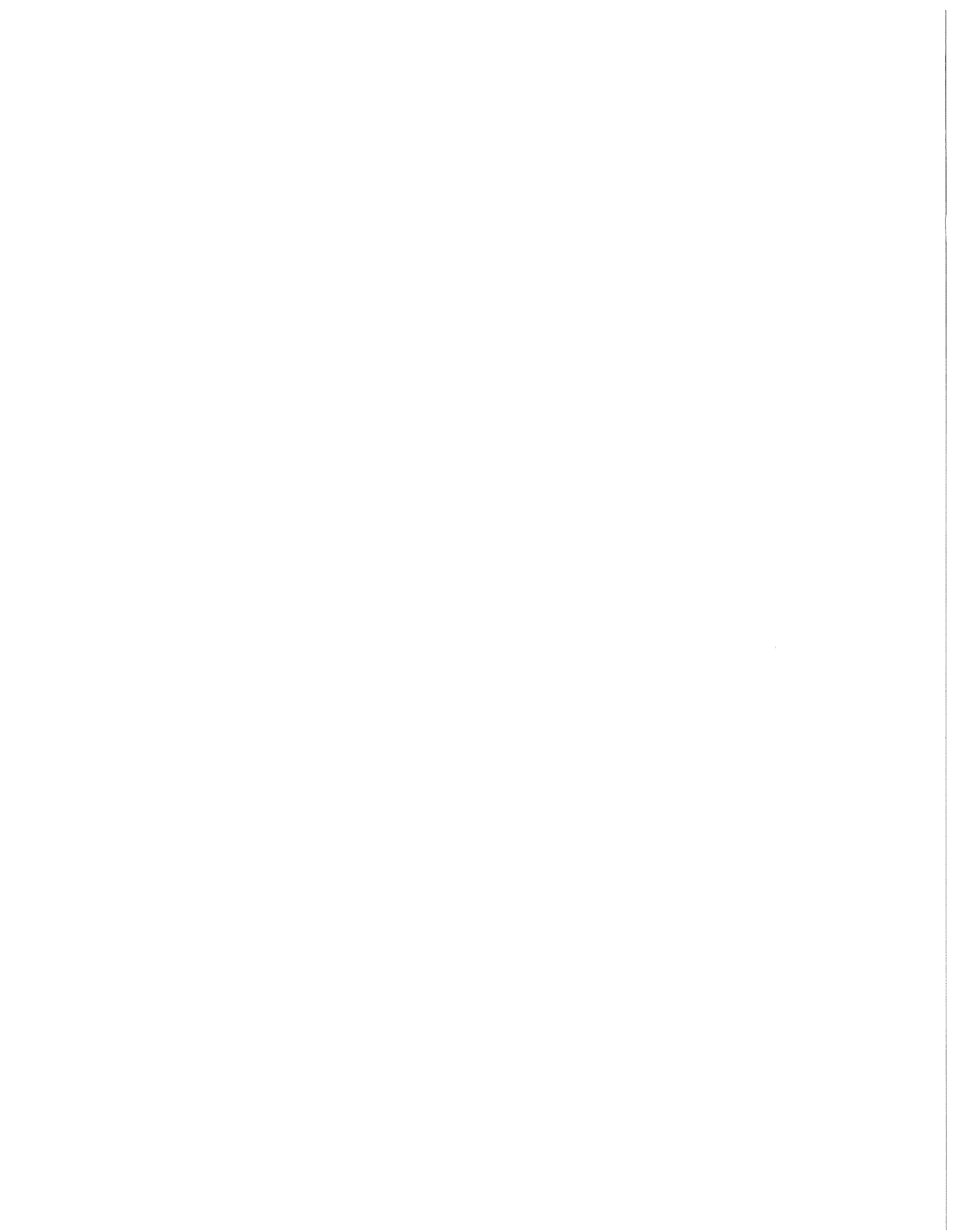
Response: Applicants identified the senior executive team on Exhibit 5 to the Application filed on December 22, 2005 and provides the following:

Jeffery R. Gardner, President and CEO – Mr. Gardner was most recently the Executive Vice President and Chief Financial Officer for Alltel. His responsibilities included Alltel's capital markets, budgeting and forecasting, strategic planning, accounting, procurement, tax and operational support. Mr. Gardner has been in the communications industry since 1986 and joined the company in 1988 when Alltel and 360 Communications merged. While with Alltel he held a variety of other senior management positions such as senior vice president of finance, president of the Mid-Atlantic Region and general manager of Las Vegas and director of finance.

Brent K. Whittington, Executive Vice President and Chief Financial Officer – Mr. Whittington most recently service as senior vice president of operations support for Alltel. Mr. Whittington joined Alltel in 2002 as vice president for finance and accounting. Prior to joining Alltel, Mr. Whittington was with Arthur Andersen LLP for eight years, most recently serving as an audit manager. He has a degree in accounting from the University of Arkansas at Little Rock. He is a member of the American Institute of Certified Public Accountants.

John P. Fletcher, Executive Vice President and General Counsel – Mr. Fletcher most recently was a partner in the law offices of Kutak Rock LLP. Mr. Fletcher joined Kutak Rock LLP in 1998 where he specialized in corporate and securities law. He is a graduate of the Southern Methodist School of Law, where he served on the law journal and was elected to the Order of the Coif. He is also an honors graduate of Duke University.

Keith Paglusch, Chief Operating Officer – Mr. Paglusch, a 25-year veteran of the telecommunications industry, will become Chief Operating Office on March 31, 2006. Mr. Paglusch. Mr. Paglusch is currently executive vice president - operations for Global Signal Inc., a Sarasota, Fla.-based company that owns and operates approximately 11,000 towers and other wireless communications sites. Prior to joining Global Signal in 2004, Paglusch spent 18 years with Sprint Corp. and held several executive positions in the local, long-distance, wireless and corporate organizations, including senior vice president - operations for Sprint PCS where he led the startup and build out of Sprint's wireless network. Prior to joining Sprint, Paglusch was with Mountain Bell/AT&T and Southwestern Bell. Paglusch



holds a degree in business administration and management from Southeast Missouri State University.

