

**COMMUNICATIONS WORKERS OF AMERICA
INTERNET SERVICES INC.
FINAL BARGAINING REPORT
July 21, 2010**

Your CWA Bargaining Team has completed negotiations with AT&T Internet Services for your 2010 contract. A \$500 ratification bonus will be paid to all Tier I and Tier II workers if the agreement is ratified by August 20, 2010. For the first time, Customer Assistants will be eligible for a Success Sharing Plan and Tuition Aid, which they were excluded from previously. We bargained a quarterly Cash Payment Plan that will allow Customer Assistants to potentially earn up to an additional \$2,800 per year. Quarterly pay outs will range from \$100 to \$500 per quarter for Customer Assistants with less than 2 years seniority or \$150-\$700 per quarter for Customer Assistants with more than 2 years seniority. Customer Assistants will also receive a \$300 lump sum payment in 2011 and a 2% wage increase in 2012. Tier II workers will receive annual wage increases of 2.75%, 2.25% and 2.5% over the contract term. To offset some health care cost increases for Tier II workers, AT&T Internet will phase in those costs over three years and provide Tier II workers with an additional \$1,200 payment upon ratification. A National Transfer Plan and an Internal Transfer Plan were bargained for all employees. The overall package represents improvements in many areas of the contract, including improved flexibility scheduling, a new grievance procedure and employment security. Please take the time to review the entire package. Your Bargaining Team unanimously recommends ratification of this agreement.

COMPENSATION

A \$500.00 ratification payment to all employees on payroll if the contract is ratified by August 20, 2010.

Customer Assistants (CA's) will participate in a cash award plan that pays out quarterly.

The payout schedule for employees with less than 24 months of continuous service at the beginning of the quarter is:

Meeting 2 of 5	Meeting 3 of 5	Meeting 4 of 5	Meeting 5 of 5
\$100	\$250	\$350	\$500

The payout schedule for employees with 24 months or more of continuous service at the beginning of the quarter is:

Meeting 2 of 5	Meeting 3 of 5	Meeting 4 of 5	Meeting 5 of 5
\$150	\$300	\$500	\$700

General Wage Increases

	Customer Assistants	All Other Titles
2010	--	2.75%
2011	\$300.00 Lump Sum	2.25%
2012	2%	2.5%

The existing Team Award converts to the Success Sharing Plan (SSP) for all employees in the bargaining unit and will be paid annually.

Increase meal allowance for overnight trips from \$30.00 to \$35.00.

BENEFITS

The Customer Assistants will remain in the AT&T Medical Plan they are currently enrolled in.

All other titles will transition to the AT&T Medical Plan (Tier 1 Plan) over the life of the agreement. To offset the change in Medical benefits all Tier 2 employees will receive a onetime payment of \$1,200.00 (Lump Sum) upon ratification.

Tuition Assistance will be available to all NIC employees in the bargaining unit.

NIC employees will be able to use CVS for 90-day medications instead of the mail-order prescription process, for the same prices.

Effective January 1, 2011, all employees will be able to participate in an Expanded Savings Plan.

EMPLOYMENT SECURITY

A committee of decision makers will be established to discuss issues regarding the Company's use of contract labor.

14 currently contracted out Internet Assistants, will be converted to bargaining unit positions. Jobs will be posted internally prior to hiring externally.

Layoff allowance will be improved to 10 weeks of pay.

Employees who are laid off will be paid a layoff allowance based on their seniority and their base weekly wage rate in effect at the time of the layoff, in accordance with the following:

LENGTH OF SERVICE	LAYOFF ALLOWANCE
0 – 12 Months	1 Week of Pay
13 – 24 Months	2 Weeks of Pay
25 – 47 Months	3 Weeks of Pay
48 – 59 Months	4 Weeks of Pay
60 – 71 Months	6 Weeks of Pay
72 – 83 Months	8 Weeks of Pay
84 Months or More	10 Weeks of Pay

Note: Part-time employees will receive a prorated amount based on the rules identified in Section 9.16.

GRIEVANCE PROCEDURE (ARTICLE 16)

The current Problem Resolution Process has been completely redesigned to a simpler, more efficient procedure.

TIME OFF/SCHEDULING

One week of vacation may be taken in 4 hour increments.

Death in Family language has been improved to add "The Company may grant unpaid excused time necessary to an employee who requests an absence to attend the funeral of an aunt, uncle, niece, nephew, brother-in-law, sister-in-law.

Improved flexibility scheduling for paid days off (PDO's).

Illness time converted to hours from days and may be requested throughout your shift.

Increase allotment of Union time for Union activities.

One time true up for offices that take residential and business calls for scheduling purposes in the Customer Assistant locations.

MISCELLANEOUS

All NIC employees will be able to participate in the National Transfer Plan upon ratification.

Automated Internal Transfer Plan to be established within 1 year of ratification.

Voluntary Benefit Plan participation among all NIC employees (Marsh Plan.)

Cancellation of hours moved from 1 hour to 12 hours ratification.

AT&T will promote the CWA NETT Training Program.