

BellSouth Telecommunications
Labor Relations
3535 Colonnade Parkway
Room South S41
Birmingham, AL 35243

Michael L. Matthews
Executive Director
Corp. Labor Relations

FAX (205) 977-1587
(205) 977-0722

May 7, 2004

Mr. Noah V. Savant
Assistant to the Vice President
Communications Workers of America
3516 Covington Highway
Decatur, Georgia 30032

Dear Noah:

Below is a summary of our discussion regarding the correct pension band to be used in determining the payment amount under the Supplemental Income Protection Program (SIPP) for employees who were demoted due to a surplus condition or a permanent medical restriction and who elect to voluntarily separate under SIPP within five (5) years of demotion.

- Pension eligible employee's SIPP payment amount will be determined using the pension band of the job grade prior to demotion.
- Non-pension eligible employee's SIPP payment amount will be determined using the pension band associated with the individual's current job grade at time of separation under SIPP.
- The provisions, as outlined above, apply to individuals under the BST, BBI, BASC, BSC and BAPCO working agreements.


If you concur, please sign below and return a copy to my office.

Sincerely,



Concurred:


Assistant to the Vice President


Date