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SETTLEMENT AGREEMENT AND RELEASE

THIS AGREEMENT, is made by and between the COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO ("Union"), and VERIZON MARYLAND INC., VERIZON VIRGINIA INC., VERIZON WASHINGTON, D.C. INC., VERIZON WEST VIRGINIA INC., VERIZON AVENUE CORP., VERIZON SOUTH INC. (VIRGINIA), VERIZON SERVICES CORP. and VERIZON CORPORATE SERVICES CORP. ("the Companies"), and VERIZON CONNECTED SOLUTIONS INC. ("VCS"). The parties agree as follows:

1. The Union, the Companies and VCS agree to modify the scope of work which VCS can perform for the Companies under the Broadband Agreement in Maryland, Virginia, West Virginia and Washington, D.C.
2. For thirty months commencing August 3, 2008 (the "Transition Period"), the Companies will assign no more than 240 VCS technicians per day to perform any FiOS work that the Companies' Services Technicians can perform, including any installation and/or repair of FiOS video, voice, and internet services in Maryland, Virginia, West Virginia, and Washington, D.C. During the first year of the Transition Period, triple play installations (installation of FiOS voice, internet and video service in a single installation) performed by VCS technicians shall not exceed 15% of triple play installations per day. During the second year of the Transition Period, VCS triple play installations shall not exceed 12% of the total per day during the first six months, and 8% during the last six months. During the third year of the Transition Period, VCS triple play installations shall not exceed 4% of the total per day until the end of the Transition Period. During the Transition Period, there shall be no limit on "double play" and "single play" installations of FiOS video, internet, and/or voice service, or repair work on FiOS services that may be assigned to 240 VCS technicians each day. The VCS technicians performing FiOS work and all other VCS technicians may perform work associated with copper facilities that is authorized by other provisions of this Agreement.
3. During the Transition Period, FiOS installation and repair technician positions required beyond the 240 per day VCS limit will be filled with technicians employed by the Companies, including former VCS technicians who become employed by the Companies. As of February 2, 2011, VCS technicians shall

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cease performing all FiOS work, including installation and repair work, but may continue to perform work associated with copper facilities that is authorized by this Agreement. All FiOS work performed by VCS technicians during the Transition Period will be returned to CWA bargaining units covered by collective bargaining agreements with the Companies in accordance with the timeframes set forth in this Agreement, but in no event later than February 2, 2011, and such work will be assigned to CWA-represented employees of the Companies in the job classifications of Services Technician, Outside Plant Technician, System Technician and Cable Splicing Technician, as appropriate. During the Transition Period and thereafter, FiOS work performed by employees of the Companies will continue to be performed by the job titles performing the work currently. All work associated with the installation and maintenance of all FiOS work, and associated equipment at the customer premises from the serving terminal (excluding buried drops pursuant to paragraph 13) to the ONT and from the ONT up to and including set top boxes, modems, routers, and any other company or customer provided equipment, will be exclusively performed by CWA-represented employees of the Companies in the job classifications currently performing this work. This commitment does not apply to installation and repair work that VCS technicians can perform under paragraphs 2 and 7 of this agreement; or drop shipping, delivery or pick up of equipment; or work that the customer purchases or obtains from other vendors, or work by the customer. Also excluded is contracting permitted by paragraphs 13 and 16. For the purpose of this agreement ONT shall mean any device that connects the fiber network to the customer premises wiring, cabling etc.

4. During the Transition Period, VCS Technicians will receive Senior MMST pay for work on triple play FiOS installations. For any other installation or repair work on FiOS video, internet or voice services, VCS Technicians will be paid at the Multi-Media Services Technician ("MMST") rate and will also receive a premium of \$10 per day. VCS technician work associated with the copper network, including work on customer premises serviced by copper facilities, shall be paid at the MMST rate.

5. By the end of Transition Period, the 150 most senior VCS technicians, who have passed all the job requirements of the Companies, including pole climbing and drug screens, will be employed by the Companies as Services Technicians. The first 50 of these 150 VCS technicians shall be placed in Services Technician positions by January 1, 2009.