Michael D. Rhoda, Senior Vice President Governmental Affairs – Mr. Rhoda most recently served as vice president – wireline regulatory and wholesale services for Alltel. Mr. Rhoda joined Alltel in 1994 as director of wireless business planning and systems. He has since held various positions such as market area president for Alltel’s northern region, vice president of product management, vice president and general manager of Alltel’s market in Charlotte, North Carolina and vice president – business development. Prior to joining Alltel, Mr. Rhoda held various finance positions within GTE and practiced public accounting for several years. He is a graduate of Eastern Illinois University and is a member of the American Institute of Certified Public Accountants.

Robert G. Clancy, Senior Vice President and Treasurer – Mr. Clancy most recently served as vice president of investor relations for Alltel. Mr. Clancy joined Alltel in 1998 when the company merged with 360 Communications and has been in the communications industry since 1987. While at Alltel, he also served in a variety of management positions including vice president of sales and distributions, vice president of internal audit, vice president of finance, vice president and general manager for the central North Carolina market, and southeast region marketing director. Mr. Clancy has a degree in accounting from Northern Illinois University in DeKalb. He is a certified public accountant.

Response provided by Cesar Caballero.

32. Please describe in detail the current and future plans for “participation in the local community” (Testimony of Powell, page 14) and provide specific examples if possible.

Response: Local operations’ involvement in community activities will continue and be unaffected by these transactions. Local managers’ participation and specific community groups and associations are not data that Applicants maintain in the ordinary course of business. However, Applicants’ existing involvement and encouragement of such involvement will remain unchanged as a result of these transactions. The Kentucky-based entities will continue to have a local “face” in their respective communities. For example, Barry Bishop (Kentucky local operations) is a volunteer at Makenna Foundation, UK Children’s Hospital, and Upward Basketball. Dan Powell (area president located in Lexington) is a member of Commerce Lexington. Dan Logsdon (Kentucky local external affairs) is a member of the Lexington Industrial Foundation, Bluegrass Tomorrow, Board of Directors for the Lexington Urban League, and Prevent Child Abuse Kentucky. Erin Ascione (Kentucky communications) is a member of Commerce Lexington and Board of Directors of the Kentucky Press Association. The Kentucky-based Applicants support local and community groups such as the Lexington Urban League, Lexington Arts Council, I-66 Foundation, Operation Unite, Connect Kentucky, United Way (“UW”) of Laurel County, UW of South Central Kentucky, UW of Southeastern Kentucky, UW of the Bluegrass, UW of Woodford County, UW of Boyd and Greenup Counties, UW of Central Kentucky, Junior Achievement, Kentucky Telephone Association, Lexington Chamber of Commerce, Greater Louisville, Kentucky Chamber, Woodford County Chamber, and the University of Kentucky Scholarships – Engineering. Such community involvement will remain unchanged as a result of the transactions.

Response provided by Michael Rhoda and Dan Powell.

32. Are any retention bonuses or similar incentives being offered in order to retain the existing management structure? If so, please provide the job titles and the bonus amount as a multiple of salary of the employees eligible to receive such a bonus as well as the criteria that must be met in order to qualify for and/or receive such a bonus. If no such bonuses or awards are being offered, please explain why.

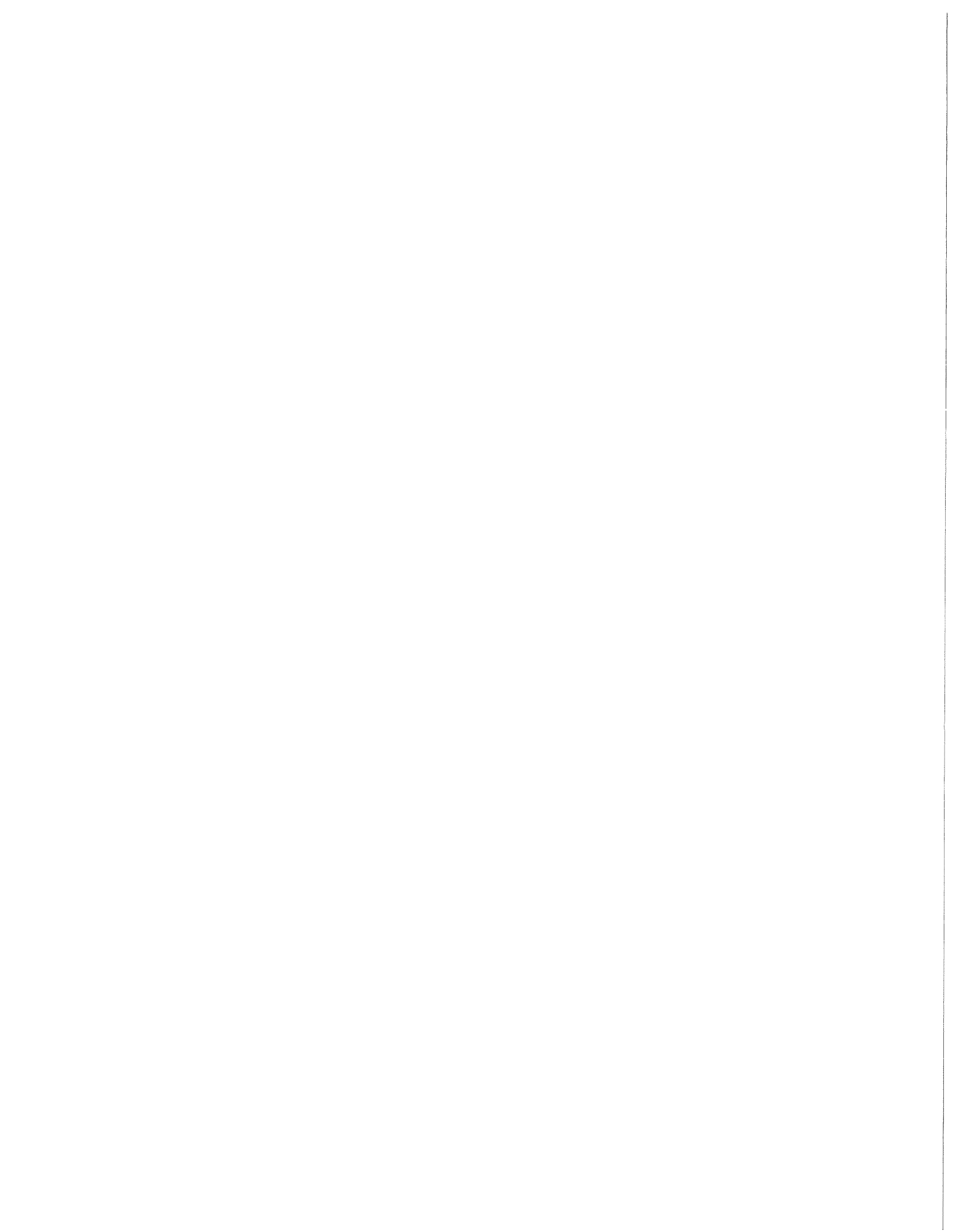
Response: Yes, Valor is offering retention and severance benefits and is making those benefits available only to those active employees on Valor's payroll on the date the merger transaction closes. If an employee resigns from Valor prior to the close of the transaction, he or she will not receive the retention and bonus benefits described below. If he or she retains employment post close, he or she will not be eligible for the severance benefits. The retention and severance benefits are as follows:

- **All managers and below (non-bargaining employees): 8 weeks of additional severance over current Valor policy and payment of pro-rata bonus, if applicable. Additional retention is available to a selected group of employees at or below the manager title who are deemed essential to the transition and closing. This bonus is equal to a full year's target bonus or 10% of annual salary, whichever is greater. The bonus will be paid within 15 days of the transaction close. They also qualify for 16 weeks severance.**
- **Directors: Full year's target bonus and increase severance from 3 months to 6 months.**
- **Vice Presidents: Full year's target bonus and increase severance from 6 to 12 months.**
- **CEO and SVPs: Two year's target bonus and increase severance from 18 to 24 months; gross up of any 280(g) or 409(a) excise tax liability.**
- **Other general terms for Directors and above: Accelerate vesting of 2007 restricted stock and cash grant to date of merger closing; allow accelerated vesting of 2008 restricted stock if terminated without cause or for good reason for 2 years after change of control.**

Response provided by Susan Bradley.

34. Are the Applicants willing to accept a condition as part of an approval of the proposed transfer that they will retain the existing boards, officers, and upper-level management for the Kentucky based entities going forward in time? If so, for how long? In the event that such a condition is unacceptable, please state why.

Response: See response to question 28.



35. Are the Applicants aware that Kentucky Alltel, Inc., currently has a franchise agreement with the LFUCG which requires approval of any assignment?

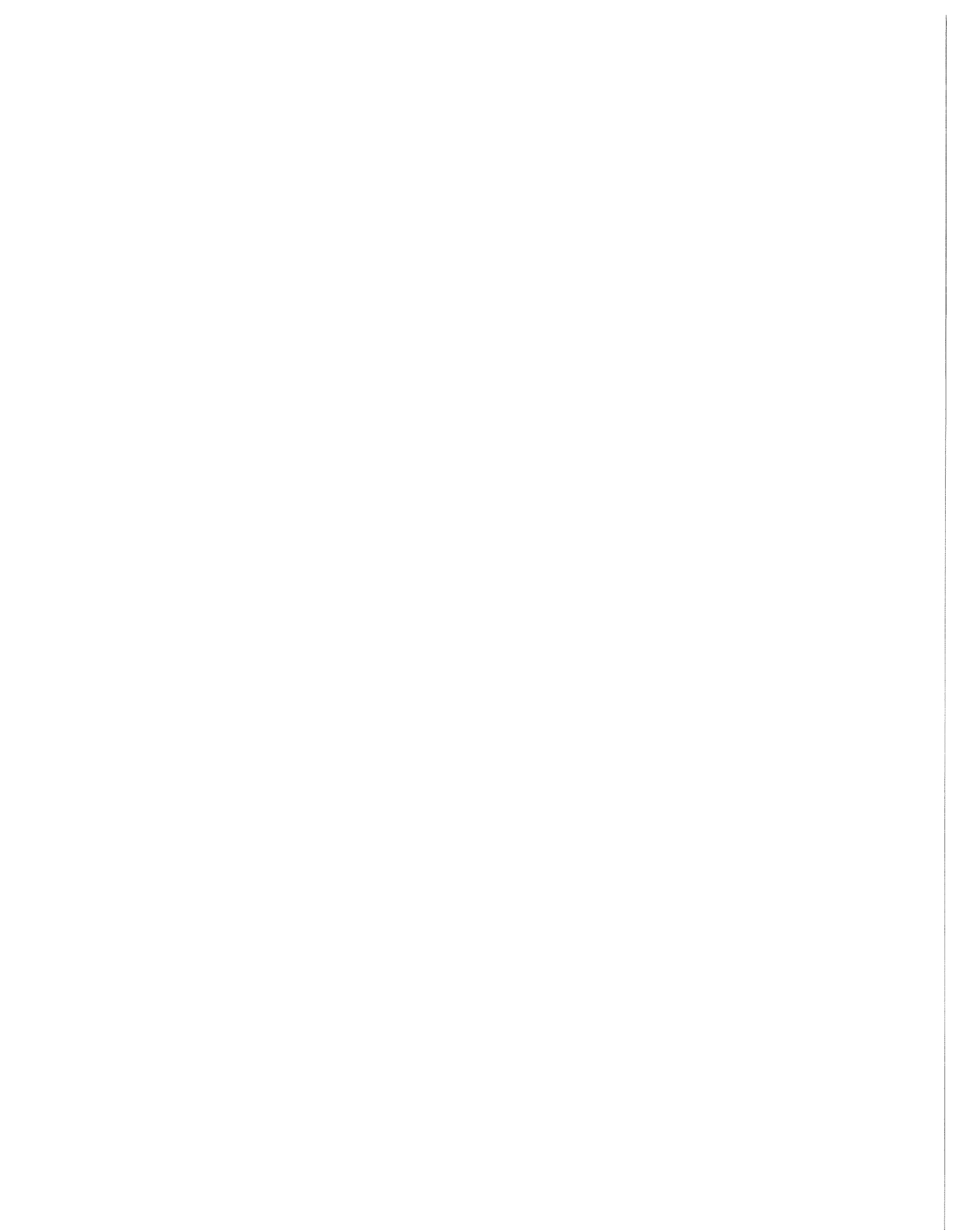
Response: Yes, Kentucky Alltel, Inc. is aware that it has a franchise agreement with LFUCG to the extent that any provisions thereof may still be deemed to be in effect following enactment of House Bill 272. However, such agreement, to the extent that its provisions remain in effect, does not require consent to assignment as a result of the instant transactions because Kentucky Alltel, Inc. will not be assigning the agreement to any entity as a result of these transactions. Kentucky Alltel continues to exist as it does today, and its contracts remain in effect and enforceable.

