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Title: **Verizon Hawaii Inc. and International Brotherhood of Electrical Workers (IBEW), AFL-CIO Local 1357 (2002)**

K#: **5798**

Employer Name: **Verizon Hawaii Inc.**

Location: **HI**

Union: **International Brotherhood of Electrical Workers (IBEW), AFL-CIO**

Local: **1357**

SIC: **4813**

NAICS: **517110**

Sector: **P**

Number of Workers: **1350**

Effective Date: **08/25/02**

Expiration Date: **09/01/07**

Number of Pages: **210**

Other Years Available: **Y**

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Verizon

1350

Agreement *between*

Verizon Hawaii

and

International Brotherhood of Electrical Workers

Local 1357

201

Effective August 25, 2002
through September 1, 2007

MENTAL HEALTH/SUBSTANCE ABUSE CARE

BENEFITS	IN VERIZON STANDARD MH/SA NETWORK	OUTSIDE VERIZON STANDARD MH/SA NETWORK
In-patient hospital 45 days per calendar year	100%	$0
Partial hospitalization Up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)	100%	$0
Out-patient Up to 50 visits per calendar year	100% after $15 co-payment per visit	$0
Supplemental Benefit Annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of $1,000,000 **($2,000,000 effective January 1, 2003)**	$0

Note: Employees must call **United HealthCare Service Center at 1-800-527-0764** prior to routine care and within 48 hours of emergency care.

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AGREEMENT

between

VERIZON HAWAII INC.

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1357

This AGREEMENT by and between VERIZON HAWAII INC., its successors and assigns, hereinafter called the "Company" and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, A.F. of L. - C.I.O. and its Local Union 1357, hereinafter called the "Union."

WITNESSETH:

ARTICLE 1

RECOGNITION OF THE UNION AS BARGAINING AGENCY FOR COVERED EMPLOYEES

1.1 The Company hereby recognizes the Union as the sole and exclusive representative of its employees covered hereby for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment.

1.2 The Company acknowledges its belief in a strong and responsible Union. The Company also recognizes that a strong and responsible Union is possible only to the extent that the employees take part in the Union and its activities. The Company declares that it will not make any statement nor commit any act to discourage any employee with respect to membership in the Union. The Union agrees for itself and its members that neither it, its representatives, or members will attempt to intimidate or coerce any employee of the Company for the purpose of compelling any to join the Union.

ARTICLE 2

PERSONS COVERED BY THIS AGREEMENT

2.1 The appropriate bargaining unit shall consist of all employees of the Company in the unit as set forth in the certification dated September 29, 1943 as extended to the whole State of Hawaii, but exclusive of managerial, supervisory, administrative and professional employees, engineers, confidential employees, guards or security attendants, secretaries to officers and department heads, stenographers (Office

Services), stenographers (Special Agent), Security Assistant, Clerks in the Human Resources Department, Communications Consultants, Coin Telephone Promotion Consultants and Telephone Planning Consultants.

2.1.1 Communications Consultants, Coin Telephone Promotion Consultants and Telephone Planning Consultants are excluded from the appropriate bargaining unit at this time, provided, that whenever a majority of the said consultants sign authorization cards indicating the Union as their exclusive bargaining representative, the Company shall without any election proceedings, then recognize the Union as the exclusive bargaining representative of such employees who will be included in the appropriate bargaining unit with all other employees.

2.2 None of the terms and provisions of this Agreement shall apply to part-time employees.

ARTICLE 3

NON-DISCRIMINATION CLAUSE

3.1 The Company and the Union agree that they will not discriminate against any employee because of membership or non-membership in the Union.

3.2 Both parties reaffirm their intention that the provisions of this Agreement will continue to be applied without discrimination because of age, race, color, religion, national origin, sex, disability or veteran status of the employee.

ARTICLE 4

UNION SECURITY

4.1 Each regular employee who on May 1, 1967 was a member of the Union shall, as a condition of continued employment, maintain membership in the Union or pay to the Union a service charge equivalent to the amount of monthly dues uniformly required of Union members hereafter referred to as the monthly service charge.

4.2 Employees who were not members of the Union on May 1, 1967, shall not be required to become members or to pay the service charge. If they later become members, however, they shall, as a condition of continued employment, maintain their memberships or pay the monthly service charge.

4.3 Civil service employees who are transferred to Verizon Hawaii as a result of the Company's acquisition of military facilities shall be considered in the same category as employees who were not members of the Union on May 1, 1967.

4.4 All probationary employees who are hired on or after May 1, 1967 shall, as a condition of continued employment, become members of the

Union thirty (30) days after they complete their probationary periods, or as of that day, pay the monthly service charge.

4.5 A Union member may resign membership at any time but if resigned, the member shall, as a condition of continued employment, pay the monthly service charge.

4.6 Employees who are denied Union membership shall not be required to pay membership dues or the monthly service charge.

4.7 Employees who are transferred to a job outside the bargaining unit and are subsequently transferred to a job within the bargaining unit, will be regarded for purposes of this section as if they had never been transferred outside of the unit. They will not be required to pay either Union dues or the service charge during the period they were outside the bargaining unit even though they may be required to make such payments upon their reentry into the bargaining unit.

ARTICLE 5

INTERPRETATION

5.1 For the purpose of this Agreement, the following definitions shall apply:

5.1.1 "Employee" shall mean any person who performs work for the Company for a regular stated compensation and whose job duties are within the scope of the collective bargaining unit.

5.1.2 "Supervisor" shall mean any individual not covered by the terms of this Agreement who regularly supervises and directs work operations of the Company. An employee covered by the terms of this Agreement who is temporarily assigned to a supervisor's position pursuant to provision of Section 19.2 shall be considered a supervisor during the period acting in such capacity.

5.1.3 "Probationary employee" shall mean any employee who is serving a probationary period. A probationary period of six (6) months shall be established for all new employees who are hired to fill positions on a regular basis.

5.1.4 "Regular employee" shall mean any employee who has completed the probationary period.

5.1.5 "Temporary employee" shall mean any person employed full-time on a short term basis to fill vacancies which may exist in the regular organization for a period of time not to exceed six (6) months. No person shall be employed for more than six (6) months without the consent of the Union.

5.1.6 "Part-time employee" shall mean any person regularly employed for not more than thirty hours per week.

5.1.7 "Basic rate of pay" shall mean the hourly rate of pay as listed in the wage schedules appearing in Article 36, exclusive of all differentials, premiums, or other extra payments.

5.1.8 "Normal tour of duty" shall mean a scheduled tour of duty consisting of not more than 8 hours per day.

5.1.9 "Session" shall mean each half of a normal tour of duty usually separated by a meal period.

5.1.10 "Straight time hours" shall mean all hours which are not paid at one and one-half, two, or two and one-half times the basic rate of pay.

5.1.11 "Work base" shall mean that regular Company base of operations or a location regularly established by the Company as a base of operations.

5.1.12 "Layoff" shall mean termination of an employee from active employment by reason of lack of work.

5.1.13 "Leader" or "in charge" shall mean any regular employee, who is designated by management to be in charge of two (2) or more hourly employees, and who may perform duties that are within the scope of the collective bargaining unit while serving in a leader or in charge capacity.

ARTICLE 6

DEDUCTIONS FROM WAGES

6.1 The Company agrees to deduct from the wages or disability benefit payments of such of its employees as shall so request in writing all service charges and dues hereafter becoming due from such employees to the Union as certified by the Union, not to exceed, however, the sum of One Hundred Dollars ($100.00) per month and an initiation fee when required not to exceed One Hundred Dollars ($100.00), and to transmit the money so deducted to the Union as hereinafter provided.

6.1.1 Any employee desiring to have the initiation fee, Union dues or service charge deducted shall sign a proper assignment form, in either one of the two forms which are attached hereto and made a part hereof marked Exhibit A and Exhibit B requesting such deduction from the employee's pay and such request for deduction will, if voluntarily made, upon filing with the Company, be honored in accordance with its terms, provided, however, that such assignment shall be automatically canceled when the employee is no longer in the collective bargaining unit represented by the Union.

6.1.2 The Company shall provide the Union a monthly report that identifies changes in status of all hourly employees, new hires, transfers to/from management, temporary to regular or other changes requiring dues adjustments. The report shall include name, SSN, date effective, status change (from/to) by classification, pay rate, seniority date and inter-island/inter-company transfers.

6.2 In the event rates of Union membership dues are increased during the term of this Agreement, such increase will not be deducted from wages and paid over to the Union unless the Union furnishes the Company a

certificate by an appropriate officer or officers of the Union certifying to the fact that the provisions of Section 101 (a) (3) of the Labor-Management Reporting and Disclosure Act of 1959 have been complied with.

6.3 Such deductions shall not be made more often than once a month. In case any employee does not have the total amount of any deduction, or more, due on any payroll from which deductions are made, dues *arrearages shall be collected on insurance pay periods. If collection* cannot be made on a particular insurance pay period, collection will be made on the next succeeding insurance pay period upon which such employee has the total amount, or more, due provided, however, that if the amount of earnings is still insufficient to allow for full deduction of dues, then no further responsibility rests with the Company with respect to the collection of such dues.

6.3.1 It is agreed that authorized deductions for government taxes and for the purpose of paying indebtedness to the Company, Retirement System, Credit Union loans, any applicable health insurance premiums or dues, garnishments and deductions required by law to be made by the Company shall have priority over deductions for Union dues and initiation fees.

6.4 The total amount of any such deduction shall be promptly transmitted by the Company to the Union by check drawn to the order of LOCAL UNION 1357, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS. Upon the issue of such check and transmission of same to the financial secretary of said Union, all responsibility on the part of the Company shall cease with respect to any amount so deducted. The Company shall not be bound in any manner to see the application of the proceeds of any such check, nor to investigate the authority of any designated officer of said Union to sign any request, to accept any such check, or to collect the same. The Union hereby undertakes to indemnify and hold blameless the Company from any claim that may be made upon it for or on account of any such deduction from the wages or disability benefit payments of any employee.

6.5 In addition to deduction for Union dues, the Company agrees to deduct from the wages of such of its employees as shall so request in writing premiums for the Union's group life and/or disability income protection plan as certified by the Union but not to exceed One Hundred Dollars ($100.00) per month. Any employee desiring to have insurance premiums deducted shall sign the proper assignment form, in the form attached hereto and made a part hereof marked Exhibit C and such request will, upon filing with the Company, be honored in accordance with its terms. Such deduction shall be made not oftener than once a month and the amounts so deducted shall be transmitted to the bank designated on the assignment form. In case any employee does not have the total amount of any deduction, or more, due on any payroll from which deductions are made, insurance arrearages shall be collected on dues pay periods. If collection cannot be made on a particular pay period, collection will be made on the next succeeding

dues pay period upon which such employee has the total amount, or more, due provided, however, that if the amount of earnings is still insufficient to allow for full deduction of premiums, then no further responsibility rests with the Company with respect to the collection of such premiums. The Union hereby undertakes to indemnify and hold blameless the Company from any claim that may be made upon it for or on account of any such deduction from the wages of disability benefit payments of any employee.

6.6 The Company agrees to deduct from the wages of its employees as shall so request in writing, premiums for the Union's Supplemental Life Insurance Plan. Any employee desiring to have insurance premiums deducted shall sign the proper assignment, in the form attached hereto and made a part hereof marked Exhibit E and such request will, upon filing with the Company, be honored in accordance with its terms. Such deductions shall be made twice per month in equal amounts from employees' pay and the amounts so deducted shall be transmitted to the Hawaiian Life Insurance Company, Ltd. each month. In case any employee does not have the total amount of any deduction due on any payroll from which deductions are made, the Company shall have no responsibility for the collection of such premiums. The Union hereby undertakes to indemnify and hold blameless the Company from any claim that may be made upon it for or on account of any such deduction from the wages or disability benefit payments of any employee.

