

**MEMORANDUM OF UNDERSTANDING REGARDING
THE CYBER WARM TRANSFER QUEUE**

EFFECTIVE SEPTEMBER 4, 2007

This Memorandum of Understanding is entered into by Southwestern Bell Yellow Pages, Inc. and Communications Workers of America for the purpose of conducting a trial program with regard to the Cyber Warm Transfer Queue. The Company or the Union may terminate the trial at any time after having provided reasonable written notice to the other. Furthermore, the Company shall be under no obligation to continue the Cyber Warm Transfer Queue as a result of the trial.

The following procedures will be implemented in the Cyber Warm Transfer Queue in One AT&T Center and/or the Olivette Call Center if relocated there:

1. Cyber Representatives assigned to the Warm Transfer Queue will be paid at a commission rate of seven and one-half percent (7½%) on the annual amount of print and Internet advertising sold on inbound customer calls on accounts referred and paid to commissioned representatives (hybrid accounts). The amount will be capped at \$10,000 of earnings on any one individual account. Warm Transfer Queue Representatives will continue to receive normal commissions as described in the Cyber Representative compensation plan for outbound calls and inbound calls from customers assigned to reserve and deferred channel that are not referred and paid to commission representatives. Chargebacks will be calculated at the rate the account was paid.

2. Staffing of the Warm Transfer Queue will normally be on a volunteer basis with minimum qualifications. Seniority and sales performance attainment will be used to determine the order in which Cyber Representatives are eligible to be placed into the Warm Transfer Queue. The dollar per day revenue report for the most recent six months will determine sales performance attainment. The minimum qualifications for volunteers to be considered for placement into the Warm Transfer Queue include 1) six-month time-in-title minimum; 2) rolling twelve-month top 35% of objective attainment; 3) must not be on Performance Improvement Plan; and 4) have experienced no disciplinary action involving a final warning or a suspension in previous six months. Should there be fewer volunteers than necessary to staff the Warm Transfer Queue, Representatives will be assigned to the Queue on a reverse-seniority basis, including Representatives graduating initial training. Cyber Representatives assigned to the Warm Transfer Queue will be evaluated on a ninety-day basis. Those performing in the bottom half will normally be rotated to the general cyber sales group. Those rotating out of the Warm Transfer Queue to the general cyber sales group must wait six months before volunteering to return to the Warm Transfer Queue and must meet the same before-mentioned minimum qualifications. Representatives experiencing disciplinary action will be returned to the general cyber sales group. The placement of Representatives requesting to return to the general cyber sales group and Company-initiated moves will be accommodated as quickly as possible. Normally no more than two (2)

Representatives will be returned to the general cyber sales group within a pay period. Requests to return to the general cyber sales organization will be handled on a seniority basis. For the purposes of this MOU, and on a non-precedent setting basis, moves between the general Cyber Representative group located at the Olivette Call Center and the Warm Transfer Queue group located at One AT&T Center will be handled by changing the impacted Representative's regular place of reporting. In the event of a force adjustment, the Cyber Representatives located in the Olivette Call Center and those located at One AT&T Center will be included and treated as one work group.

3. Effective with the start of this trial, all incumbent Cyber Representatives in the Warm Transfer Queue will be rotated to the general cyber sales group. Movement out of the Warm Transfer Queue during this initial rotation will be implemented in three stages on a first in - first out basis. Those Cyber Representatives in the Queue with the most time in the Queue will be moved first, according to the following schedule:

September 10 Group 1 from Olivette reports to the Warm Transfer Queue
September 24 Group 1 from Warm Transfer Queue reports to Olivette

September 24 Group 2 from Olivette reports to the Warm Transfer Queue
October 8 Group 2 from Warm Transfer Queue reports to Olivette

October 8 Group 3 from Olivette reports to the Warm Transfer Queue
October 22 Group 3 from Warm Transfer Queue reports to Olivette

4. During the duration of this trial, all Cyber Representatives employed by the Company, and all Cyber Representatives working customer accounts based and/or located within the states of Arkansas, Kansas, Missouri, Oklahoma and Texas, will be populated and located in St. Louis, MO. This will afford all Cyber Representatives employed by the Company the opportunity to volunteer for duty in the Warm Transfer Queue.
5. During the time period this trial is in effect, the Company will waive twelve (12) months from the twenty-four (24) month time-in-title requirement for Cyber Representatives and Sales Representatives wishing to transfer to another commissioned job title.

FOR THE UNION:

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FOR THE COMPANY:

Kim Edwards