Response provided by Dan Logsdon.

a. Assuming that the proposed transfer is approved by the Public Service Commission, do the Applicants intend to seek the approval of the LFUCG's Council pursuant to the terms of the franchise agreement? If so, when and in what manner?

Response: No. As noted above, in the event that the franchise agreement may be considered to be in effect, the transfer of control and financing transactions to be approved by the Commission do not give rise to any obligation on the part of Kentucky Alltel, Inc. to seek any approval from LFUCG. Very simply, there is no action for LFUCG to approve. The entity "Kentucky Alltel, Inc." does not change as a result of the transactions, will not be assigning the franchise agreement to any other entity, and remains the contracting party. Although such action is not required under any agreement with LFUCG, Kentucky Alltel, Inc. anticipates providing LFUCG notice of Kentucky Alltel, Inc.'s new name once it is determined.

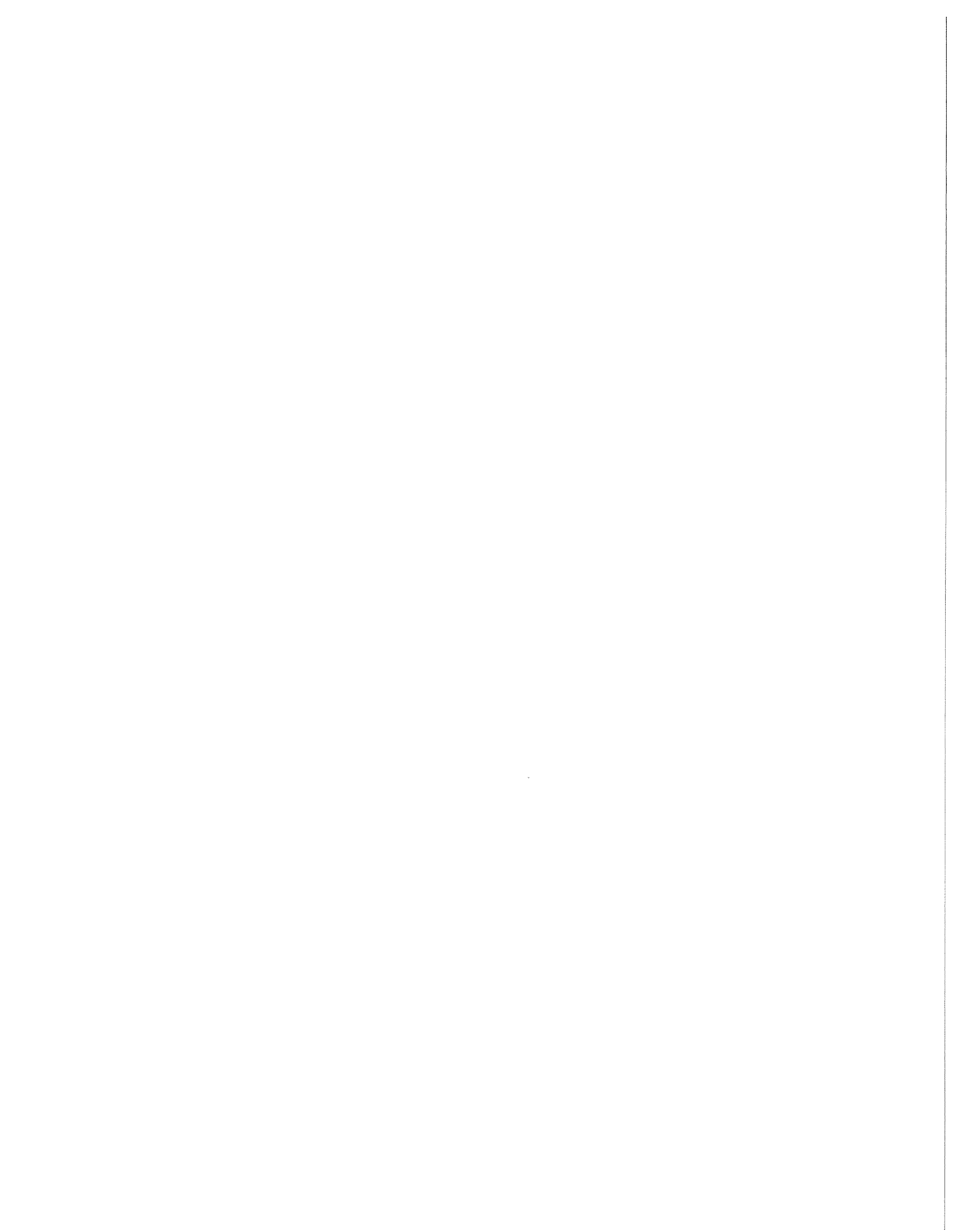
Response provided by Dan Logsdon.



37. Do the Applicants intend to follow the provisions of said franchise agreement (for the purposes of this question, the LFUCG is aware of the impact that House Bill 272 (2004) the "Tax Modernization Act" has on the collection of franchise fees). If the answer is "no" as to any particular provision of the franchise agreement, please list each such provision and explain why it will not be followed.

Response: Kentucky Alltel, Inc. intends to follow the provisions of the relevant franchise agreement with LFUCG with respect to all existing provisions except those impacted and nullified by House Bill 272. Remaining Applicants, however, do not intend to follow the provisions of said franchise agreement as they are not parties thereto and are in no way bound thereby.