ARTICLE 7

NO STRIKES OR LOCKOUTS

7.1 The parties hereto agree that during the term of this Agreement any past, existing, or future custom or practice of the Company or the Union to the contrary notwithstanding, there shall be no lockout by the Company, nor any strike, sitdown, refusal to work, stoppage of work, slow-down, retardation of production or picketing of the Company on the part of the Union or its representatives or on the part of any employee covered by the terms of this Agreement.

ARTICLE 8

SUPERVISION AND DISCIPLINE

8.1 The supervision and control of all operations and the direction of all working forces, which shall include, but not be limited to, the right to hire, to establish work schedules, to suspend or discharge for proper cause, to promote or transfer employees, to relieve employees from duty because of lack of work, or for other legitimate reasons, shall be vested exclusively in the Company, except as otherwise covered in this Agreement.

8.2 Proper cause for suspension or discharges shall include, but not be limited to, insubordination, pilferage, use of intoxicants or drugs not prescribed by

a physician during working hours, incompetence, failure to perform work as required, falsification of reports, violation of the terms of this Agreement, violation of the secrecy of communications, failure to observe safety rules and regulations, and failure to observe the Company's House Rules, which shall be conspicuously posted. When an employee is discharged or suspended, the Company agrees to notify the employee in writing of the reason for the disciplinary action promptly and the Union will be given similar notice at the same time.

8.3 Probationary employees and temporary employees may be summarily terminated. They shall not have recourse to the grievance procedure, if terminated.

ARTICLE 9

GRIEVANCE PROCEDURE

9.1 When any employee covered by this Agreement believes, or when the Union believes, that the Company has violated the expressed terms and conditions thereof, and that by reason of such violation the employee's or the Union's rights arising out of this Agreement have been affected adversely, the employee or the Union, as the case may be, shall be required to follow the procedure hereinafter set forth in presenting the grievance and having the grievance investigated and the merits thereof determined. In addition, an employee or the Union shall have recourse to the grievance procedure if, in the judgment of either, a letter of reprimand containing a warning of more severe penalty for future improper action is not justified. If desired, an employee may be accompanied and represented by a representative of the Union in any presentation and resolution of grievances and appeals of disciplinary action brought against the employee.

9.2 The grievance shall be presented in writing to the employee's supervisor within twenty (20) days (exclusive of Saturdays, Sundays and/or holidays) of the alleged breach of the expressed terms and conditions of this Agreement. The grievance shall specify the section of the Agreement which has been violated and the manner in which the Company has committed the violation. Any grievance not presented within the twenty-day period shall not thereafter be considered as a grievance under the terms of this Agreement.

9.3 The supervisor will reply in writing to the complainant within ten (10) days (exclusive of Saturdays, Sundays and/or holidays) after receipt of the grievance. Upon failure of the supervisor to provide timely response, the complainant may thereupon refer the grievance to the employee's department head. If the complainant does not present the grievance to the department head within ten days (exclusive of Saturdays, Sundays and/or holidays) after the end of the ten-day answering period, the grievance shall be considered settled.

9.4 If the supervisor replies within the prescribed ten-day answering period but the reply is not satisfactory to the complainant, the grievance may be

presented to the department head. If the complainant does not present the grievance to the department head within ten days (exclusive of Saturdays, Sundays and/or holidays) from the date of the supervisor's reply, the grievance shall be considered settled.

9.5 If the grievance is submitted to the department head within the time limit prescribed, the department head will schedule a fact finding meeting within ten days, (exclusive of Saturdays, Sundays and/or holidays). The complainant, the Union representative, the Union Business Manager or designated representative, the supervisor, the department head and the Labor Relations Manager or designated representative will attend the meeting.

9.6 The department head shall reply within ten days after the fact finding meeting is concluded. If the department head does not reply within the prescribed time limit or if the reply is not satisfactory to the complainant, the complainant may present the grievance to the Director-Human Resources or designated representative. If the complainant does not present the grievance to the Director-Human Resources or designated representative within the ten (10) days (exclusive of Saturdays, Sundays and/or holidays) from the date of the department head's reply, the grievance shall be considered settled.

9.7 The Director-Human Resources or designated representative shall reply to the Union in writing within ten (10) days (exclusive of Saturdays, Sundays and/or holidays). In answering the grievance, the conditions of settlement, if any, shall be specified. If the Director-Human Resources or designated representative does not adjust the grievance to the complainant's satisfaction, the Union may request that the grievance be submitted to arbitration.

9.8 The grievance shall be considered settled if the Union does not request arbitration within fifteen (15) days (exclusive of Saturdays, Sundays and/or holidays) from the date of the reply by the Director-Human Resources or designated representative.

9.9 All time limits specified in this article may be extended by mutual agreement between the parties. Steps in the grievance procedure may be eliminated by mutual agreement.

ARTICLE 10

ARBITRATION

10.1 In the event a grievance concerning the application or interpretation of the expressed terms and conditions of the Agreement is not settled pursuant to the provisions of Article 9 and the Union gives notice in accordance with Section 9.7 of its desire to submit the grievance to arbitration, the Director-Human Resources or designated representative and the Business Manager or designated representative of the Union shall select an arbitrator within ten (10) days (exclusive of Saturdays, Sundays and/or holidays) after receipt by the Company of such notice.

10.2 Thomas Angelo, Louis L. C. Chang, Walter Ikeda, Edward Parnell, Stuart Cowan, Joyce Najita, **Walter Benavitz, Ronald Libkuman** and Ted Tsukiyama are hereby appointed the panel of arbitrators. During the duration of the Collective Bargaining Agreement, the Union and Company may meet to mutually agree to change one or more arbitrators from the panel.

The arbitrator shall be selected from this panel in the following manner: One party shall strike one name from the panel. The other party shall strike one name from the panel. This process shall be repeated, until only one name remains. The person whose name is not stricken from the panel shall be the arbitrator. The party who strikes the first name from the panel shall be determined by lot.

10.2.1 In the event the arbitrator selected in accordance with Section 10.2 above is not available, another arbitrator shall be selected by mutual agreement from the remaining members of this panel.

10.3 An arbitrator selected under Section 10.2 will be considered as designated for the consideration of only a single grievance at one time, except by mutual agreement in writing by the parties.

10.4 The parties shall submit the grievance in writing to the arbitrator within fifteen (15) days (exclusive of Saturdays, Sundays and/or holidays) after the arbitrator is selected. The arbitration hearing shall start within fifteen (15) days (exclusive of Saturdays, Sundays and/or holidays) after the grievance has been presented to the arbitrator. These time limits may be extended by mutual agreement by the parties or at the request of the arbitrator.

10.5 The Union shall be allowed to call any employee as a witness. The Company and Union shall exchange lists of their witnesses three (3) working days (exclusive of Saturdays, Sundays and/or holidays) prior to the date of the arbitration hearing. Thereafter, the Union shall provide the Company with reasonable notification should additional witnesses be required. The time spent as witnesses shall be counted as working time only for the first three witnesses from the bargaining unit provided they are scheduled to work during those hours. All other witnesses shall not receive any pay for time spent as witnesses.

10.6 All decisions of the arbitrator shall be limited expressly to the terms and provisions of this Agreement and in no event may the terms of the Agreement be altered, amended, or modified by the arbitrator. The arbitrator shall have the authority to include in its award an order for money restitution to an employee or employees, where improper payment or failure to make proper payment is a point at issue. However, the arbitrator shall not have any authority to include in any award an order for payment of money from one party of the Agreement to the other, nor to assess damage or punitive payments against either party to the other. The arbitrator shall not consider any offers of settlement during any steps of the grievance procedure in reaching a decision, nor shall either party be permitted to introduce such evidence.

10.7 All decisions of the arbitrator shall be final and binding upon the parties hereto, shall be in writing and signed by the arbitrator, and a copy thereof shall be submitted to each of the parties hereto. The arbitrator shall receive such remuneration for services as from time to time shall be acceptable to the arbitrator and agreed upon by the Union and the Company. All fees and expenses of the arbitrator, including the fees and expenses of the reporter, if one is used, shall be borne equally by the Company and the Union. Each party shall bear the expenses of the presentation of its own case.

ARTICLE 11

SENIORITY

11.1 Seniority, for the purpose of this Agreement, shall mean the total elapsed time since the employee's date of last hire as a probationary employee, less periods of absences during which the employee did not accrue seniority. The seniority of civil service employees who were transferred to Verizon Hawaii prior to May 1, 1972 as a result of the Company acquisition of military facilities shall be determined by the total elapsed time since the employee's date of last hire as civil service employees prior to their transfer.

11.2 Seniority and service shall be considered broken by (a) discharge, (b) resignation, or (c) twenty-four (24) consecutive months of layoff. An employee who resigns rather than accept a lower classified job as a result of a reduction in force shall retain the seniority held at the time of resignation if recalled within twenty-four (24) months of the resignation.

11.3 All employees who are hired on a regular basis, whether they are new employees or former employees who are hired after a break in continuous service, shall be considered probationary employees with no seniority for a period of six (6) months, after which their seniority shall date back to the first day of their current hiring.

11.4 Temporary employees shall have no seniority. However, if a temporary employee becomes a probationary or regular employee without any break in service, the temporary service up to six (6) months will be credited towards the probationary period.

11.5 An employee on leave of absence shall accrue seniority for no more than six (6) months. If the leave of absence extends beyond six (6) months there shall be no further accrual of seniority, except as provided elsewhere in the Agreement.

11.6 An employee who was formerly in a bargaining unit job and is transferred to a job outside the bargaining unit shall retain seniority held at the time of transfer out of the bargaining unit and shall not accrue seniority during service outside the bargaining unit.

ARTICLE 12

PROMOTIONS, TRANSFERS AND PREFERENTIAL TRANSFERS

12.1 All promotions, transfers and preferential transfers to job classifications covered by this Agreement shall be made on the basis of qualifications for the job. Where qualifications of two or more employees are relatively equal, the employee with the greatest seniority shall be selected. In the event the seniority of two or more employees is equal, the employee who has been in the job classification for the longest period of time shall be selected. In the event this is also equal, the employee with the highest Personnel test score on file with Staffing shall be selected.

12.2 Every job has certain minimum requirements which must normally be met by employees before they can apply and be considered for a promotion or transfer. These minimum requirements are to be determined solely by the Company, and are outlined on the respective job description. All job descriptions are **available on** the Company **Intranet and from** the Union Office. If there are changes to the minimum job requirements for any position, the Company will notify the Union before the job is posted.

12.3 Definitions: A promotion shall mean a selection for a job classification in a higher wage schedule; a preferential transfer shall mean a selection between two work bases on the same island in the same job classification, except that an intra-workbase transfer may occur if it is to another department; an inter-island preferential transfer shall mean a preferential transfer between two islands; and, a transfer shall mean, for this Article only, a selection from one job classification to another job classification in the same or lower wage schedule.

12.4 Job vacancies: All jobs will be posted as they occur.

12.4.1 All job vacancies will be posted **in a manner prescribed by the Company** for **six (6)** days, excluding holidays. The notices will specify the job title, closing date for filing applications, the vacancy posting number, the department, section, location, and, if applicable, any changes to the minimum and other job requirements.

