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Workers of America
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Q-218

October 19, 2010

TO: CWA District 7 Locals with Qwest Members
FROM: Mary Taylor, District 7 Vice President
SUBJECT: Letter of Agreement between Qwest-IBEW-CWA

We have reached an agreement with CenturyLink/Qwest about the proposed merger.

The agreement contains many employment security provisions for call center employees and contains commitments specific to union density.

We were unable to get agreement on the expansion of neutrality to the CTL footprint, but do have language about good faith conversations on a going forward basis. There is also an expedited process if either party is providing information that is not factual about the other.

The agreement calls for us to withdraw our interventions where we have formally intervened. We do not have to publicly support the merger.

We will continue working on our organizing strategy headed by Curt Hess and in partnership with IBEW will fight the retrogressive bargaining proposals that CTL is consistently presenting.

If you have any questions or concerns, please feel free to call me.

MT:pf
Attachment

c: District 7 Staff



Subject to Non Disclosure Agreement

October 18, 2010

Annie Hill
Executive Vice President
Communications Workers of America
501 Third Street, NW
Washington, DC 20001

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Vice President – District 7
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Martha Pultar
Telecommunications Director
International Brotherhood of Electrical Workers
900 Seventh Street, NW
Washington, DC 20001

Jasper Gurganus
Vice President, Telecommunications
Communications Workers of America
501 Third Street NW
Washington, DC 20001

RE: LETTER OF AGREEMENT RELATED TO CENTURYLINK AND QWEST MERGER

Dear Messers Hill, Taylor, Pultar and Gurganus:

There has been much discussion and engagement between the parties regarding the pending merger between CenturyLink and Qwest and its impact to jobs that are represented by the Communications Workers of America and the International Brotherhood of Electrical Workers. As a result of those discussions, the parties have entered into this Letter of Agreement with respect to that merger and the relationship with the Unions.

This Letter of Agreement (the "Agreement") is made and entered into as of this 18th day of October, 2010 ("Effective Date"), by and between the Communications Workers of America and all of its Districts and Locals (collectively, the "CWA"), the International Brotherhood of Electrical Workers and all of its Districts and Locals (collectively, the "IBEW"), Qwest Corporation and its subsidiaries (collectively, "Qwest"), and CenturyLink, Inc. and its subsidiaries (collectively, "CenturyLink"). For purposes of this Agreement, the CWA, IBEW, Qwest and CenturyLink are sometimes collectively referred to as the "Parties" and individually referred to as a "Party".

The merger between CenturyLink and Qwest will create opportunities to expand and grow over the long term but, as with all companies in the data and telecommunications businesses, appropriate levels of employment and its workforce must match its business needs and economic realities. The Parties recognize that CenturyLink and Qwest cannot make specific commitments on the number of jobs that will be maintained or created as a result of the merger. Therefore, the Parties agree that some principles should guide the activities and employment levels of union-represented jobs following the merger of CenturyLink and Qwest.

1. **Employment Levels** – CenturyLink and Qwest (collectively "NewCo"), intends to grow and increase employment over the long term, but in any event, plans on continuing to employ the appropriate level of resources, including workforce, employee benefits, network and investment, necessary to achieve the continuation of quality service to the existing and prospective CenturyLink and Qwest customers while remaining competitive. We understand the difficult economy in which we are working. The Parties recognize that reductions in force may be

required at some time in the future. If such reductions occur, the companies agree, for a period of thirty (30) months from the date of the closing of the merger, that the percentage of the total workforce of NewCo composed of union-represented employees, will not decrease by any more than one percentage point (1%) from its percentage of the total workforce as of the closing of the CenturyLink and Qwest merger (excluding individual voluntary separations or terminations for cause, if any, but including program separations such as EIPP, VTP or VSPP). The estimated percentage at the current time is 44.2%. The closing date percentage will be calculated as soon after closing of the CenturyLink/Qwest merger as practicable. Likewise, during those thirty months, the percentage of workers represented by each union will not decrease by more than one-half percent (0.5%) from its then current percentage of the total workforce at merger close. Both benchmark figures – the one percentage point (1%) variation for overall bargaining units and the one-half percentage point (0.5%) variation for each union – are subject to calculation as of the merger closing date.

Moreover, if workforce reductions are required, NewCo, in its discretion, will make available outplacement support for bargaining unit employees under the outplacement program adopted or currently offered by the company (e.g., PATHWAYS for Qwest employees). The handling of workforce reductions, the provision of alternative employment opportunities for laid off employees, and other similar or related issues will be among the subjects of conversations at the National Cooperative Resource Council, described in Section 4 below.