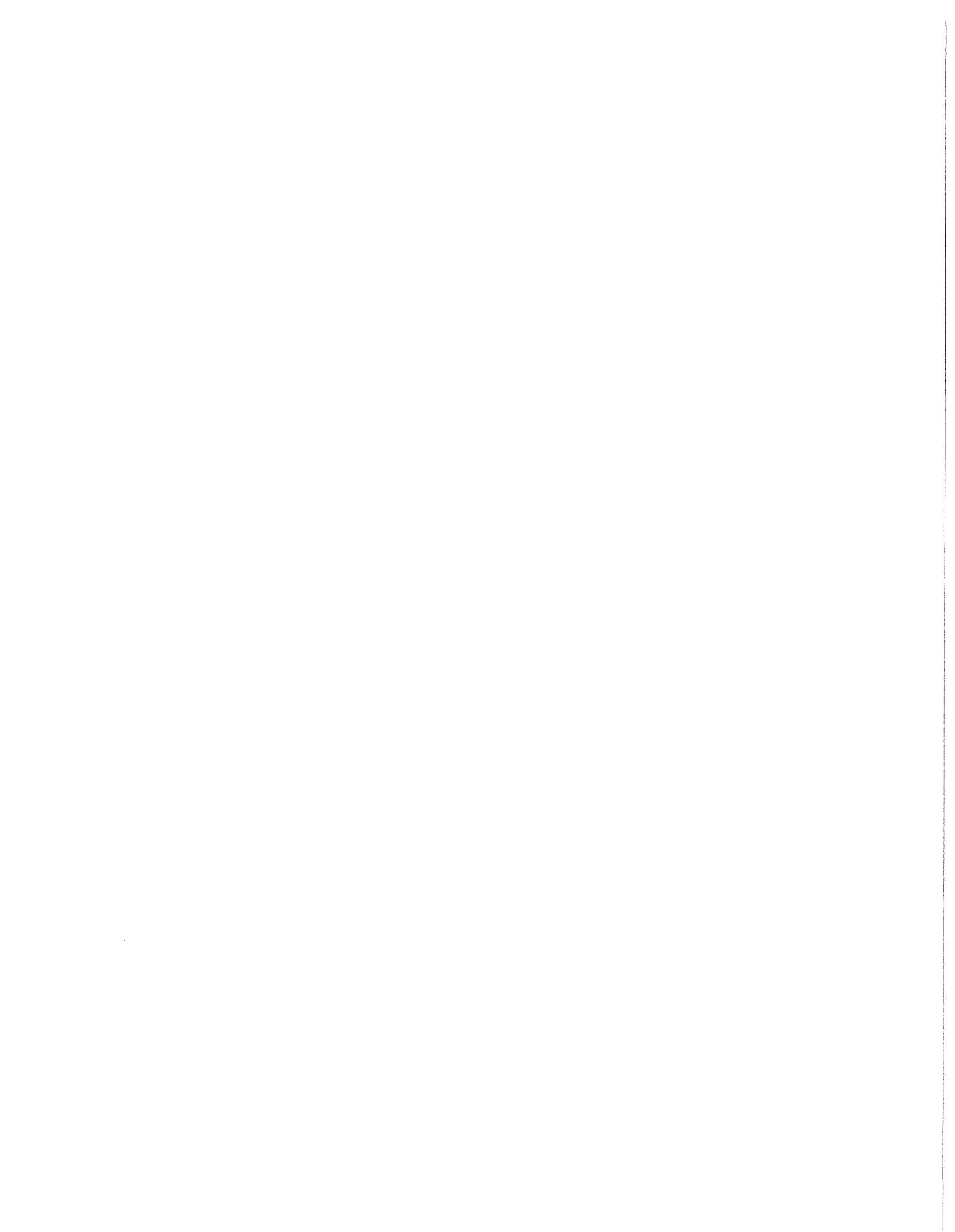
Response provided by Dan Logsdon.



38. What guarantees does LFUCG have that the Applicants will honor the provisions of the franchise agreement with the LFUCG?

Response: LFUCG has the same guarantee that Kentucky Alltel, Inc. will honor the effective provisions of said franchise agreement that LFUCG would otherwise have in the absence of the transactions set forth in the Amended and Restated Application. The franchise agreement is not impacted in any way by those transactions and does not result in a change to the contracting parties to that agreement. LFUCG has no guarantees with respect to the remaining Applicants for the reasons stated above in the response to question 37.

Response provided by Dan Logsdon.

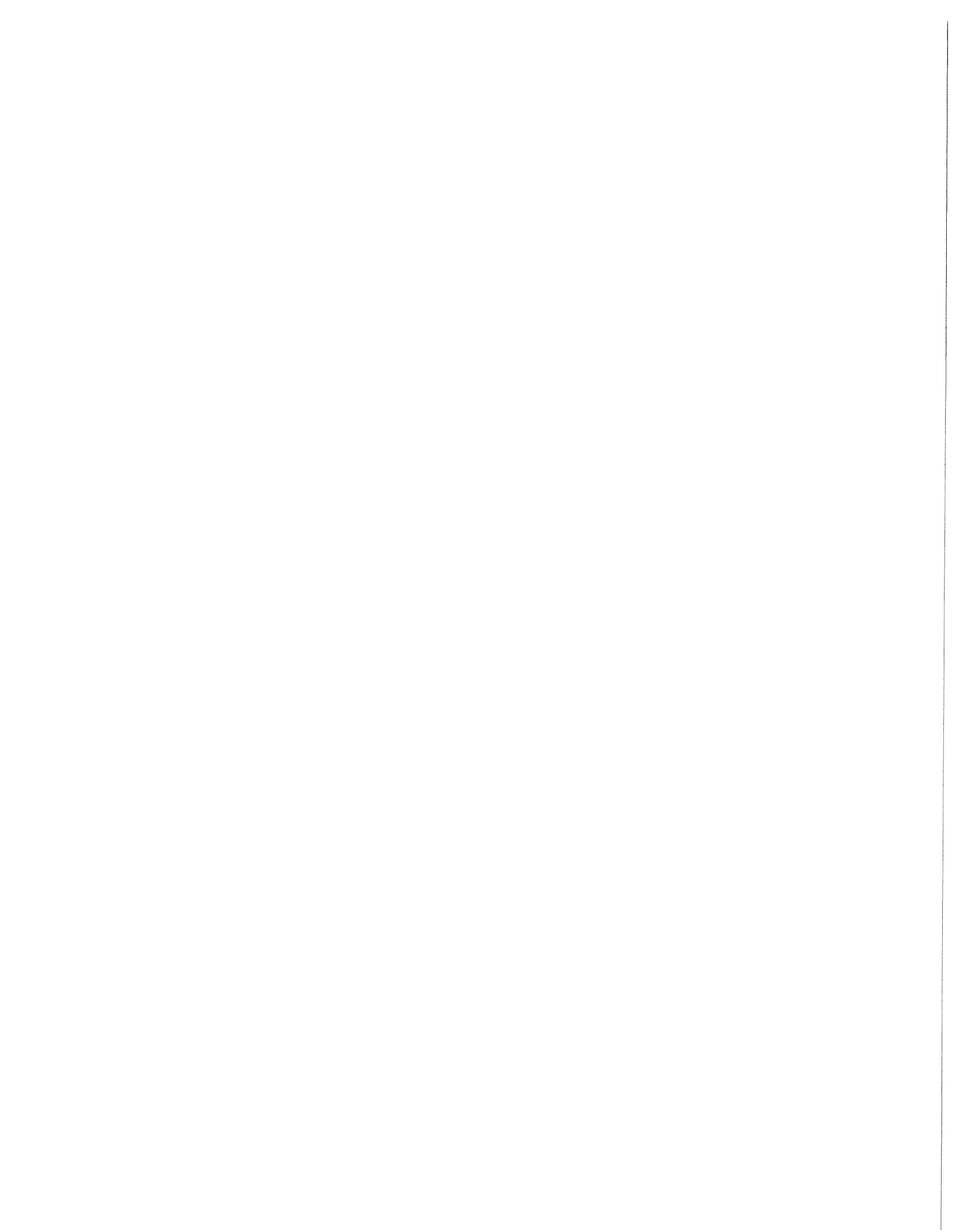


39. How many different types of accounts (and of what type) does the LFUCG currently make payments to any of the Applicants under? For each account, please provide the following information:

- a. The type of account and how many different lines are included; and
- b. The physical location of the line/account; and
- c. The total amount paid by the LFUCG for each type of account during the last 12 month period.

Response: The specific account information requested above is already readily available to and in possession of LFUCG. There will be no changes to any said accounts as a result of these transactions.

Response provided by Dan Logsdon.



40. Will any of the Kentucky-based Applicants engage in non-regulated activities or in any way provide non-regulated service? If so, generally describe all such activities or services in detail and indicate the extent to which each such Applicant engages in or provides such activities or services.

Response: The Kentucky-based Applicants either currently engage or will engage in the following non-regulated activities:

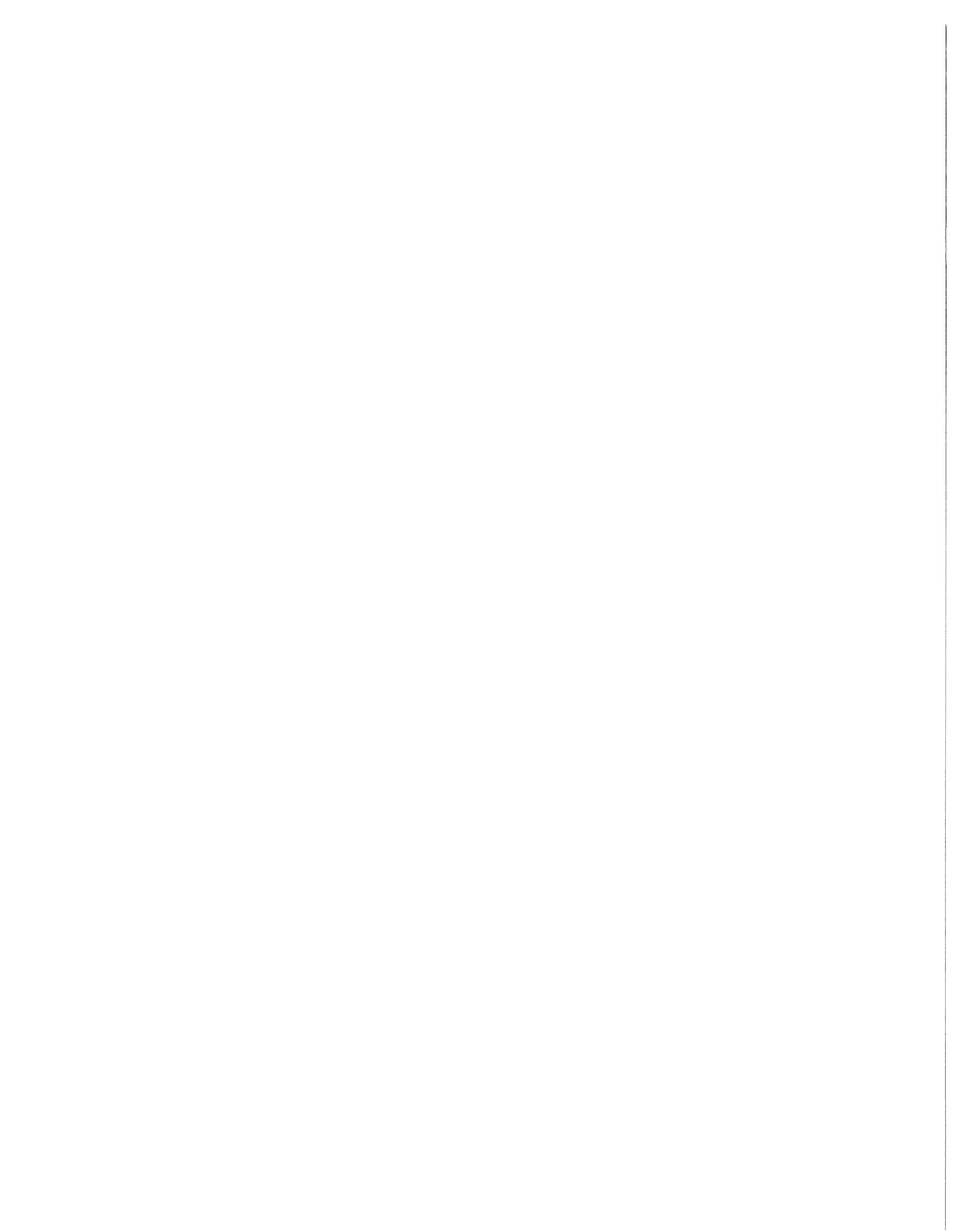
- **Voice Mail Services;**
- **Long distance resale;**
- **Single and multi-line telephone set sales and rental;**
- **End user multi-line system (Key and PBX) sales, rental and maintenance;**
- **End user data equipment;**
- **Inside wire installation, maintenance, and repair;**
- **Phone warranty program;**
- **Roadside Assistance;**
- **Internet Services;**
- **Web Hosting and Design Service; and**
- **DISH Network Satellite Service.**

Response provided by Darren Decker.

- a. Will any of the employees spend any of their time engaged in such activities? If so, please provide a list of which employees will provide such services and the percentage of each such employee's time devoted to the provision of such services.

Response: Applicants do not maintain these data in the requested format in the ordinary course of business. To the extent that employees of the Kentucky-based Applicants expend time related to the above activities, those energies will not be impacted as a result of the transactions but may be decreased or increased going forward in time as market forces dictate changes in demand with respect to select services.