12.4.2 Copies of all job vacancy notices which are posted will be sent to the I.B.E.W. Local Union 1357 office.

12.5 Eligibility: Only regular, full-time employees who meet the minimum and other job requirements will be considered for job vacancies.

12.5.1 Employees must have satisfactory work evaluation, attendance, and safety records **within the previous twelve (12) months**.

12.5.2 Employees in the following job classifications shall remain in that job classification and work base for a minimum period of two (2) years from date of selection before being eligible for a promotion or transfer.

Business Customer Representative

Business Customer Support Representative
Business Sales Support Specialist
Business Service Representative
Communications Technician
Consumer Sales Consultant
Customer Care Advocate
Customer Inquiry Advocate
Customer Service Specialist
Customer Service Technician
Customer Zone Technician I
Electronic Equipment Installer
Metrology Technician
Service Order Router - PBX
Service Representative
Switching Technician
Telecommunications Technician

The Company may, at its discretion, lower these requirements.

12.5.3 Employees in all other job classifications shall remain in their job classification and work base for a minimum period of one (1) year from date of selection before being eligible for a promotion or transfer. The Company may, at its discretion, lower these requirements.

12.5.4 For the purposes of Sections 12.5.2 and 12.5.3, an employee whose job classification title changed as a result of the 1987 Hourly Job Evaluation shall be credited for the time the previous job classification was held.

12.5.5 There will be no restriction on the number of job applications an employee may submit at any given time. Employees who wish to cancel their applications may do so by providing written notification to their supervisor, who will then forward this information to Staffing. If an employee is selected for a position, all other applications that the employee has submitted will be canceled.

12.5.6 Employees who are on vacation, sick leave or an excused absence shall be responsible to notify their supervisor of their intention to accept the position. The Company will make a reasonable attempt to contact an employee who is to be offered a position for which the employee specifically applied.

12.5.7 Employees who wish to apply for a specific vacancy for a promotion, transfer, or preferential transfer, whether on island or inter-island, must submit an application to Staffing on or prior to the closing date of the posting.

12.6 Testing: Testing requirements for each job are to be determined solely by the Company.

12.6.1 Where applicable, tests will be administered to eligible employees who wish to be considered for transfer or

promotion. Employees who are competing for the same job will be given identical tests or validated alternate forms of these tests.

12.6.2 Employees will not be scheduled for testing on their day off. In order that selections will not be delayed, employees who are on night shifts or vacation will be tested during non-working hours, if they wish to be considered.

12.6.3 Tests will normally be conducted between 7:30 a.m. and 4:15 p.m., Monday through Friday, except holidays. Employees who are tested during their regular scheduled hours of duty shall not incur any loss of pay. Employees shall not be paid while being tested if they are not scheduled to work during those hours.

12.6.4 **Retest intervals for all tests will be in accordance with Company guidelines.**

12.6.5 ***Upon the successful completion of all required tests,*** **selection shall be in order of seniority.**

12.7 Selections will be made in the following order:

1. On-island preferential transfers.
2. On-island eligible employees.
3. Inter-island preferential transfers.
4. Inter-island eligible employees.
5. At Company's discretion, lower requirements.
6. Temporary employees, inter-company transfers, non-bargaining employees, or outside hires.

For the purposes of this Article, all employees must meet the eligibility requirements listed in Sections 12.5.1, 12.5.2 and 12.5.3 in order to be considered for a selection, in addition to any stated minimum or other requirements for the vacancy.

12.7.1 On-island or inter-island preferential transfers: Employees who submit a preferential transfer to a specific posting will be selected in order of seniority.

12.7.2 On-island or inter-island eligible employees: If no selection is made, then employees who meet the minimum and other qualifications for the position to which they are applying will be **selected in order of seniority**.

12.7.3 If no selection is made, the Company will consider filling the vacancy by lowering the minimum and/or other requirements. The vacancy will be re-posted on all islands in accordance with Section 12.4.1.
Note: Employees who live on the island where the vacancy exists shall be considered before inter-island eligible employees.

12.7.4 If no selection is made, then the Company, may, at its option, select a temporary employee, an inter-company transfer, a non-bargaining employee, or hire from the outside.

12.8 Preferential transfer: **There will be no restriction on the number of**

preferential transfer requests **an employee may submit at any given time**. The request can either be to a work base on that island, or to a work base on another island. An employee who accepts a promotion or transfer shall remain at that work base for the minimum period specified in Sections 12.5.2 and 12.5.3 before being eligible for a preferential transfer. Employees who accept a preferential transfer shall remain at that work base for a minimum period of six (6) months before being eligible for another preferential transfer.

12.9 If an employee accepts a promotion, transfer or preferential transfer and subsequently declines the offer, the employee must wait six (6) months before being eligible to apply for a promotion, transfer or preferential transfer. The Company will allow up to a forty-eight (48) hour decision time, excluding Saturdays, Sundays and Holidays, when a candidate has extenuating circumstances due to personal hardship that preclude acceptance within the normal twenty-four (24) hours.

ARTICLE 13

REDUCTION IN FORCE AND LAYOFFS

13.1 The Union and Company must meet and discuss any Reduction in Force or layoff. These discussions shall be at least **seven (7) calendar** days before employee notification. In reducing the work force, employees to be removed first from the initial and subsequent job classifications affected shall be, contract workers and temporary employees, then those regular employees with the least seniority in the operating area where the reductions are to be made. **Appropriate temporary/loan assignments, if available, will be an option that is pursued. Notified employees who meet the requirements of any vacancy within the bargaining unit will be considered for said vacancy, including those position(s) closed but not awarded.** Oahu, Kauai, Molokai and Lanai shall be considered separate operating areas. Hilo and Kau shall be considered separate operating areas, and Kona and Waimea together as another operating area. Similarly, Hana shall be considered as a separate operating area and the rest of Maui as another.

13.1.1 In the event the seniority of two or more employees are equal, the employee to be reduced first shall be the employee who has been in the job classification for the shortest period of time; in the event this is also equal, the employee with the lowest Personnel test score on file with the Employment Office shall be reduced first.

13.1.2 An employee removed from the job classification in accordance with Section 13.1 shall be offered a transfer to another job in the same job classification in all operating areas, provided that such transfer does not require the removal of an employee with the same or greater seniority. Should the employee elect not to transfer to another

operating area, the employee shall be offered a transfer to another job classification in all wage schedules in the employee's operating area which the employee is capable of adequately performing, provided such transfer does not require the removal of an employee with the same or greater seniority. Should the employee not be able to transfer to another job classification in the employee's operating area, the employee shall be offered a transfer to another job classification in all wage schedules in all other operating areas which the employee is capable of performing, provided that such transfer does not require the removal of an employee with the same or greater seniority.

13.1.2.1 For the purposes of Sections 13.1.2 and 13.2 an employee shall be considered to be capable of adequately performing another job only if the employee formerly held that job classification on a regular basis within the past five (5) years and completes retraining within a reasonable amount of time. If the employee held the job classification more than five (5) years ago, then the employee shall complete retraining and shall be capable of adequately performing the job duties within a reasonable amount of time.

13.1.2.2 Job vacancies may be filled by such employees, by seniority, provided the employees held the job classification on a regular basis and are capable of adequately performing the jobs as described in Section 13.1.2.1.

13.1.2.3 The employee initially affected will be given at least **thirty (30) calendar** days notice whenever a reduction in force is to occur, except where additional notification time is required by Federal or State law. The initially affected employee will have **fourteen (14) calendar** days, and the subsequently affected employee will have fourteen (14) **calendar** days, to turn in their completed transfer election notice.

13.1.2.4 For the purposes of Sections 13.1.2, 13.1.2.1 and 13.2, an employee who previously held a job classification title and such job classification title changes shall also be considered capable of adequately performing the new job classification, only if the employee formerly held the prior job classification on a regular basis.

13.1.2.5 Employees with no transfer options who are laid off will be eligible for a severance pay allowance in the amount of $550 for each completed year of accredited service, up to and including thirty (30) years for a maximum of $16,500 prior to withholding taxes. The severance pay allowance is not prorated for any partial year of service.

13.2 An employee who is in a job not covered by this Agreement may be transferred to a job covered by this Agreement which the employee is capable of adequately performing provided there is a vacancy and the employee does not displace an employee with the same or greater seniority.

13.3 Employees who have been laid off, employees who are laid off after specifically rejecting the Company's offer of a lower classified job as a result of a reduction in force, and employees who were transferred to other jobs in accordance with Section 13.1.2 shall be recalled in the reverse order of their layoff or transfer if vacancies develop within twenty-four (24) months of their layoff or transfer date. The phrase "layoff or transfer" shall mean the last day the employee worked before the layoff or transfer became effective. Their rights to recall shall cease if they are not recalled within twenty-four (24) months after their layoff or transfer date.

13.3.1 Employees who are laid off and are subject to being recalled under Section 13.3 must keep their current address and telephone number on file with the Human Resources Department in order to be considered for recall.

13.3.2 Employees, provided with a reduction in force (RIF) notice, who are subsequently selected for a job in any other job classification, will be eligible for recall in accordance with Section 13.3. Employees will retain their recall rights regardless of the number of other job classifications held during the recall period.

ARTICLE 14

WORK DAY AND WORK WEEK

14.1 The work day shall be twenty-four (24) consecutive hours and the work week seven (7) consecutive days, beginning at midnight Saturday.

14.1.1 Effective the first payday in 1993 the Company may, at its discretion, change the payday to Friday.

14.2 A normal tour of duty, or shift, shall consist of not more than eight (8) hours of work per day. For scheduling purposes, if a shift starts on one day and ends on another, it shall be designated as the shift for the day on which it starts.

14.3 Work schedules will be posted for all employees. Such schedules will

indicate the starting and quitting times, meal periods and days off. The schedules will normally be posted two (2) weeks in advance and the schedule provided for shall normally last for at least a two-week period, except for Switchboard Operator schedules in the Traffic Operating Units which will normally be posted ten (10) days in advance and shall normally last for one (1) week. These schedules may, however, be changed at any time. A schedule shall be considered changed only when a scheduled day off is exchanged for another day off or when both the scheduled starting and quitting times on any day are changed. Whenever an employee's posted schedule is changed, the employee will be notified in writing of the change. Employees who are off work on the day a schedule change is made shall be notified verbally. This written or verbal notification will not be made when the periodic changes in schedules are made. In the event an employee's schedule is changed, with less than forty-eight (48) hours' notice prior to the effective time of the scheduled change, the employee shall be paid at the rate of one and one-half (1½) times the straight time rate of pay for each hour worked during the first normal tour of duty under the new schedule.

14.4 Premiums under Section 14.3 shall be paid only once to the same employee for changes necessitated by the continuous absence of the employee who caused the original change.

14.5 The premium provided for under Section 14.3 shall not apply if the employee is entitled to the overtime rate under other provisions of this Agreement.

14.6 Premiums under Section 14.3 shall not apply to schedule changes made at the request of employees.

14.7 The provisions of Section 14.3 shall not apply to schedule changes necessitated by storms, or other acts of God, or disasters beyond the Company's control.

14.8 Premiums under Section 14.3 shall not apply where meal periods are advanced or postponed.

14.9 Switchboard Operators will select the shift they will work on the basis of office seniority in LiveSource.

14.10 Employees will not be scheduled with less than eight (8) hours between normal tours of duty. It is recognized, however, that overtime between normal tours of duty may result in the employee not being relieved from duty for eight hours. In the event that an employee is scheduled with less than an eight (8) hour break between normal tours of duty, the employee shall be paid a premium of one and one-half (1½) times the basic rate of pay for each hour worked during the employee's first normal tour of duty. In the event that an employee is scheduled with less than an eight (8) hour break between normal tours of duty, but such schedule was requested by the employee, no premium shall be made.