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6. During the Transition Period and permanently thereafter, VCS MMSTs may perform any work on any part of the Companies' copper network, or on customer premises serviced by copper facilities that is described in Paragraph 7 if the work is located within a Deployed FiOS Area ("DFA"). The current DFAs are each of the counties and cities identified as DFAs on the maps attached as Exhibit 1. (Currently, in the State of Maryland, Prince George's, Anne Arundel, Montgomery, Howard, Baltimore and Harford counties are DFAs.) A DFA also shall include any other county or city where 25% of households have been passed by a FiOS facility (meaning that a FiOS facility is near enough that the household is physically ready for sale of a FiOS service even though further connection and installation is required to provide service). VCS technicians assigned to perform work outside DFAs will be limited to performing work associated with the copper network that was authorized in the Broadband Agreement prior to this Agreement. VCS technicians may perform FiOS work in all DFAs during the Transition Period in accordance with the limitations set forth in paragraphs 2 and 3 above.

7. In any DFA, VCS technicians may perform any installation and repair work on copper wire facilities and associated equipment from (and including) cross connect boxes or equivalent to (and including) serving terminals (commonly referred to as F2 plant); and from serving terminals to (and including) network interface devices, and to and inside customer premises (e.g., drop, inside wire, network interface device, jacks, telephony CPE, other devices as related to POTS), but excluding the placing, splicing, and repair of cable between the central office and serving terminal, excluding work on remote terminal electronics, and excluding work from splitters to personal computers to install or repair DSL service. VCS technicians may also perform pair changes on copper POTS F1, POTS F2 and any other cable pairs toward the customer premises, except that VCS technicians may not perform pair changes on direct feed F1 services or special circuits. VCS technicians can perform all tests necessary to ensure installation or repair of copper plant facilities from the cross-connect box to the telephone or other CPE on POTS is complete and service is established or restored, including conducting testing to the central office, and can interact with personnel of the Companies. VCS technicians shall not, however, physically perform work inside a central office. VCS technicians may install, repair and test copper wire facilities and associated equipment that supports POTS telephone service regardless of whether it also carries DSL. VCS technicians may not use testing equipment to measure DSL signal strength.

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Except as set forth above, nothing in this paragraph limits or modifies the DSL exclusivity of work provisions of the 2003 Memorandum of Agreement ("MOA") and its successor, including the provisions contained in paragraph 4.

8. The number of VCS technicians performing any work in Maryland, Virginia, West Virginia and Washington, D.C. shall not exceed 500 during the first 6 months of the Transition Period, then 575 during the remainder of the Transition Period and thereafter.

9. Effective January 1, 2009, VCS technicians shall have priority over all other external applicants for placement in the Companies' Regional Operations (current Creager organization) Services Technician openings. Placement of VCS technicians in any position with the Companies is subject to VCS time-in-title restrictions and shall not be counted in the 50/50 Internal vs. External Staffing Commitment in the Companies. Their impact will be fully neutral. Any VCS technician who obtains any job with the Companies during the Transition Period shall be counted toward the obligation to transfer 150 VCS technicians to the Companies.

10. In all DFAs where VCS is performing the expanded work on copper facilities that is authorized by this Agreement beyond work authorized by the 2003-2008 Broadband Agreement ~~and its successor agreement~~ ("Expanded Copper Work"), all regular full-time Regional Operations (current Creager organization) employees of the Potomac Companies (VERIZON MARYLAND INC., VERIZON VIRGINIA INC., VERIZON WASHINGTON, D.C. INC., VERIZON WEST VIRGINIA INC.) hired before August 3, 2008 and holding the title of Cable Splicing Technician, Outside Plant Technician, Services Technician, and Systems Technician, who are located in the DFA or normally working in the DFA from a contiguous county (or from Baltimore City or D.C. if contiguous to the DFA) will not be subject to layoff. In addition, all such technicians located in garages in which technicians employed by one of the Potomac Companies normally work in the DFA from a contiguous county will not be subject to layoff. Technicians employed by the Potomac Companies who are normally working in a DFA as of August 3, 2008 and who are involuntarily transferred outside a DFA during the term of this Agreement shall retain protection from layoff while VCS is operating in the DFA from which the technician was transferred. If VCS is not performing Expanded Copper Work in a DFA, this layoff protection will not apply. Neither the Companies nor VCS may contract out Expanded Copper Work.