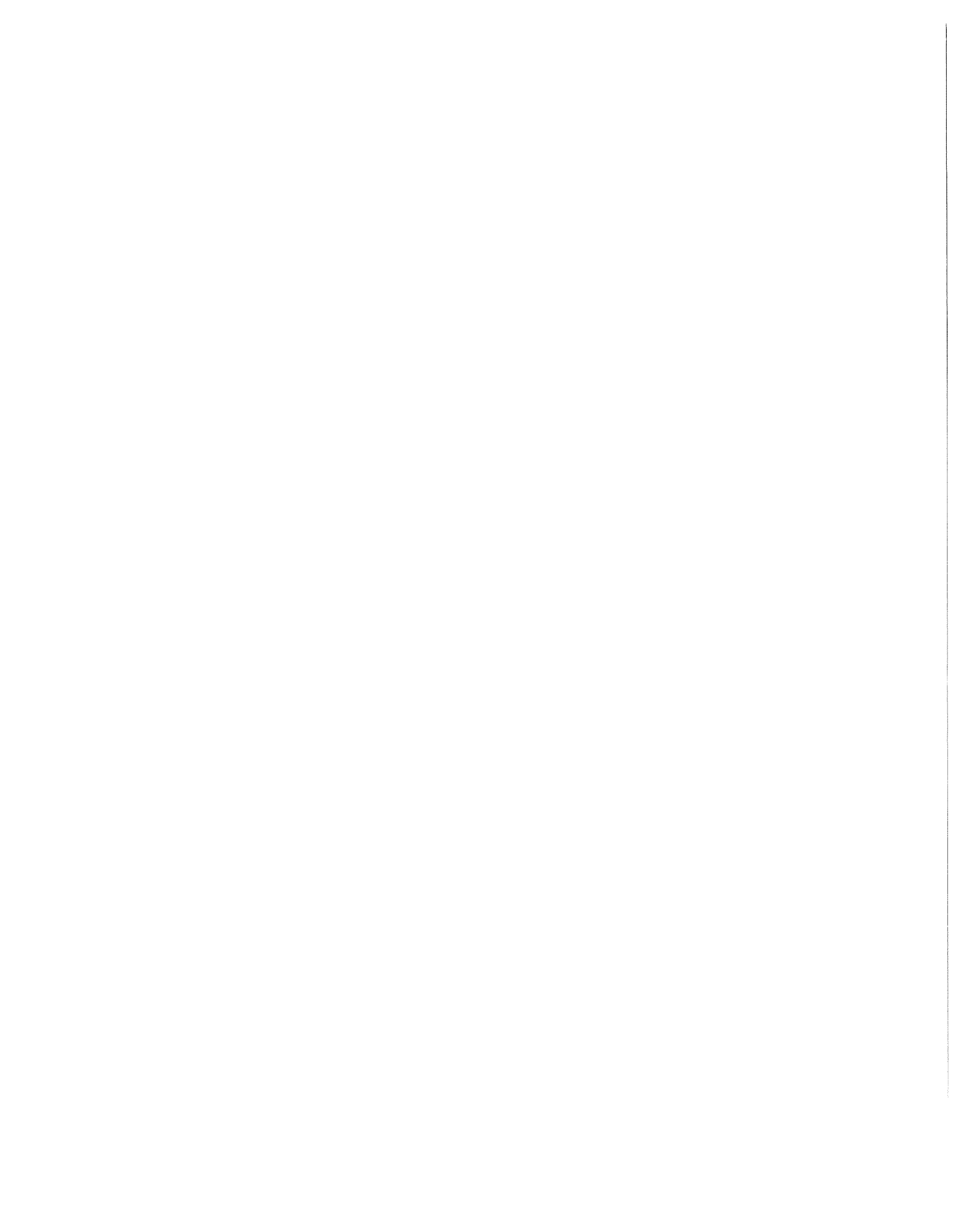
Response provided by Brent Whittington.



41. Please state whether the Applicants would agree to a condition as part of the approval of the proposed transfer that would require a new change of control filing in the event that a future functional or operational reorganization within the proposed corporate family meets the standards contained in KRS 278.020(4) or (5).

Response: Applicants do not understand the question as “functional or operational reorganization” and “proposed corporate family” are vague and ambiguous. To the extent that the question seeks a commitment to comply with Kentucky law, Applicants will, to the extent they may be subsequently required by KRS 278.020(4) or (5), as the statutes may hereafter be amended, comply with applicable law.

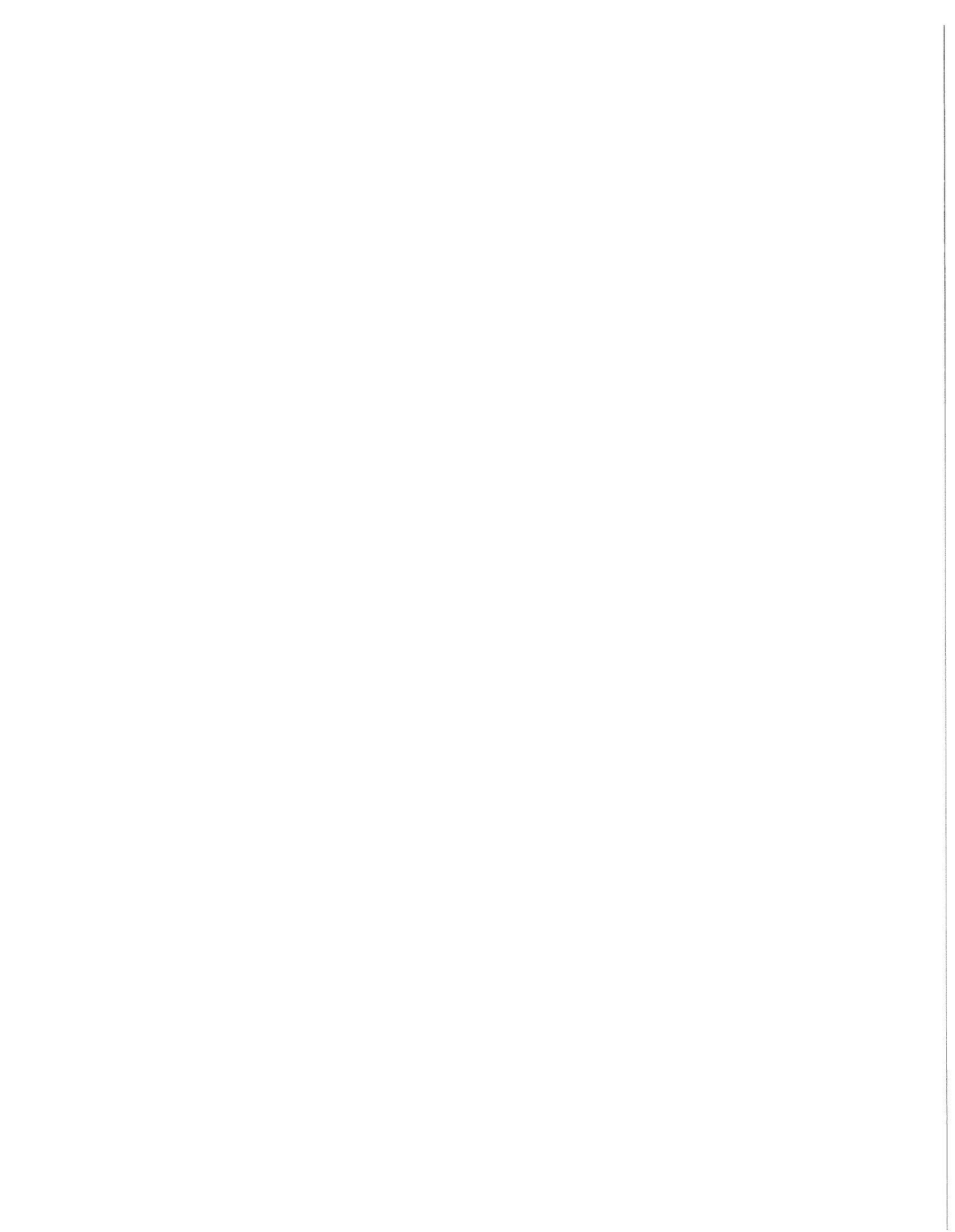
Response provided by Cesar Caballero.