ARTICLE 15

OVERTIME AND PREMIUM PAYMENTS

15.1 The rate for overtime work performed by an employee shall be one and one-half (1½) times the employee's basic rate of pay applicable at the time such overtime work is performed. Any differentials, if applicable, shall be added to the employee's basic rate of pay in determining the rate applicable at the time the overtime work is performed.

15.1.1 A list with procedures that distribute overtime in a fair and equitable manner will be established, posted and maintained for groups subject to overtime.

15.2 Time worked in excess of eight (8) straight time hours in any day or forty straight time hours in any work week shall be paid for at the overtime rate.

15.2.1 Time paid on unworked holidays shall be considered as working time for the purposes of determining overtime payment eligibility.

15.2.2 Time worked on a holiday will be credited toward an employee's forty (40) straight time hours for that week although it has already been paid for at the overtime rate. No employee, however, will be credited with more than eight (8) straight time hours on any one holiday in determining overtime payment eligibility.

15.2.3 Time paid for but not worked under Article 17, and all time for which the employee is paid Sickness Disability Benefits or vacation pay, shall be considered as working time for the purpose of determining overtime payment eligibility.

15.2.4 In the event the Company offers to excuse any employee because of lack of work, and an employee accepts the offer, the excused hours not worked by the employee shall not be paid for but shall be considered time worked for the purpose of determining overtime eligibility.

15.3 Any time worked outside of an employee's work schedule in effect at that time, as originally posted or subsequently changed, shall be paid for at the overtime rate.

15.4 When overtime is the continuation of a normal tour of duty, the overtime worked shall be paid for at the overtime rate and the employee shall continue to be paid at the overtime rate for each hour worked until relieved from duty for eight (8) consecutive hours or more. Intermission for meal periods shall not break the continuity of the tour of duty.

15.5 When an employee works six continuous hours or more before the employee's normal tour of duty and continues working into the normal tour of duty without any break in continuity, the employee will be paid at one and one-half times the basic rate of pay from the beginning of the normal tour of duty to the time the employee is relieved from duty.

15.6 Time worked between midnight on Saturday and midnight on Sunday shall be paid for at the overtime rate as defined in Section 15.1, except as provided in Section 15.6.1.

15.6.1 Under the following conditions time worked between midnight on Saturday and midnight on Sunday shall be paid for at two (2) times the employee's basic rate plus any differential at the time such overtime work is performed.

1. The employee is working in excess of forty (40) straight time hours in the same work week, and
2. The employee had been notified of the Sunday work before the end of the last day worked before Sunday.
3. An employee's posted work schedule shall not be changed for the purpose of avoiding the payment of 2x the employee's basic rate for such Sunday work

15.7 On December 24, and on December 31, except when these days are observed as holidays, all employees who can be excused will be excused after four and one-half (4½) hours of work and will receive straight time pay at their basic rate plus differentials for all scheduled working hours not worked. All employees who cannot be excused will be paid at the rate of two and one-half (2½) times their basic rate plus differentials for all hours worked between 12:00 noon and 12:00 midnight. When December 24 and 31 are observed as holidays, an employee who works on these holidays shall be paid in accordance with Sections 26.3 and 26.4. If working more than 8 hours on these days, the employee will continue to be paid at the rate of two and one-half (2½) times the basic rate plus differentials for all hours in excess of eight (8) hours between noon and midnight on these days.

15.7.1 Effective January 1, 2000, on December 24, and on December 31, except when these days are observed as holidays, all employees who can be excused will be excused after four and one-half (4½) hours of work and will receive straight time pay at their basic rate plus differentials for all scheduled working hours not worked. Employees who cannot be excused will be paid at the rate of two and one-half (2½) times their basic rate plus differentials for all hours worked in excess of four and one-half (4½) hours up until 12:00 midnight. When December 24 and 31 are observed as holidays, an employee who works on these holidays shall be paid in accordance with Sections 26.3 and 26.4.

15.7.1.1 Employees who start work on the eves and continue to work into the holiday, will be paid two and one-half (2½) times their basic rate plus differentials for all hours worked up until 12:00 midnight **of the holiday**.

15.7.1.2 If working more than 8 hours on these days, the employee will continue to be paid at the rate of two and one-half (2½) times the basic rate plus

differentials for all hours in excess of eight (8) hours up until midnight on these days.

15.8 An employee who is required to work on poles, towers, telephone cable messenger or at the edge of a building which has no railing or parapet at a height which exposes the employee to a direct fall of 40 feet or more, **in power manholes, Red Hill Tunnel, or works at locations 11,000 or more feet above sea level,** shall receive hazard pay of **$2.00** for each hour or fraction of an hour worked at such **locations**. If an employee's work at such **locations** is interrupted by a meal or relief period or for the purpose of picking up tools or supplies **at said location**, the interruption shall not **constitute** separate **episodes. Hazard pay will continue to be paid until the employee completes the daily assignment at such location**.

15.9 Except during a National or community disaster, an employee who is recalled to work during vacation shall be paid at the overtime rate for all work performed during the period the employee was supposed to be on vacation.

ARTICLE 16

CALLOUT TIME

16.1 **Callout will be on a voluntary basis.** Callout time is time worked during an unforeseen condition in which the employee is called from home and which does not necessitate a change in work schedule. Callout procedures will be established and maintained for groups subject to callout, where necessary. **Rotational seniority will be the primary basis for the established procedures. Special consideration will be given to callout necessitated by storms or other disasters beyond the Company's control.**

16.1.1 If the employee is required to and does report for work within two hours after called out, the employee shall be paid travel time at the overtime rate in addition to pay for time worked. The amount of travel time allowed will be the reasonable time it takes to travel from home to wherever the employee is to report. The employee will be credited with the same amount of travel time to return home except when the work for which the employee is called out continues until the beginning of the employee's next regular scheduled shift; in such cases, travel time for returning home will not be allowed.

16.1.2 For callouts responding to special accounts and/or network service outages, the Company may establish and utilize a voluntary callout list comprised of employees who are able to respond within one hour.

16.2 When an employee works six (6) or more continuous hours of callout overtime prior to the beginning of the employee's regular shift and continues working through all or a part of the following regular shift,

pay at the overtime rate shall continue until the employee is relieved from duty. As necessary, an unpaid break may be provided prior to the start of the employee's regular shift without it being considered relieved from duty. Travel time paid under Section 16.1.1 will be considered as working time.

16.3 When an employee works less than six (6) continuous hours of callout overtime prior to the beginning of the employee's regular shift and continues working through all or part of the following regular shift without any break in continuity, pay at the overtime rate shall cease at the beginning of the regular shift.

16.4 Callout overtime earned by an employee shall be credited against any overtime due for work performed in excess of eight (8) straight time hours during the same day, and for work performed in excess of forty (40) straight time hours during the same work week.

16.5 When an employee who is called out continues working into the employee's regular shift, the employee may be allowed to work through the regular shift if, in the judgment of employee's supervisor, it is practical to do so or may be sent home after twelve (12) consecutive hours of work. If not permitted to work through the regular shift, the scheduled time not worked on that shift will be credited toward the employee's forty (40) straight time hours for that work week; the employee will not be paid for such hours but the hours will be counted as time worked in computing weekly overtime pay.

16.6 A minimum of two (2) hours' time at the overtime rate will be paid for callouts. Where travel-time is paid, it shall be included in the two-hour minimum.

16.6.1 All call out time worked between midnight on Saturday and midnight on Sunday will be paid at two times the basic rate of pay.

ARTICLE 17

PAYMENT FOR INCOMPLETE DAY'S WORK

17.1 The following classes of employees:

1. Regular employee
2. Probationary employee
3. Temporary employee who has completed six (6) months of continuous full-time employment and whose tenure of temporary employment is extended by at least one month at the time the six months of employment is completed.

who are unable to complete their regular scheduled tours because of:

- their own sudden illness or serious accident
- serious accident or sudden illness of a member of their immediate family, **defined as** spouse, **eligible domestic partner, child of domestic partner, legal guardian, ward of the court, or** child, parent, **parent of spouse or eligible domestic partner,** brother, sister, **grandchild or grandparent**

(whose relationship is biological, adopted, step or half)

- sudden death of a member of their immediate family, as defined above,

shall receive payment as follows:

- Employees' own sudden illness or serious accident - Payment for the time actually worked, calculated to the nearest quarter hour. The balance of their tour should be applied toward Sickness Disability benefits as outlined in Article 27.
- Serious accident or sudden illness of employees' immediate family member - Payment for the time actually worked, calculated to the nearest quarter hour. The balance of their tour should be applied to available vacation hours. For purposes of this section only, vacation may be used in quarter hour increments.

In the event the employee has exhausted their Sickness Disability or vacation benefits, as appropriate, or in the event of sudden death of employees' immediate family member, the employee shall receive payment according to the schedule shown below.

17.1.1 Less than two (2) hours' work-payment for the time actually worked, calculated to the nearest quarter hour.

17.1.2 Two (2) hours but less than four (4) hours' work-payment for four (4) hours.

17.1.3 Four (4) hours but less than six (6) hours' work-payment for six (6) hours.

17.1.4 Six (6) hours but less than eight (8) hours' work-payment from the time an employee reports to work until the end of the employee's normal tour of duty.

17.2 In the case of a death of an employee's **immediate family as defined in Section 17.1**, the employee shall be excused if the employee wishes, on any or all of the scheduled work days beginning with the day of the death to and including the seventh calendar day after the day of the funeral. The maximum time off without loss of pay shall be equivalent of three full normal tours of duty. Such time off shall be in addition to any time paid for but not worked covered by Section 17.1.

17.3 In the case of a death of any member of an employee's **spouse's or eligible domestic partner's** immediate family, the employee shall be excused, if the employee wishes, on any or all of the scheduled work days beginning with the day of the death to and including the seventh calendar day after the day of the funeral. **Spouse's or eligible domestic partner's immediate family includes brother, sister, grandchild, grandparent (biological, adopted, step or half), legal guardian or ward of the court.** The maximum time off without loss of pay shall be the equivalent of two full normal tours of duty. Such time off shall not be in addition to any time paid for but not worked covered by Section 17.1.

17.4 An employee on vacation shall be entitled to pay for three days in the case of a death of the employee's **immediate family as defined in Section 17.1**, and pay for two days in the case of a death of a member

of the employee's **spouse's or eligible domestic partner's** immediate family, **as defined in Section 17.3**. Such time off with pay shall not be considered a part of vacation, and any compensation due under this section shall not be considered vacation pay.

17.5 In the case of a death of a close relative (uncle, aunt, **nephew or niece**), of an employee, the employee shall be excused, if the employee wishes on the day of the funeral or services. Such time off shall be without loss of pay provided the employee attends the funeral or services, and such time paid for shall not exceed the equivalent of one full normal tour of duty.

17.6 Time paid for but not worked shall be at the employee's basic rate of pay.

17.7 Any employee found guilty of abusing the benefits granted under this Article or of misrepresenting the facts in connection with payment for time not worked, shall be denied the right to receive any payments for time not worked herein specified for a period of one year.

ARTICLE 18

SHIFT PREMIUMS

18.1 Employees who work normal tours of duty, any part of which fall after 9:00 p.m. and prior to 6:00 a.m. will receive a shift premium of **75** cents per hour for each hour worked during these hours.

