

Alcatel-Lucent Contract Extension Agreement

(1) Extend all 2004 CWA/Lucent CBAs from May 26, 2012 to May 25, 2013. All provisions of the 2004 Agreements remain. This would:

- Continue job security language for 818 core Installers for an additional year.
- Continue the Bahr-Williams provision which protects Installation employees who do not have job security and other Alcatel-Lucent employees in GCAs in which the company uses sub-contractors.
- Guarantee the final contribution of \$195 million to the Taft-Hartley trust in December 2012 (which would otherwise have to be renegotiated in May 2012.)
- Maintain active employee benefits as is for an additional year.
- Maintain retiree healthcare for all of plan year 2012 and at least 5 months of 2013

(2) The Company to will jointly pursue, with the CWA, an extension to section 420 (which allows for the pension transfer for retiree healthcare) and an amendment to all the use of excess pension assets to fund retiree life insurance.

- Without such legislation, the ability to protect these benefits is *severely* compromised.

(3) An additional 2% GWI in May 2012.

(4) The subcontracting terms of the SVTP would expire on the date this agreement is signed. Return to the original Installation Contract-24 language on the use of subcontractors in March 2011 rather than on May 24, 2012 as stated in the SVTP Agreement.

- Per the 2004 Installation Contract subcontracting would only be limited by the Bahr-Williams letter prohibiting sub-contracting in GCAs in which a surplus is pending or employees have recall rights.

(5) There will be no subcontracting within 90 miles of base locations in which qualified installers are short-timed.