42. Please state whether the Applicants intend to seek recovery of the expenses associated with this proceeding from its Kentucky customers, including, but not limited to, legal, professional and consulting expenses. If rate recovery for such costs is contemplated as a possibility, please provide an accounting of such costs to date, broken out by category of cost.

Response: No, they do not as indicated in the Amended and Restated Application.

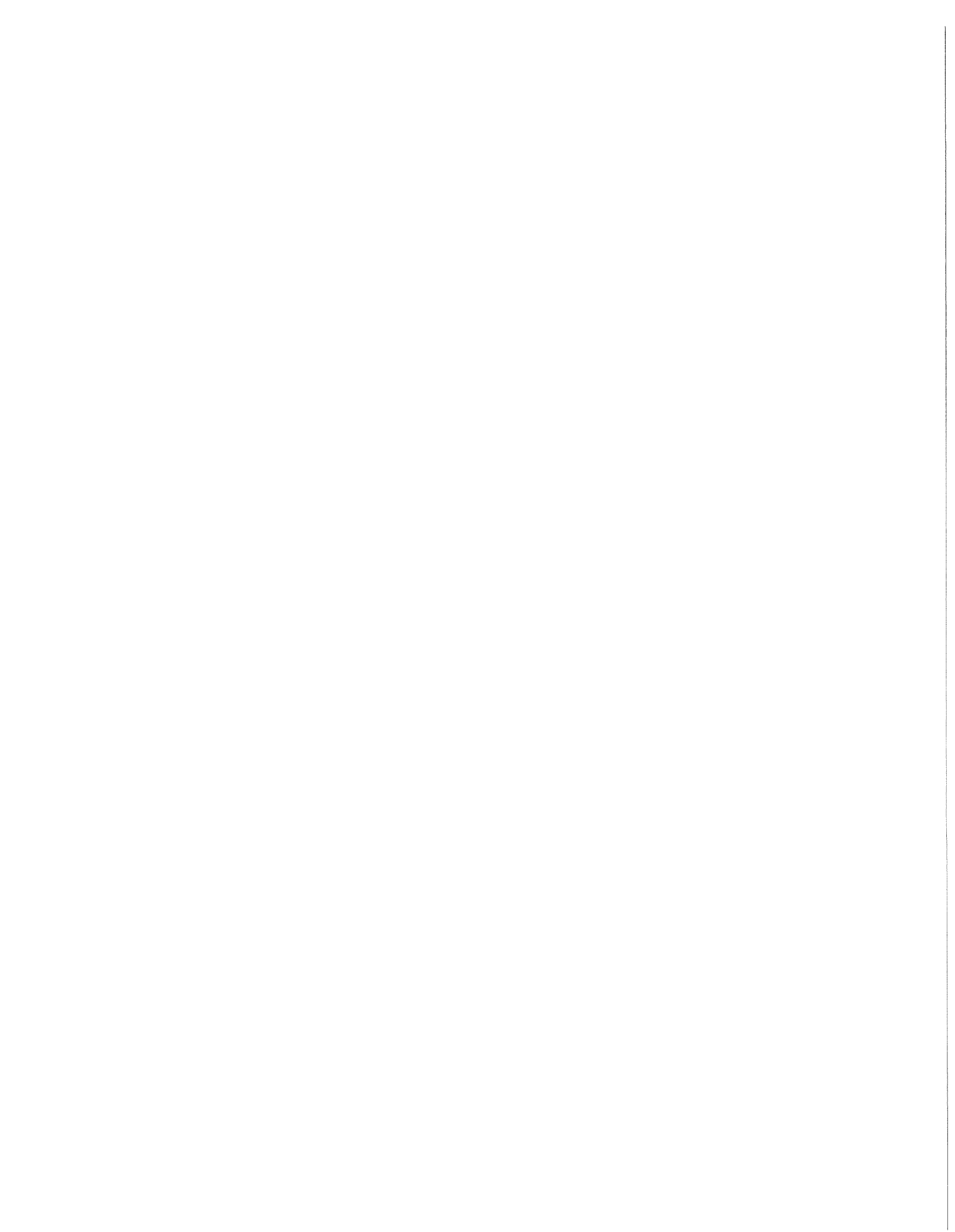
Response provided by Brent Whittington.



43. Please state the Applicants' current estimate of the closing date for the proposed transfer.

Response: May 2006.

Response provided by Cesar Caballero.



44. Please state whether the Applicants would agree to a “most favored nations clause” condition as part of the approval of the proposed transfer that would require them to agree to meet or exceed the conditions placed upon any of the Applicants as the result of the approval of the proposed transfer in other jurisdictions.

Response: See response to question 28.

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