18.1.1 If the employee continues working after completing the employee's normal tour of duty for which the employee was eligible for a shift premium without any break in continuity, the shift premium of **75** cents per hour will continue to be paid until relieved from duty, provided the hours worked fall after 9:00 p.m. and prior to 6:00 a.m. The premium will be added to the basic rate of pay in computing overtime, holiday and Sunday payments.

18.1.2 If the employee is required to work overtime prior to working a normal tour of duty which pays the shift premium, without any break in continuity, the shift premium of **75** cents per hour will be paid during the overtime hours, provided the hours worked fall after 9:00 p.m. and prior to 6:00 a.m. The premium will be added to the basic rate of pay in computing overtime, holiday and Sunday payments.

18.2 If an employee works a shift that is assigned to the employee's group and such shift is covered by a shift premium, the employee will receive a shift premium for all hours worked between 9:00 p.m. and 6:00 a.m. although the shift may not be a normal tour of duty. The premium will be added to the basic rate of pay in computing overtime, holiday and Sunday payments.

18.2.1 If the employee works overtime either before or after a shift which pays the shift premium without any break in continuity of work, the shift premium will continue to be paid, provided the

hours worked fall between 9:00 p.m. and 6:00 a.m.

18.3 Employees who work split shifts shall receive a premium of 50 cents per hour for work performed during such entire tour of duty, provided the employee completes the second portion of the split shift. However, if an employee's inability to complete the second portion of the shift is due to one of the reasons covered in Section 17.1 of Article 17 or is excused because of lack of work, the employee shall receive the premium for each hour worked. An employee who is paid a split shift premium under this section shall not receive any other shift premium for the same hours. The premium will be added to the basic rate of pay in computing overtime, holiday and Sunday payments.

18.4 For purposes of this section, a split shift shall mean a scheduled shift with a break of more than one and one-half (1½) hours scheduled between the first and second portions of the shift. Split shifts shall be confined to Switchboard Operators and Communications Assistants. No employee in any other classification shall be scheduled to work a split shift unless the Company and the Union mutually agree to such a schedule.

ARTICLE 19

PAYMENT FOR TEMPORARY ASSIGNMENT TO ANOTHER JOB CLASSIFICATION

19.1 The determination as to the need and selection of an employee to be temporarily assigned to a job of a higher classification rests solely with the Company. In selecting an employee to be temporarily assigned to a job of a higher classification, the supervisor, based on work requirements, will give first consideration to employees under the supervisor's supervision, giving consideration to qualified volunteers on a rotational basis by seniority.

19.2 An employee who is temporarily assigned to a supervisor's position shall receive a differential of **80** cents per hour after the first hour on such assignment.

19.2.1 No employee will be forced to accept the position of a supervisor on a temporary basis.

19.2.2 No probationary employee will be temporarily assigned to a supervisor's position in the Plant Craft work groups.

19.3 An employee who is temporarily assigned to a non-supervisory management position shall receive a differential of **50** cents per hour after the first hour on such assignment.

19.3.1 No employee will be forced to accept a temporary assignment to a non-supervisory position, Department Head or Executive Secretary, where it is known the assignment is to last more than thirty (30) days. A period of thirty (30) days must elapse between involuntary assignments to cover planned absences of less than thirty (30) days. An involuntary assignment will not last more than thirty (30) days.

19.3.2 No probationary employee will be offered the above assignment unless all available employees in that work group have first been offered the temporary assignment.

19.4 An employee who is temporarily assigned to the position of Leader, In Charge or Leader Material Handler will receive a differential of **75** cents *per hour after the first hour on such assignment.*

19.4.1 No employee will be forced to accept these assignments on a temporary basis.

19.4.2 No probationary employee will be temporarily assigned to the position of Leader in the Plant Craft work groups.

19.5 Should an employee be assigned temporarily to any other job of a higher classification, the employee shall receive a differential of **50** cents *per hour after two hours on such assignment.*

19.6 An employee who is temporarily relieved of normal assignment by the supervisor to prepare for and/or conduct **structured** training shall receive a differential of **60** cents per hour after the first hour on such assignment. **Structured training requirements will be determined by each department.**

19.6.1 For the purposes of this provision, "classroom" means formal classroom, office, exchange, or work location wherever the training sessions may be conducted, or directed by the Company.

19.7 An employee may be temporarily assigned to perform work in another job classification in the same or lower wage schedule without payment of a differential or loss of pay, if such assignment is to avoid a reduction in force, accommodate a light duty employee, or meet a critical temporary business need.

19.8 Generally, employees will not be temporarily assigned to a classification which has experienced a recent reduction in force. However, in certain situations (e.g. to avoid a reduction in force in another job classification), the Union and Company will meet to discuss the feasibility of temporary assignments to that classification.

ARTICLE 20

VACATION WITH PAY

20.1 Vacations shall be based on continuous full-time service shown by the records of the Company, and shall be granted, effective January 1, 1977, to regular and temporary employees as follows:

20.1.1 Employees will be eligible for their first vacation after the completion of one year of continuous full-time service and to the vacation provided in each calendar year thereafter as follows:

2 weeks each year for the first four (4) years.
3 weeks each year from the fifth through the fifteenth year.
4 weeks each year from the sixteenth through the twenty-

fourth year.

5 weeks each year beginning with the twenty-fifth year.

Effective January 1, 2003, vacation will be provided each calendar year as follows:

2 weeks each year for the first four (4) years.

3 weeks each year from the fifth through the fourteenth year.

4 weeks each year from the fifteenth through the twenty-fourth year.

5 weeks each year beginning with the twenty-fifth year.

20.2 The amount of pay for each full week of vacation shall be pay for forty (40) hours at the employee's basic rate. When a holiday occurs during an employee's vacation it shall not be considered a part of vacation and any compensation due for the holiday will not be considered vacation pay.

20.3 Any employee who is granted a leave of absence during the calendar year that a first vacation becomes due shall be entitled to a vacation as prescribed by Section 20.1.1 of the Company-Union Agreement. No partial or pro-rated vacation shall be granted to such an employee. An employee who is granted a leave of absence during the calendar year in which a second or any subsequent vacation becomes due shall be granted a partial or prorated vacation of 1/12 of the normal vacation for that calendar year for each month of active full-time service (a fractional month of 16 or more calendar days shall be considered a full month) from January 1 of that year to the time the leave begins. An employee shall not be eligible for another vacation until six (6) months after returning from leave. For each month of full-time active service between the date of returning from leave and December 31 of that year, the employee shall be eligible for another partial vacation of 1/12 of the normal vacation for that year.

In the event the employee is not eligible for another vacation during the year the employee returns from leave because of the six (6) months' limitation described above, vacation for the following calendar year shall be increased by the partial vacation earned after returning from leave.

In the event the employee had been granted a full vacation and then is granted a leave, the first vacation following the return from leave shall be reduced by 1/12 for each month that the employee was on leave.

20.4 The Company shall have the sole and exclusive right to determine the period during which any employee shall take vacation, but the expressed preference of the employee will be given due consideration. In the event of conflict between two or more employees, assignment of vacation shall be on the basis of seniority. However, if an employee elects to split a vacation as provided in Section 20.5 below, the senior employee's choice shall apply only to one of the vacation selections.

20.4.1 A vacation for a particular year must start during that year but may extend without any break in continuity into the following year provided not more than 10 vacation days shall extend into the following year. Such overlapping of vacations shall take precedence over selections of vacation as provided in Section

20.4.

20.5 An employee may be permitted by the immediate supervisor to take a split vacation. In such cases, the **primary or first selection shall consist of no less than five (5) working days unless the week selected contains a Company paid holiday, then the first selection shall be four (4) working days. Subsequent selections may be in less than five (5) day increments**. It shall not be required that thirty (30) days elapse between the parts of a split vacation.

20.5.1 A personal holiday(s) may be added and be considered part of the employee's five (5) day incremental vacation.

20.5.2 Seniority **will be the** determining factor **during each round of vacation selection**.

20.6 After an employee's vacation period has been determined in accordance with Sections 20.4, 20.5 and 20.5.1, the employee may change the vacation period by taking vacations in increments of less than five days, or use up to sixteen (16) hours of their earned vacation in two (2) hour increments, subject to the following conditions:

1. Approval must be obtained from the immediate supervisor.
2. The employee must request the vacation at least one week prior to the time the vacation is desired; however, if circumstances make it impossible to do so, service requirements permitting, the supervisor may approve requests which are made less than one week in advance.

20.7 Whenever possible, an employee on vacation will be recalled to work only in a National or community disaster. If recalled to work during a National or community disaster the employee's work schedule shall be considered changed as provided in Section 14.7 and the employee will resume and complete the vacation as soon as practicable after the emergency is over.

20.7.1 In the event an employee is recalled to work from vacation when there is no National or community disaster, payment shall be at the overtime rate for all work performed during the period the employee was supposed to be on vacation. The employee shall not receive vacation pay for any day on which work is performed.

20.8 Employees who are not able to take and/or carry forward (bank) their full current year vacation eligibility may carry over up to 40 hours of vacation to the next calendar year, with supervisory approval. Vacation carried over must be taken by June 30 of the subsequent calendar year or it will be forfeited.

20.9 When employees with more than one (1) year's service leave the Company's employ, they shall be paid a prorated vacation calculated on a service year basis, for any vacation that might be due. Proration shall be on the basis of 1/12 of their normal vacation for each month of active full-time service. If they have been overpaid as a result of their having taken a full vacation prior to the severance, the overpayment will be deducted from their final pay check. Payment will be made at the employee's basic rate of pay at the time of severance.

ARTICLE 21

MEALS

21.1 All meals shall be eaten on the employee's own time except during emergencies when it would be impracticable to leave the job.

21.2 Employees shall provide their own mid-shift meals on regularly scheduled days and on non-scheduled days when instructed before quitting time on the previous day to work or supplement a regularly scheduled normal tour assigned to the employee's group. However, if the work assignment on the employee's non-scheduled days is not a work schedule regularly assigned to the employee's group, the employee shall be entitled to a meal allowance under Section 21.3.

21.2.1 Should the work assignment on the employee's non-scheduled days be changed at the request of the employee or is a voluntary work assignment, such as participation in training class, the employee shall not be entitled to a meal allowance under Section 21.3.

21.3 An employee who is required to work callout overtime, or to continue working after the employee's scheduled quitting time, or to work three (3) hours or more either before or after the employee's normal tour of duty shall be entitled to a meal allowance after three (3) hours of such overtime work, and to additional meal allowances at the end of each five (5) hours thereafter, provided the employee is not required to provide meals under Section 21.2.

21.3.1 For the purpose of this section, breakfast, lunch, and dinner and midnight meal shall be defined as follows:

21.3.1.1 Breakfast shall mean any meal to which the employee becomes entitled from 3:00 a.m. to 9:00 a.m.

21.3.1.2 Lunch shall mean any meal to which the employee becomes entitled from 9:00 a.m. to 3:00 p.m.

21.3.1.3 Dinner shall mean any meal to which the employee becomes entitled from 3:00 p.m. to 9:00 p.m.

21.3.1.4 Midnight meal shall mean any meal to which the employee becomes entitled from 9:00 p.m. to 3:00 a.m.

21.3.2 No employee shall be entitled to any meal under the provisions of Section 21.5 if entitled to any meal under the provisions of Section 21.3.