The parties believe that NewCo must operate at the highest level of affordable technological knowledge (embodied in equipment, organization or methods of operation). Technological change, however, can be disruptive both to the workforce and management. To mitigate any potential negative effects of technological change, union leaders and management will engage in periodic discussions (at least semi-annually) towards the goal of jointly addressing the impact of these emerging and evolving technological changes to the benefit of employees, customers, and shareholders, and shall include attempts to drive new technologies into existing and future bargaining units. In the belief that the adoption of appropriate technologies benefits NewCo and its stakeholders in both the short and long terms, both unions and management will encourage employees to engage in retraining opportunities made available by the company to assist NewCo in maintaining an industry-leading workforce. In order to assist in understanding the effects of the technological changes, when feasible, management will work with the unions proactively in trials of new technologies. When the new technologies may have negative employment consequences on bargaining unit employees, such discussion will focus on considering the offering of alternative employment opportunities.

NewCo recognizes that the completion of the merger will not have any impact on existing collective bargaining agreements. Each of NewCo's operating subsidiaries, including those acquired through the merger, will continue as the employer of its represented employees, and will continue to honor all existing collective bargaining agreements to which the subsidiary is currently a party. Each operating subsidiary will also continue to recognize the relevant IBEW and/or CWA locals that represent its employees as the exclusive bargaining representative of those employees.

- 2. Call Center** – NewCo shall commit, for the period between the date of merger close and May 15, 2012, not to close any Qwest call center comprised of union represented employees. (The applicable Qwest call centers have been identified in Addendum "B" attached to this Agreement. "Qwest call center employees" shall be any union-represented employee whose primary work assignment is located within any of these centers). NewCo shall also provide, in addition to current contractual requirements, thirty (30) days advance notice to the Union of a closure of any union-represented call center that may be announced prior to October 6, 2012.

Union-represented call center employees shall mean any union-represented

employee whose primary work assignment is located within any of these centers). The Parties agree that any advance notice to the Union of NewCo's plans to close a union-represented call center shall remain confidential between the Parties until NewCo formally announces such call center closures.

During the period between the date of merger close and October 6, 2012, NewCo agrees to enhance certain severance and other benefits available to Union-represented call center employees, subject to the following:

- a. Separation payments for impacted employees and their respective agreements: voluntary and involuntary separation payment schedules shall be increased by twenty percent (20%) for eligible employees who separate under these provisions.
 - b. Six (6) additional months of company-subsidized COBRA benefits coverage under NewCo's health care, dental and vision plans, or successor plans, shall be available at the active employee rate to union-represented employees in the Qwest call centers who have at least one year or more of Term of Employment (TOE). Eligible employees may elect to continue COBRA coverage for the remaining portion of the eighteen (18) months that exceeds the Company subsidized period, based on TOE, by paying the full monthly premium.
 - c. Eligible employees, who qualify for reimbursement of relocation expenses, pursuant to the provisions of the impacted employee's collective bargaining agreement, shall have their relocation allowances or payments increased by twenty percent (20%).
 - d. Recall Rights shall be extended to eligible employees who voluntarily or involuntarily separate under force adjustment or force reduction provisions, subject to the provisions of the applicable collective bargaining agreement and employees' eligibility for rehire. In the absence of a Recall Rights provision in the applicable collective bargaining agreement, the Parties will default to the terms contained within the Qwest collective bargaining agreements between CWA and IBEW expiring on October 6, 2012.
 - e. Impacted employees who participate under force adjustment and force reduction provisions shall be offered: (i) "follow the work" opportunity to the receiving location, if an opening exists; and (ii) priority placement for lateral and lower rated positions available throughout the bargaining units of any NewCo subsidiary, subject to minimum or basic job qualification requirements, unless the collective bargaining unit prohibits or restricts such consideration for placement into the vacant position.
3. **National Employee Transfer Plan** – the Parties' various collective bargaining agreements often establish provisions that allow employees to transfer or apply for other open union-represented positions within the bargaining unit. With the merger of CenturyLink and Qwest, the Parties recognize that union-represented employees may want to transfer or apply for open positions between and across bargaining units. While nothing in this paragraph adds, changes, modifies, eliminates or discontinues the provisions of any individual collective bargaining agreement with regard to employee transfers, the Parties agree to engage in efforts to negotiate a mutually agreeable National Employee Transfer Plan within seventy-five (75) days following execution of this Letter of Agreement. If mutual agreement on a national transfer plan is not reached within seventy-five (75) days, escalation of the matter shall be directed to the Executive Vice President – CWA; Telecommunications Director – IBEW; Senior Vice President – Public Policy and Government Affairs (Qwest) and the Senior Vice President – HR (CenturyLink) for good faith

efforts at resolution. In the event the Parties cannot reach agreement within thirty (30) days following escalation of the matter, any party may unilaterally elect to discontinue negotiating by providing notice to the other parties. Such negotiations shall not be subject to arbitration.