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11. Beginning January 1, 2009, 25% of the Companies' Regional Operations technicians in Maryland, Virginia, and D.C. who are provided initial training on FiOS installation and repair shall be Cable Splicing Technicians ("CSTs"). In any event, at least 50 CSTs shall receive such training by August 3, 2009. Trainees will be selected by reporting location from among volunteers in seniority order.

12. Effective January 1, 2009, a lateral transfer plan or process for copper technicians of the Companies to move to FiOS will be established. The plan will not prevent the Company from assigning technicians to perform copper or FiOS work as necessary to meet business needs.

13. The Companies, VCS and the Union agree that contractors for the Companies or VCS may continue to place any buried drops and continue placement of all pathways (such as conduit and support structures). Contractors may continue performing all "Southern Management Model Type" deregulated pre-wire work in MDUs.

14. The Companies, VCS and the Union further agree that until February 3, 2009 contractors may place fiber in ducts and inner ducts at road crossings (from right-of-way to right-of-way) and at dip poles for up to 250 feet, where these placements are associated with direct buried placement of fiber. (This work excludes driveways and sidewalks and is limited to true road crossings.) All work permitted to be performed by contractors under the preceding sentence will be reviewed by a CWA-represented compliance inspector employed by the Companies, in accordance with current Company practice. The parties further agree that until February 3, 2009 contractors may continue placement of all drops in MDUs and continue splicing of drops to terminal tails at MDU fiber distribution terminals (serving terminals). Effective February 3, 2009, contractors for the Companies and VCS will no longer perform the work described in this paragraph and all such work will thereafter be performed by technicians employed by the Companies and covered by CWA collective bargaining agreements.

15. In addition, until August 3, 2009, contractors may perform pole to pole transfer of fiber cable in Maryland (not to exceed 50 25% of the pole transfer orders pending as of August 2, 2008). Effective August 3, 2009, the Broadband Agreement shall govern pole to pole transfers of fiber cable. All work permitted to be performed by contractors under the preceding sentence will be reviewed by a CWA-

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represented compliance inspector employed by the Companies, in accordance with current Company practice.

16. The provisions of the Companies' General Agreement (including the Broadband Agreement) and the VCS collective bargaining agreement pertaining to subcontracting remain in effect, except to the extent limited by the provisions of paragraphs 10, 14 and 15 above, which are controlling.

17. All issues presented by the Executive Level grievance and by any other pending grievances involving the use of VCS technicians to install routers and configure computers or perform data work are settled and resolved and the Union hereby withdraws those grievances with prejudice. Any pending grievances over the use of contractors to perform the work identified in paragraphs 14 and 15 above are hereby withdrawn with prejudice. The parties also agree that any award issued by the arbitrator in the case involving the pay rate for VCS technicians performing FiOS video installation work shall not be applied beyond August 3, 2008. Thereafter, the terms of paragraph 4 above shall govern the pay rate for VCS technicians working on FiOS installations and repairs. The terms of this Agreement shall supersede any contrary provision of any agreement between CWA and the Companies, including the Broadband Agreement. This Agreement shall be incorporated into the successors to the General Agreement between CWA and the Companies and the VCS collective bargaining agreement that expire August 2, 2008, and shall only apply to VCS operations in Maryland, Virginia, West Virginia and Washington, D.C. ("D.C.").

Signed this 10th day of August 2008.

Handwritten signature of Communications Workers of America representative.