21.4 Meal allowances shall be $4.00 for breakfast, $4.50 for lunch, and $6.50 for dinner or midnight meal. **Effective January 1, 2003, meal allowances shall be as follows:**

Date	Breakfast	Lunch	Dinner/Midnight Meal
01/01/03	$6.00	$6.00	$8.00
01/01/04	$6.00	$6.00	$8.00
01/01/05	$7.00	$7.00	$10.00
01/01/06	$7.00	$7.00	$10.00
01/01/07	$8.00	$8.00	$12.00

21.5 An employee shall be entitled to a meal allowance after eleven (11) consecutive hours of work, provided the employee is not entitled to any meal allowance under Section 21.3. If the employee works before and after the employee's normal tour of duty without any break in continuity, the amount of the meal allowance shall be determined by the longer of the two periods which are separated by the normal tour of duty. If the two periods are equal, the employee shall receive the higher allowance. No employee shall be entitled to any meal under the provisions of this section if entitled to any meal under Section 21.3.

21.6 When an employee is not given an opportunity by the immediate supervisor to eat a meal until more than one (1) hour after the beginning of the employee's normal meal period, or when the employee is required by the supervisor to eat a meal more than one (1) hour before the beginning of the employee's normal meal period, the employee shall be allowed up to one-half (½) hour to eat the meal, which time shall be counted as working time.

21.7 If it is necessary that the Company furnish a meal, no meal allowance will be paid in addition to the meal furnished.

21.8 An employee who is receiving a per diem allowance shall be entitled to meal allowances in addition to the per diem allowance under the following conditions:

21.8.1 The employee shall be entitled to a meal allowance after thirteen continuous hours of work and to another meal allowance five hours thereafter if still working.

21.8.2 The employee shall be entitled to a midnight meal allowance if the employee works overtime after a break in continuity of work and qualifies for a midnight meal allowance under Section 21.3.

21.8.3 No other meal allowance except as provided in Section 21.8.1 or 21.8.2 shall be paid to an employee who is receiving a per diem allowance.

ARTICLE 22

TRAVELING TIME

Equipment Installer

22.1 Every Equipment Installer shall be assigned to a work base either within or outside the designated area described in Section 22.1.1.

22.1.1 The boundaries of the designated area shall be as follows:

Honolulu

East Boundary - Line running south from Kaimuki Central Office to the ocean.

North Boundary - Straight lines connecting the Kaimuki, Manoa, Nuuanu and Moanalua Central Offices.

West Boundary - Line running south from the Moanalua Central Office to the ocean.

South Boundary - The ocean.

Hilo

North Boundary - Line running East from Hilo Main Office to the ocean.
West Boundary - Straight line connecting Hilo Main Office and Kawailani Office.
South Boundary - Line extending along Kawailani to Railroad Ave. and from this point in a straight line to Pier 1.
East Boundary - The ocean.

22.1.2 An Equipment Installer's work base may be changed to a new work base within the area if the employee receives one (1) week's notice and the assignment lasts for two (2) weeks or more. If the employee receives less than one (1) week's notice or the assignment lasts for less than two (2) weeks, the work base will not be considered changed.

22.1.3 An Equipment Installer's work base may be changed to a new work base outside the designated area upon one (1) week's notice, provided the assignment lasts more than six (6) months. If the employee receives less than one (1) week's notice or the assignment lasts for less than six (6) months, the work base will not be considered changed.

All Employees Other Than Equipment Installers

22.2 All employees shall be assigned to a work base.

22.3 An employee's work base will not be changed on a routine or rotational basis. The employee's work base may be changed, however, for bona fide operational requirements. In the event the employee's work base is changed the employee shall be given one (1) week's notice and the assignment shall last for six (6) months or more. If the employee receives less than one (1) week's notice or the assignment lasts for less than six (6) months the work base will not be considered changed.

All Employees Including Equipment Installers But Excluding Those Temporarily Assigned Away From Work Base

22.4 Time spent by an employee traveling between the employee's work base and any work location to which the employee is assigned shall be treated as working time and the Company will furnish the required transportation. An employee may be permitted to use the employee's own vehicle, in which case the employee will be reimbursed the standard mileage allowance at the current Company rate.

22.5 An employee may elect to report directly from home to the work location and return without reporting to the employee's work base. In such a case, no travel time will be paid and transportation will not be furnished and the employee will report for work at the work location at the employee's scheduled starting time and leave at the employee's scheduled quitting time.

22.6 At the request of employees, changes may be made more often and without the one (1) week's notice.

22.7 If a regular employee is assigned to a work base outside the area designated in Section 22.1.1 for six (6) months or longer, but such assignment is, in the judgment of the Company, temporary rather than permanent, transportation will be provided as determined by the

Company. If the employee is authorized to use the employee's own vehicle, the standard mileage allowance will be paid from the employee's work base to the work location. However, no mileage allowance will be paid to an employee if the distance from home to the work location is equal to or less than the distance from home to the work base. All traveling will be done on the employee's own time.

22.8 An employee who is assigned to attend organized classroom training will report directly from home to the classroom and return home without reporting to the employee's work base. All traveling shall be done on the employee's own time and the employee will report to the classroom at the starting time and leave at the quitting time.

22.8.1 If the distance from home to the classroom is greater than the distance from home to the employee's assigned work base, the employee will be paid a standard mileage allowance for the difference between the two mileages.

22.8.2 The employee will not be paid any mileage allowance if the distance from home to the classroom is equal to or less than the distance between home and the employee's assigned work base.

Employees Temporarily Assigned Away From Work Base

22.9 An employee who is temporarily assigned to another island for duty, or assigned over night to a district outside the employee's assigned work base, shall report for work at the job site at the scheduled starting time and leave at the scheduled quitting time. The employee shall travel between the hotel and the job site on the employee's own time except when quartered at a hotel which is more than 15 minutes driving time from the job site; in such a case the employee shall travel on Company time. Transportation shall be furnished by the Company.

ARTICLE 23

TEMPORARY DUTY ON OTHER ISLANDS AND OUTSIDE THE STATE

23.1 Any employee who may be sent to another island for temporary duty shall remain an employee of the System from which the employee is sent.

23.2 The Company agrees to negotiate terms and working conditions for employees who are selected for work outside the **United** States.

23.3 The Standard Travel Agreement found in Attachment 2, is made a part of this Agreement.

ARTICLE 24

TRAVELING EXPENSE

24.1 Whenever an employee is temporarily assigned overnight to another island for duty, or assigned over night to a district outside the employee's assigned work base, the Company will pay for the hotel room and transportation. Transportation shall be by standard scheduled

commercial airline except where such service is not available; in such cases, standard scheduled commercial airline shall be used to the point closest to the ultimate destination. Accommodations shall be standard and there will be **one** employee per room. **Other comparable accommodations (i.e., rental condominium unit) can be arranged for employees who are on temporary extended overnight assignments.**

24.2 Such employees shall be scheduled to work no less than their regular tours of duty on such outside assignments.

24.3 Such employees shall be allowed to make one interisland telephone call at the Company's expense for each night away from home. Such calls shall be limited to **fifteen (15)** minutes each and may be used daily or accumulated, but such accumulation shall terminate at the end of the assignment.

24.4 Effective September 1, 1999, a per diem allowance of $28.00; **effective January 1, 2003 $32.00; effective January 1, 2004 $33.00; effective January 1, 2005 $35.00; effective January 1, 2006 $35.00; effective January 1, 2007 $36.00** for work assignment to another island or district will be paid to each employee. This is to be used to cover all meals and incidental expenses. A per diem allowance will be paid only under circumstances described in Section 24.1.

24.4.1 If the assignment does not require an overnight stay, the employee will receive a meal allowance in accordance with Section 21.4 of Article 21.

24.4.2 If three (3) meals are provided by the Company while on an overnight assignment, resulting from conditions identified in Article 14, Section 14.7, no per diem will be paid.

24.4.3 If the duration of a non-overnight trip to another island is at least four (4) hours and the Company provides a suitable meal, then no meal allowance will be paid.

24.5 If the temporary assignment on another island continues over an extended period and the employee wishes to return home periodically, the Company will permit the employee to do so under the following conditions:

24.5.1 Such trips shall not interfere with operations

24.5.2 The employee completes tour of duty on the day returning home and reports to work at the regular starting time on the next scheduled working day, except as may be specifically agreed to by the island manager or department head.

24.5.3 If the employee returns home at the employee's own expense and time and reports back to the assignment at the beginning of the scheduled shift, the employee shall receive per diem allowance during such absence.

24.5.4 The employee will be permitted to return home every two weeks provided the work assignment will continue for one week or more thereafter. The Company will furnish a plane ticket to the employee upon election to make the trip. The Company will also furnish transportation only from the work location to the airport on the day returning home.

24.5.4.1 All traveling shall be done on the employee's time and all other traveling expenses shall be borne by the employee.

24.5.4.2 The employee shall not be entitled to any per diem allowance after completing a tour of duty on the day returning home or before the next scheduled working day.

ARTICLE 25

RELIEF PERIODS

25.1 Employees shall have one relief period of fifteen (15) minutes each with pay during each session, except where only one person is on duty.

25.1.1 The relief periods shall not be in addition to but shall include coffee breaks.

25.1.2 The relief period shall be assigned by the supervisor and in no event will it start or end within one-half hour of the employee's starting or quitting time, or the beginning or end of the employee's midshift meal period.

25.1.3 Where only one person is on duty, relief time may be taken only as work requirements permit.

25.2 An employee who abuses the relief period privilege shall be subject to disciplinary action.

ARTICLE 26

HOLIDAYS

26.1 The following holidays shall be observed:

New Year's Day
Memorial Day
Kamehameha Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day
Employee's Personal Holiday (6)*

***The six (6) personal holidays shall be effective January 1, 2003.**

26.1.1 If any of these days fall on a Sunday, the Monday following shall be observed as the holiday. The Sunday on which the holiday falls shall be treated and paid for the same as any other Sunday.

26.1.2 In the event any of these days fall on a Saturday, the holiday shall be observed as follows:

26.1.2.1 The Saturday shall be considered the holiday for employees who are scheduled to work on the Saturday. The preceding Friday shall be treated

and paid for the same as any other Friday.

26.1.2.2 For employees who are not scheduled to work on the Saturday, the preceding Friday shall be considered the holiday. The Saturday shall be treated and paid for the same as any other Saturday.

26.2 When a shift starts on the day preceding a holiday and extends into the holiday, it shall be considered a non-holiday shift. When a shift starts on a holiday and extends into the following day, it shall be considered a holiday shift.

26.3 Employees shall receive eight (8) hours' pay at the basic rate on these holidays even though not worked, provided such employees do not have an unexcused absence on the scheduled work day immediately preceding or immediately following such holidays. An unexcused absence by an employee who is scheduled to work on a holiday will subject the employee immediately to the Company's disciplinary procedure.

26.3.1 In addition to the eight (8) hours' pay at the basic rate under Section 26.3, time worked between midnight of the eve of the holiday and midnight of the holiday shall be paid for at the rate of one and one-half (1½) times the basic rate for each hour worked.

26.4 Employees who have been granted a leave of absence or an extended excused absence shall not be eligible for holiday pay.

26.5 Any scheduled work day within the calendar year, except a Company observed holiday, may be selected by an employee as a personal holiday. **Preferences in the selection of personal holidays shall be on the basis of seniority, service requirements permitting. The Company will allow as many employees as possible to schedule their personal holidays, as requested.**

26.5.1 Employees who have completed three (3) months of continuous full-time service may select a scheduled workday for the employee's personal holiday. Personal holidays will be prorated during the calendar year that an employee is hired. Requests for the employee's personal holiday must be given at least thirty (30) days prior to the day in which the employee intends to observe as a personal holiday, however, if circumstances make it impossible to do so, the supervisor may approve requests which are made less than thirty days in advance.

26.5.2 An employee's available personal holidays may be granted in lieu of a waiting days for sickness disability benefits, in accordance with the Sickness Disability Wait Day Pay Substitution MOA.

