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**BellSouth Telecommunications**  
**Labor Relations**  
1100 Peachtree Street NE  
Suite 14A01  
Atlanta, Georgia 30309

**Salem C. Shunarah**  
Senior Director  
404 249-0150  
404 249-0386 (FAX)

June 23, 2005

Ms. Beverly A. Hicks  
Assistant to the Vice President  
Communications Workers of America  
District 3  
3516 Covington Highway  
Decatur, GA 30032

Dear Beverly,

Attached is a Memorandum of Agreement outlining changes in each of the Group Life Plans as listed.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Salem C. Shunarah". The signature is fluid and cursive, with a prominent peak at the end.

Attachment

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("MOA") between the Communications Workers of America (CWA) and BellSouth outlines the changes in each of the plans listed below. The changes described affect only those CWA represented employees for the participating BellSouth entities listed under each plan.

### BELLSOUTH GROUP LIFE PLAN

**Participating Companies:** BST, BAPCO, BASC, BBI, BSC, LD, Utility Operations and .Net

The BellSouth Group Life Plan as in effect on May 1, 2005 shall remain in effect for the life of this agreement, with the following revisions:

Effective January 1, 2006:

For all active employees eligible for company provided coverage under the BellSouth Group Life Plan and for Utility Operations employees, supplemental employee-paid coverage will be offered with the following features and benefits:

	<b>LIFE INSURANCE COVERAGE</b>
Supplemental	1X-10X pay in ½ increments
Maximum coverage (employer provided coverage and supplemental coverage combined)	\$4 million
Guaranteed Issue	1X increase per year up to 4X (subject to \$1 million maximum)
Spousal Coverage	\$5,000, up to \$300,000 in \$10,000 increments
Child Coverage	\$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000
Accelerated Death Benefit	50%, maximum \$500,000 Life expectancy 12 months or less
Portable	Yes
Interest accumulation account	No
Enrollment	Annual Enrollment Life event-any time
Coverage while on LTD	3 years or expiration of LTD whichever comes first

	<b>AD&amp;D COVERAGE</b>
Supplemental AD&D	1X-10X pay in ½ increments
Maximum Coverage (employer provided coverage and supplemental coverage combined)	\$4 Million
Spousal Coverage	Equal to life insurance election
Child Coverage	Equal to life insurance election

- Active employee rates will be reduced by approximately 15% for 2006, and will remain at those rates through 2008.
- Pay means the employee's annual base pay for the twelve months ending on the August 1 of the preceding plan year, rounded to the next higher \$1,000. This formula will also be applied to the company-paid coverage to the extent employees are eligible for company-paid coverage.
- Full and part time regular employees will be eligible on the date of hire with 31 days to enroll and the effective date of coverage will be the 1<sup>st</sup> calendar day of the month following the enrollment date.
- Dependent eligibility will mirror MAP eligibility rules for Class I dependents except 1) a child must be at least 14 days old and 2) employees who are married to each other (or who are domestic partners under BellSouth's Domestic Partner Policy) may cover each other as dependents and their other eligible dependents. These eligibility rules will apply to the extent that state insurance requirements do not conflict with BellSouth's policies.
- Payroll deductions will cease for all Company-sponsored life insurance products except premiums for coverage under the BellSouth Group Life Plan.

#### **Annual enrollment for 2006**

- Employees will be eligible to elect or waive coverage during annual enrollment.
- Employees who do not elect or waive coverage during annual enrollment: Coverage for active employees and their dependents will be defaulted to the same coverage level they have under the BellSouth Universal Plus Life Insurance Plan and the BellSouth Dependent Group Life Insurance Plan, if applicable, as of the annual enrollment period, if the same coverage level is available. If the same coverage level is not available, the Company may designate a similar coverage level.

For employees who retire on or after January 1, 2006, the following coverage will be offered:

Following retirement, retirees who are eligible for retiree life benefits (which would exclude Utility Operations employees), can make a one time election to purchase up to \$50,000 of life

insurance coverage provided they complete Evidence of Insurability (EOI) and are approved by the insurance carrier. Absent EOI, a lesser amount may be available for purchase.

### **BellSouth Universal Plus Life Insurance Plan**

**Participating Companies:** BST, BAPCO, BASC, BBI, BSC, LD, Utility Operations and .Net

The BellSouth Universal Plus Life Insurance Plan as in effect on May 1, 2005 shall remain in effect for the life of this agreement, with the following revisions:

Effective January 1, 2006:

All active employees and their dependents will cease to be eligible under the BellSouth Universal Plus Life Insurance Plan. Employees who retire on or after January 1, 2006 and their dependents will cease to be eligible under the BellSouth Universal Plus Life Insurance Plan. All participants who lose eligibility on January 1, 2006 as a result of this change in eligibility will have the option of electing continued individual life insurance coverage through and in accordance with the portability mechanism currently set forth in the BellSouth Universal Plus Life Insurance Plan.

### **BellSouth Dependent Group Life Insurance Plan**

**Participating Companies:** BST, BAPCO, BASC, BBI, BSC, LD and .Net

The BellSouth Dependent Group Life Insurance Plan will be terminated effective December 31, 2005.

The benefits covered by this Memorandum of Agreement shall be in effect, as modified by this Agreement, beginning from the date this MOA is executed. For the employees in each of the listed BellSouth entities, this MOA will expire on the expiration date of the collective bargaining agreement covering said entity's bargaining unit.

In witness thereof, the below parties do cause this Memorandum of Agreement to be executed:

Communications Workers of America

BellSouth Telecommunications, Inc.

BY: Beverly A. Hicks  
Beverly A. Hicks  
Administrative Assistant

BY: Salem C. Shunnarah  
Salem C. Shunnarah  
Senior Director – Labor Relations

DATE: 8/1/05

DATE: 6/23/05