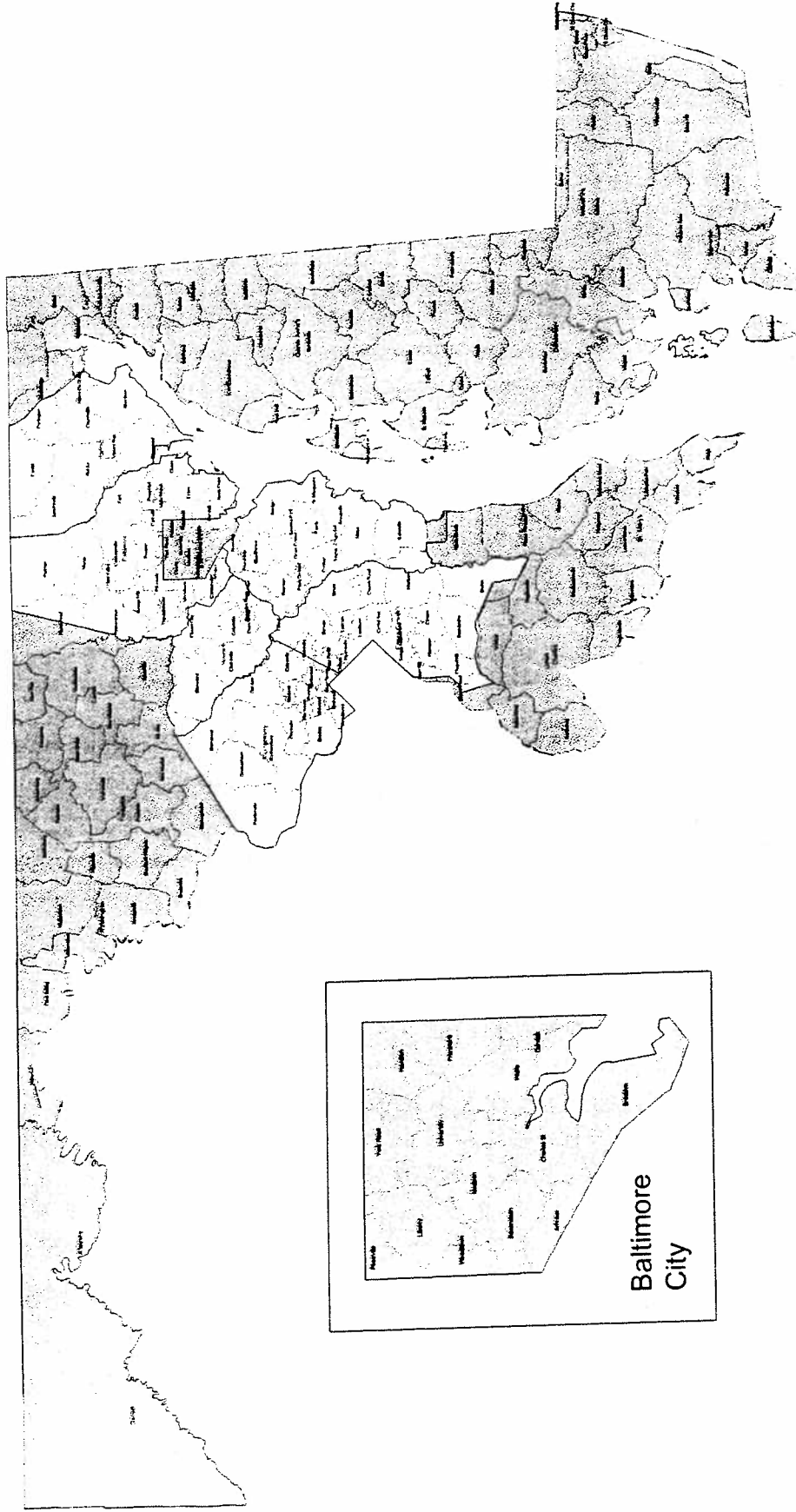
Communications Workers of America,
AFL-CIO

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Verizon Virginia Inc.
Verizon Maryland Inc.
Verizon West Virginia Inc.
Verizon Washington, D.C. Inc.
Verizon Avenue Corp.
Verizon South Inc. (Virginia)
Verizon Services Corp.
~~Verizon Corporate Services Corp.~~
Verizon Connected Solutions Inc.

Maryland

Defined FiOS Areas (DFA)



Prince George's County, Anne Arundel County, Montgomery County, Howard County, Baltimore County, Harford County

SRD
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Virginia

Defined FiOS Areas (DFA)



Chesapeake City, Virginia Beach, Virginia Beach City, Isle of Wright County, Hampton City, Newport News City, James City County, New Kent County, Henrico County, Chesterfield County, Hanover County, Caroline County, Spotsylvania County, King George County, Prince William County, Fairfax County, Alexandria City, Arlington County, City of Fairfax, City of Manassas/Park, Henrico County, Falls Church, Fredericksburg City, Loudoun County, Norfolk, Richmond, Stafford County, Clarke County, York County, Suffolk County

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