26.5.3 If employees have not scheduled their personal holiday before the beginning of the fourth quarter, the supervisor shall assign the employee's personal holiday for the employees before the end of the year.

26.5.4 Employees shall be allowed to take their Personal Holiday in four-hour increments as business and operation requirements permit.

ARTICLE 27

SICKNESS DISABILITY PLAN

27.1 All regular employees and those temporary employees who have completed six (6) months of continuous full time employment and whose tenure of temporary employment is extended by at least one month at the time they completed the six (6) months of employment shall be qualified to receive payments under the following conditions, on account of physical disability to perform scheduled work by reason of sickness or accident outside of working hours, not covered by the Workers' Compensation Law of the State of Hawaii.

27.1.1 The payment shall be referred to as Sickness Disability Benefits; payments shall terminate when disability ceases and in no case shall extend beyond the specified periods of the schedule.

27.1.2 In the application of the Plan provided by this Article, "disability" shall include total inability of an employee to perform the duties of employment caused by pregnancy, the termination of pregnancy, complications resulting in sickness causing total disability and childbirth, where physical disability is **substantiated with sufficient medical documentation from** a physician. "Disability" does not include pregnancy where the employee is able to perform the duties of employment.

27.2 Eligible employees will be entitled to the following benefits through December 31, **2002**:

Less than 6 months
Payment in accordance with Hawaii Temporary Disability Insurance Law

6 months - less than 5 years
3 scheduled working days without pay; then 4 weeks full pay; then 9 weeks at 58% of basic pay

5 years - less than 10 years
2 scheduled working days without pay; then 13 weeks full pay; then 13 weeks at 50% of basic pay

10 years - less than 20 years
1 scheduled working day without pay; then 13 weeks full pay; then 39 weeks at 50% of basic pay

20 years and over
13 weeks full pay; then 39 weeks at 50% of basic pay

Effective January 1, 2003, sickness disability benefits will be according to the following schedule:

Less than 6 months

Payment in accordance with Hawaii Temporary Disability Insurance Law

6 months - less than 5 years

3 scheduled working days without pay; then 4 weeks full pay; then 13 weeks at 58% of basic pay

5 years - less than 10 years

2 scheduled working days without pay; then 13 weeks full pay; then 13 weeks at 50% of basic pay

10 years - less than 15 years

1 scheduled working day without pay; then 13 weeks full pay; then 39 weeks at 50% of basic pay

15 years - less than 20 years

1 scheduled working day without pay; then 20 weeks full pay; then 32 weeks at 50% of basic pay

20 years and over

26 weeks full pay; then 26 weeks at 50% of basic pay

27.2.1 Sickness Disability Benefits shall be based on the number of scheduled hours, but not to exceed eight (8), for each scheduled day of work, even though it may exceed five (5) scheduled work days in any work week, and shall be computed at the employee's basic rate of pay.

27.2.2 A paid holiday shall not be considered a scheduled work day for the purposes of this article and holiday pay granted to an employee shall not be considered as Sickness Disability Benefit payments.

27.2.3 In no event will Sickness Disability Benefit payments be greater than the amount the employee would have earned if the employee had worked during the period of disability.

27.3 When an employee is absent for successive periods of illness during any calendar year, the time off shall be counted together until the employee has obtained the full benefits entitled to under the schedule. Benefits shall not be accumulative from year to year; however, an employee who has used up all of the full pay allowance may, if hospitalized, use the unused portion of the previous year's full pay allowance but at 50% **or 42%** pay instead of full pay in addition to the current year's allowance.

27.4 For each separate illness or accident which begins during the period the employee is eligible for benefits at full or **partial** pay, Sickness Disability Benefits will begin after a waiting period as specified in Article 27, Section 27.2, excluding hours in excess of eight (8) hours on any day, for which the employee receives no pay, except as provided in Sections 27.4.1, 27.4.2, 27.4.3 and 27.4.4. A paid holiday shall not be considered a scheduled work day for the purposes of this section.

27.4.1 If an employee is admitted to a hospital, hospice, a qualified outpatient treatment facility, or receives treatment at an ambulatory surgical center, payment will begin without any waiting period.

27.4.2 If an employee has performed at least six (6) months of work

prior to the illness or accident without receiving any Sickness Disability Benefits, payment will begin without any waiting period.

27.4.3 If an employee who has been absent because of an illness or accident suffers another illness or accident before returning to work from the first disability, there shall be no waiting period for the second disability.

27.4.4 If an employee who has no waiting period under Sections 27.4.1, 27.4.2 or 27.4.3 receives less than eight (8) hours of benefits the difference between eight (8) hours and the number of hours previously paid for will be paid on any subsequent illness; these hours, although paid for, will be considered as part of the waiting period requirements in Section 27.2.

27.5 If an employee who has been ill returns to work and suffers a recurrence within fourteen (14) days after returning, it shall be considered the same illness; if the employee suffers a recurrence after fourteen (14) days it shall be considered a separate illness.

27.6 Employees shall not be entitled to Sick Benefits for time for which wages have been paid by the Company.

27.7 Employees absent from work because of illness or injury must notify their supervisors as soon as practical before their scheduled start time on the first day of absence but no later than 10:00 a.m. on the first day of absence. Employees assigned to an evening or night tour must notify their supervisors before noon on the first day of absence. **Employees will provide their supervisors with an anticipated return-to-work date when reporting absences.** Employees shall not be entitled to benefits for time previous to such notice unless delay shall be shown to have been unavoidable and satisfactory evidence furnished.

27.8 A certificate by a physician (M.D.) licensed to practice medicine and surgery, an osteopathic physician (D.O.), or a licensed chiropractor certifying that the employee has been under the physician's or chiropractor's care must be submitted to the Company in situations where an employee is absent three (3) consecutive scheduled working days or more or has been absent for more than five (5) scheduled working days over a ninety (90) day pay period before further Sickness Disability Benefits are paid.

Effective January 1, 2003, rather than submitting physician certificates locally as indicated above, employees with an absence beyond five (5) consecutive scheduled working days must notify the Verizon Disability Administrator immediately. Illness or injury not substantiated by sufficient medical documentation to the Verizon Disability Administrator will be ineligible for Sickness Disability benefits.

27.8.1 An employee who is unable to perform scheduled work because of physical disability resulting from dental treatment restricted to endodontics, periodontics or oral surgery shall be eligible for sickness disability benefit payments, provided the dentist certifies the employee was disabled.

27.9 The Company may, at its discretion, require examination by its own physician before benefits will be paid. Such examinations may be required from time to time during the period of illness as a condition for the continuance of benefit payments. Should a controversy arise because of a difference of opinion between Company's and employee's physicians, as a result of request for Sickness Benefits payments by the employee, the controversy will be handled in accordance with Article 30 of this Agreement.

27.10 An employee who becomes ill or is injured while on vacation may, if the employee chooses, transfer to Sickness Disability Benefits, provided the employee is eligible for such benefits.

27.10.1 An employee who transfers from vacation to Sickness Disability Benefits will not be allowed to substitute paid vacation time for any waiting period which may be required. Benefits will begin only after the required waiting period without pay.

27.10.2 Notification to the employee's supervisor to transfer from vacation to Sickness Disability Benefits should be by noon on the first day of illness, but, in no case, later than the last working day of what would have been the normal work schedule prior to returning from vacation. Employees shall be entitled to Sickness Disability Benefits provided such notice is given, or further delay shall be shown to have been unavoidable and satisfactory evidence furnished. In situations where an employee is absent **more than five (5)** consecutive scheduled days, **the employee must contact the Verizon Disability Administrator in accordance with Section 27.8.**

27.11 Unless actively undergoing counseling and treatment as approved **by** the **Verizon Disability Administrator**, no employee shall receive benefits under this plan whose sickness was caused by drug addiction, intoxication, or any injury which may be the result of being intoxicated by alcohol or drug addiction.

27.12 An employee who is injured and receives Workers' Compensation while in the employ of any employer other than Verizon Hawaii shall not receive benefits under this plan.

27.13 Any employee found to have abused the Sickness Benefit privilege by falsification or misrepresentation shall thereupon be subject to disciplinary action, reduction or elimination of Sickness Benefits, and shall further restore to the Company amounts paid to such employee for period of such absence, or may be discharged by the Company for such falsification or misrepresentation.

27.14 In the event any State statute providing compensation for employees disabled because of illness or injury is enacted, payments made to any employee under such statute shall be offset against any benefits due under this Article if the statute requires direct employer contributions. In the event the State disability compensation plan provides for both employer and employee contributions, either party may reopen the Agreement on the question of off-setting benefits received under the

State plan against benefits due under this Article.

ARTICLE 28

MEDICAL PLAN

28.1 The Company will make available a Medical Plan to employees covered by this Agreement. The selection of the carrier and the administration of the Medical Plan will rest with the Company provided the level and quality of the benefits remain the same. The benefits provided by this Plan will not be discontinued or amended without the agreement of the Company and Union. The following classes of employees may voluntarily enroll under and become members of either the Company Medical Plan (Modified) or the Health Maintenance Organizations (HMO's) provided.

1. Regular employee
2. Probationary employee
3. Temporary employee who has completed six months of continuous full-time service provided tenure of employment is extended by at least six (6) months at the time the employee completed six (6) months of service.

28.1.1 They may also enroll their dependents, as defined in the medical plan contracts with the carriers.

28.2 For all regular full-time employees and their dependents, the Company shall pay all of the premium equivalent for the Company Medical Plan (Modified).

28.3 For all temporary employees, the Company shall pay one-half (½) of the premium equivalent for the Company Medical Plan (Modified). The employee shall pay the full premium equivalent for all dependents.

28.4 The Company will pay toward the premiums of an employee and dependents who are accepted for enrollment in the HMO's provided **(i.e. HMSA, HMO-Hawaii, Kaiser)**, an amount equal to that which it would be paying had the employee enrolled in the Company Medical Plan (Modified). The employee will pay the difference, if any, between the Company's contribution and the HMO premiums through payroll deductions and shall authorize the Company in writing to make such deductions.

28.5 If an employee's membership is terminated by any of the Medical Plans for any reason, the Company shall have no obligation to make any further contribution with respect to such employee.

28.6 Upon marriage, an employee may transfer between medical plans within thirty (30) days after the marriage. All other employees who wish to transfer from one plan to another must wait for the reopening periods.

28.7 Pensioners and their dependents and employees who have accepted deferred retirement and their dependents, prior to January 1, 1986, will retain coverage in the Company Medical Plan or the HMO's provided until the pensioner or spouse attains age 65. Upon attaining age 65, the pensioner or spouse will be transferred to the Supplemental Medicare

Plans.

28.7.1 The Company will pay the total monthly premiums for pensioners and their dependents or employees who have accepted deferred retirement and their dependents, prior to January 1, 1986, who are covered by the Company Medical Plan or the total monthly premiums for the pensioner and spouse who are covered by the Company Supplemental Medicare Plan plus the monthly Medicare premium for those in the Company Supplemental Medicare Plan or the other Supplemental Medicare Plans.

28.7.2 If the pensioner and dependents are covered by the HMO's provided or the pensioner and spouse are covered by the Supplemental Medicare Plans, the Company will pay an amount equivalent to the monthly premiums for the corresponding Company Medical Plans.