In the spirit of reaching agreement on a National Employee Transfer Plan (the "Plan"), the Parties agree to the following principles and framework:

- a. The Plan should facilitate movement between and across bargaining units that are covered by different collective bargaining agreements with the goal of preserving employees' benefits earned while under the collective bargaining agreement in effect immediately prior to the transfer to another bargaining unit and collective bargaining agreement.
 - b. The Plan is for use on a voluntary basis and for situations of force adjustment or force reduction.
 - c. The Plan will not add, change, modify, eliminate or discontinue the terms and conditions of the collective bargaining agreement that covers the open position for transferees within the bargaining unit, and does not alter or expand the candidate selection criteria and process used by NewCo for placements within or into the bargaining unit.
 - d. The Parties shall explore the impact of pension portability and seniority for transfers between and across the bargaining units for such things as scheduling, vacation/paid time off, force adjustment, and force reduction. The Parties' existing collective bargaining agreements shall govern the recognition of seniority for transfers between and across bargaining units and the application of seniority, unless otherwise agreed to by the parties who are signatory to any particular bargaining agreement.
4. **Cooperative Resource Councils** – Contingent upon the close of the merger, CenturyLink shall commit, until January 1, 2015, that the currently established national and regional Cooperative Resource Councils (the "CRC") shall be expanded to include issues of common concern with the merger of Qwest and its integration. This Council, which has no authority to add, change, modify, eliminate or discontinue any provision of the Parties' various collective bargaining agreements, will be extended until January 1, 2015, unless otherwise extended further, in writing, with mutual agreement by the Parties. The national CRC shall work in concert with any established council, committee or process that currently exists under Qwest's Collective Bargaining Agreements.
5. **Investment** – The Parties agree that they share a common interest in the continued investment in technology that establishes the infrastructure for new products and services, improves service quality, and/or achieves operational efficiencies for CenturyLink. As part of the capital investment program, deployment and expansion of broadband facilities, especially in the unserved and under-served areas, to provide access to high speed Internet service is also essential for economic growth, job creation and global competitiveness. To support this common goal, the Parties agree that CWA and IBEW will affirmatively and timely support grant applications by NewCo or its subsidiaries for federal stimulus or similar funds including, Qwest's pending grant application for Federal stimulus funds with RUS, as part of the joint effort to expand investment in broadband facilities.

The parties also agree to work together to promote legislative and regulatory changes that support increased investment in broadband facilities, including in the FCC's inquiry into the regulatory classification of broadband services, its proceedings to implement the National Broadband Plan, and FCC and Congressional proceedings to reform universal service funding.

The Parties further agree that an aggressive program of capital investment is required if expanded opportunities are to be realized. Such investment must take advantage of the various capabilities and technologies available to CenturyLink, and careful consideration must be given on where and how such investments are made that promise attractive revenue growth, expected margins, and the return on investment.

Clearly, higher capital expenditures will attract businesses, as well as foster economic and individual development. To realize these opportunities, CenturyLink expects to continue to invest in its future and to make capital expenditures sufficient to maintain its position as an industry leader and drive additional revenues into CenturyLink. While CenturyLink cannot make specific commitments in these areas or on the number of union-represented jobs that will be maintained or created by such investments, the Parties agree that CWA and IBEW will work with CenturyLink to further our mutual interests in growing profitable businesses, expand network and infrastructure investment, and provide employment opportunities where it can do so quickly, efficiently and cost effectively.

6. **Contractors** – The parties recognize that utilization of contractors is unique to each bargaining unit and its respective collective bargaining agreement and, accordingly, agree that each operating subsidiary will continue to abide by any and all commitments relating to contractors that are found in existing collective bargaining agreements. Furthermore, the overall question of contractor utilization will be among the subjects for discussion at the National Cooperative Council referred to in Section 4 above. In addition, the unions may provide CenturyLink lists of construction contractors whose employees are unionized. CenturyLink will allow such contractors to participate in the ordinary contractor certification process and, if qualified, in the bidding process on a non-discriminatory basis.
7. **Bargaining Units** – The merger between CenturyLink and Qwest will increase the number of bargaining units and various collective bargaining agreements between the Parties. While any changes to the Parties' collective bargaining agreements are subject to negotiation by and between each operating subsidiary and the relevant union or local, NewCo recognizes the Unions' desires to combine or merge bargaining units, and as a result to have fewer collective bargaining agreements. The Parties agree that such discussions may be appropriate prior the merger close, as well as post-merger close when NewCo fully integrates Qwest into its operation, and executes on its market, business and operational strategies. Therefore, the Parties agree to exploratory discussions about the possibility of combining or merging select bargaining units or collective bargaining agreements. Each Party shall give a good faith consideration to the exploration of these issues, but only such changes as are mutually agreed upon during such discussions shall take effect.
8. **Health Care** – The parties are mutually committed to finding cost-effective means to provide quality health care options to all of the Company's represented employees. All collective bargaining over health care related issues, as well as all other collective bargaining, shall continue to take place between each operating subsidiary and the relevant union entity (local or international) that represents employees of the subsidiary. NewCo, IBEW, and CWA, however, hereby mutually agree to continue their participation in the National Health Care Advisory Committee ("NHCAC"), through which they will discuss health care related issues at a national level, and attempt to find creative solutions which may be adopted in agreements bargained at the local level. Such discussions shall not constitute or be construed as collective bargaining. The NHCAC will meet on a regular basis, to be determined by mutual agreement, and will conduct its activities in a way consistent with the normal health care purchasing cycle. Upon request with reasonable notice, and subject to the requirement that they sign appropriate non-disclosure agreements, members of the NHCAC will be given appropriate and relevant data and other information as is mutually agreed will be beneficial in furthering the discussions between the parties.

9. **Organizing and Neutrality** – The Parties agree that union organizing activities are subject to the National Labor Relations Act and where collective bargaining agreement provisions address these activities, each operating subsidiary will continue to abide by any and all commitments relating to union organizing activities that are found in existing collective bargaining agreements. Additionally, during any union organizing campaign, the Parties also agree that any distributed information, (whether orally or in writing) by either party will contain accurate information and that neither party will intentionally make false statements or misrepresentations about the other.

Neutrality during any union organizing campaign has prompted much discussion between the Parties and nothing contained in this Agreement adds, modifies, changes, discontinues or eliminates existing collective bargaining agreements with regard to neutrality. While any changes to the Parties' collective bargaining agreements are subject to negotiation by and between each operating subsidiary and the relevant union or local, the Parties agree to give good faith consideration to exploratory discussions about neutrality in future collective bargaining negotiations.

Any dispute under the terms of this Paragraph 9 or escalation of any issue related to the commitments of the Parties contained in this paragraph shall be directed to the Executive Vice President – CWA; Telecommunications Director – IBEW; Senior Vice President – Public Policy and Government Affairs (Qwest) and the Senior Vice President – HR (CenturyLink) for good faith efforts at resolution. In the event the Parties cannot reach resolution of the issue within seven (7) days following escalation of the matter, the issue shall be submitted to a neutral third party. The guidelines for selection of the neutral third party shall be mutually agreed to by the Parties. The Parties agree that submission to a neutral third party does not waive any Party's right to pursue any and all available remedies by giving notice to the other Party.

Each of the Parties acknowledge the benefits flowing from, and acknowledge compliance by CenturyLink with the Letter of Agreement dated February 25, 2009, and look forward to similar benefits flowing from this Agreement.

Unless otherwise agreed to in this Letter of Agreement, the agreements contained herein will be in effect from the closing date of the CenturyLink/Qwest merger until October 6, 2012 and, thereafter, they shall be subject to extension or modification upon mutual agreement of the Parties. CenturyLink's and Qwest's commitments in this letter will be effective only upon the closing of the merger between CenturyLink and Qwest. In return, the CWA and the IBEW agree that, as soon as practical, but at least within five (5) business days of the execution of this Letter Agreement, they will take all necessary steps to withdraw all opposition to the merger, regardless of the form by which that opposition has been asserted, in all state and federal regulatory proceedings regarding the merger (e.g., including withdrawal of all intervention or discovery requests, petitions to intervene, comment or protest, withdrawal of all negative comments and withdrawal of all testimony opposing the merger). Further, the CWA and the IBEW hereby acknowledge that the merger of CenturyLink and Qwest would be in the public best interest. Lastly, the CWA and the IBEW will not intervene in any additional state proceedings or participate with or assist any others, directly or indirectly, in opposing the merger. However, CWA and IBEW and their Locals may send correspondence or make public statements supporting the merger, at their discretion.

We believe this sets forth all agreements that we have reached related to the proposed merger. If you agree, we ask that each of you execute a copy of this letter and return it to us at your earliest convenience.

Thank you for your efforts in reaching these understandings.