28.7.3 Pensioners and their dependent who retire on or after January 1, 1986, will retain coverage in the Company Medical Plan (Modified) or the HMO's provided until the pensioner or spouse attains age 65. Upon attaining age 65, the pensioner or spouse will be transferred to the Company Supplemental Medicare Plan or the Supplemental Medicare Plans. The Company will pay up to the monthly premiums of the Company Medical Plan (Modified), or the Company Supplemental Medicare Plan plus the monthly Medicare premium for those in the Company Supplemental Medicare Plan or the other Supplemental Medicare Plans.

28.7.4 As of January 1, 1986, employees who accept deferred retirement and their dependents will not be covered by the Company Medical Plan.

28.7.5 Pensioners and their dependents who retire on or after September 1, 1988, will retain coverage in the Company Medical Plan (Modified) or the HMO's provided until the pensioner or spouse attains age 65. Upon attaining age 65, the pensioner or spouse will be transferred to the Company Supplemental Medicare Plan or the other Supplemental Medicare Plans. The Company will pay up to the monthly premiums of the Company Medical Plan (Modified) or the Company Supplemental Medicare Plan plus the Medicare premiums for those in the Company Supplemental Medicare Plan or the other Supplemental Medicare Plans for the pensioner and spouse. The pensioner shall pay 50% of the premium equivalent for all other dependents.

28.8 The benefits and services under the Medical Plans, are the total coverage extended; in the event of services or benefits being established or expanded by future County, State or Federal Law, either party upon thirty (30) days written notice may reopen the Agreement solely on the questions of the Medical Plan.

28.9 The coverage for dependents of a deceased pensioner shall cease one

year after the death.

28.10 Employees who terminate with less than fifteen years of creditable service and have not attained age 60, will not be eligible for Retired Medical Plan membership.

28.11 When spouses of employees attain age 65 and are enrolled in Medicare Part A and desire supplemental coverage, they must enroll in Medicare Part B and be transferred to the Company Supplemental Medicare Plan or the other Supplemental Medicare Plans. If the spouse enrolls in Medicare Part B and the Company Supplemental Medicare Plan, the Company will reimburse the spouse the monthly Medicare premium and pay the full cost of the Company Supplemental Medicare Plan, or an equivalent amount toward the other Supplemental Medicare Plans.

28.12 Spouses of active employees who attain age 65 may elect to remain a member of the group medical plan.

28.13 **Effective January 1, 2003, coverage for employees and their dependents will end thirty (30) days after termination of employment. Coverage for dependents will end on the date they become ineligible for coverage.** Employees and their legal dependents may have an opportunity to continue to participate in the Plan in accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA).

ARTICLE 29

WORKERS' COMPENSATION

29.1 A regular employee who is disabled as a result of an industrial accident shall receive compensation in accordance with the provisions of the Workers' Compensation Law of the State of Hawaii, except that the weekly compensation shall be increased to full pay up to thirty-nine (39) weeks. Full pay will be extended beyond thirty-nine (39) weeks, subject to a medical examination scheduled in accordance with Article 30, and provided that the majority of medical reports support the employee's position. If the majority of medical reports support the Company's position, the make whole provision for full pay shall terminate. During the time of such medical examination, the employee shall continue to receive full pay. However, if the majority of medical reports support the Company's position, the make whole provision for full pay beyond thirty-nine (39) weeks shall be recovered by the Company. Full pay shall be payable as of the first scheduled working day that the employee is absent because of disability; otherwise, all other provisions of the Law shall apply.

Full pay shall be computed so as to result in that net amount, after application of taxes, which would have been payable had the employee remained at work. However, full pay shall be offset by any payments made by the Company and/or its insurer to the employee under the wage replacement provision of the Hawaii No-Fault statute. The intent

is that the employee receives no more than full pay from all Company sources.

29.1.1 In no event during the absence due to the injury, will Workers' Compensation payments be greater or less than that net amount, after application of taxes which would have been payable had the employee remained at work.

29.2 Except as provided in Section 29.2.1, full pay for the purposes of this benefit shall be based on a forty (40) hour work week, and shall not include overtime or premium pay for Sundays or holidays, and shall be computed at the employee's basic rate of pay at the time disability began.

29.2.1 Full pay for an employee who requests a temporary work schedule of less than 40 hours shall be based on the number of hours the employee would have worked had the employee not been injured.

29.3 Full pay shall not be provided when an employee refuses to return to an alternate, or light duty, assignment for which the employee is medically qualified to perform based on restrictions, if any, as provided by the employee's treating physician. In this case, full pay shall be reduced and compensation shall be paid in accordance with the provisions of the Workers' Compensation Law.

29.4 When a regular employee is injured on the job, the Company will advise the employee of his/her rights regarding the personal selection of a treating physician in accordance with the Workers' Compensation Law.

ARTICLE 30

PROVISION FOR MEDICAL EXAMINATION

30.1 The Company will furnish medical examinations, to include drug testing, to employees as follows:

30.1.1 Pre-employment examinations to job applicants who have been offered employment, contingent upon successfully passing a physical examination.

30.1.2 Examinations to all regular employees requiring PUC licensing, and/or to meet any governmental regulation, for their job.

30.1.3 Such additional examinations from time to time for all employees as may be required by the State Department of Health, or when necessary by the Company.

30.2 All employees shall take any examination that the Company deems necessary in any instance.

30.3 The examinations shall be given by a physician or physicians selected by the Company. The cost of these examinations shall be borne by the Company and the time lost while being examined shall not be deducted from the employee's pay.

30.4 Should an employee disagree with the action taken by the Company pursuant to the findings of a physical examination, the employee may consult a physician at the employee's expense and shall present a written copy of the second examination to the Company. Should the findings of the second examination disagree with the first examination, the Company and the Union shall jointly select and pay for the cost of a third examination. The Company shall base its final action upon the majority report of the three physicians concerning the physical conditions of the employee.

ARTICLE 31

LEAVES OF ABSENCE

31.1 Leaves of absence (absence without pay for more than thirty (30) days) may be granted to regular employees who have at least one year of seniority for a reasonable period of time, for a reasonable purpose, including actual disability caused by illness or injury, or pregnancy, or union business.

31.2 At least 30 days prior to the expiration of a leave of absence the employee shall notify the Company of intention to return to work and the expected date of return. The Company will, thereafter, notify the employee of the date and position to which the employee shall return.

31.2.1 If the employee fails to timely notify the Company, at least 30 days prior to the expiration of the leave of absence of intention to return to work, the employee shall be deemed to have voluntarily quit.

31.3 The Company cannot guarantee that an employee will be returned to the employee's former position, but will make a reasonable effort to return the employee to the former or a similar position.

31.4 Employees on leave of absence for military service in the armed forces of the United States shall have all rights to reemployment guaranteed by law, not withstanding any other provision hereof.

31.4.1 Military leaves of absence will be granted by the Company to full-time regular employees who are members of a reserve component of the armed forces, the National Guard, or the Air National Guard, who are ordered to active duty or to attend annual military reserve training.

31.4.2 For annual military reserve training, the Company will pay the difference, if any, between the employee's military base pay and their pay at the basic wage rate that the employee would have earned during the period excused, up to a maximum of 10 tours of duty in one calendar year, not to exceed eight (8) hours per day. To be eligible for payment as described, the employee shall request, in writing, the time off for annual training prior to the start of the leave and, at the conclusion of training, furnish the Company evidence of the amount of military pay received.

31.4.3 Written requests for military leaves of absence for extended uniformed service must be accompanied with military orders from the unit or base the employee is assigned to and signed by a unit or base officer. Employees on extended military leaves of absence will not receive the difference in the employee's base pay and their military pay.

31.4.4 Employees returning from extended military leaves of absence will be eligible for reinstatement provided they do not voluntarily extend their period of service beyond five (5) years and notify the Company of their intent to return to work within 90 days of their honorable discharge. Employees meeting these requirements shall be returned to a position with the level of seniority, status, and pay that would have been available if military service had not intervened provided they can adequately perform the essential functions of the job.

ARTICLE 32

LEAVE ON UNION BUSINESS

32.1 An official of the Union elected or appointed to office which requires all of the official's time shall be granted a leave of absence without pay for the period of the term of office, but not to exceed three (3) years. Should the official be reelected or reappointed to another term of office, a renewal of the leave of absence without pay, not to exceed three (3) years shall be granted.

32.2 If, after six (6) years' leave of absence without pay on Union business, the official requests an extension of the leave of absence for the purpose of completing an unexpired term of office, such extension of leave may be granted solely at the discretion of management.

32.3 In carrying out the provision of this Article it is the express intent of the parties that any employee elected or appointed to an office of the Union which requires all of the employee's time, shall be granted not more than a total of six (6) years' leave of absence, and, in addition, a further extension in order to complete an unexpired term of office. At the end of this time no further leave of absence for the purpose of holding Union office shall be granted, and the employee so affected must either sever from the Company or return to active work with the Company for a period of at least five (5) years before being eligible for another leave of absence on Union business.

32.4 The number of such officials shall not exceed five at any one time. Such leaves of absences shall not be granted if the absence of the employees would disrupt the operation of any work group of the Company.

32.5 An official of the Union who is granted a leave of absence under the terms of this Article shall, while on leave, accrue seniority and length of service wage increases as though the official had been continuously employed in the job classification last held.

32.6 While on leave, the Company agrees to cover the employee under the Retirement System as if the employee remained in active service with the Company. Should the employee be a member of the Company's Medical and/or Dental Plans, the Company agrees to provide medical coverage in accordance with Article 28 and/or Article 39 of the Agreement.
Should the employee be a member of an HMO, the Company will pay toward the premiums of an employee and dependents an amount equal to that which it would be paying had the employee enrolled in the Company Medical Plan, provided the employee makes arrangements to pay the remaining amount on a current basis.
Should the employee be a member of the Company Group Insurance Plan at the time a Union leave of absence is granted, the Company agrees to continue the insurance in the amount then in force and pay its proportionate share as long as the Group Insurance Plan is in effect, provided the employee makes arrangements to pay the remaining amount on a current basis.

32.7 In the year that a collective bargaining agreement is negotiated, an hourly employee designated as a member of the Union's negotiating committee shall be granted a leave of absence to participate during the negotiation's period.

32.7.1 The Union shall be permitted to have a reasonable number of employees participate on its negotiating committee.

32.7.2 The time spent participating on the Union's negotiating committee shall be compensated by the Company for up to a maximum of six (6) employees, on the day formal negotiations begin, until the expiration of the agreement, unless mutually extended by both parties.

32.7.3 Compensation will be based on the employee's basic rate of pay and a forty (40) hour work week. In the event the Union elects to have more than six (6) employees on its negotiating committee, the Company's portion will be determined based on the following fraction: Six (6) divided by the total number of employees on the Union's negotiating committee. The Union will be responsible for the balance and will be invoiced as to the exact amount.

32.7.4 To minimize any inconveniences to these employees, the Company will continue to issue regular paychecks to ensure continuous payroll deductions elected by the employees.

ARTICLE 33

DEALING BETWEEN COMPANY AND UNION REPRESENTATIVES

33.1 So far as is reasonably possible, without any interference with operations, meetings between representatives of the Union and the Company, held pursuant to the provisions of the grievance procedure set forth in Article 9, will be held during regularly scheduled working hours without loss of

straight time pay, provided, however, that compensation will not be paid for time in excess of a normal tour of duty.

33.2 The Union shall, within thirty (30) days subsequent to the ratification of this Agreement, provide the Company with a list of their officers and shop stewards, together with a statement of the authority of these officers and shop stewards insofar as dealings with the Company are concerned. The Union shall keep the Company informed promptly of any changes in personnel in these offices. The Company may refuse to deal with any Union member on Union business unless the member has been properly accredited as stated above.

33.3 The Company shall likewise, within the above specified time limit, provide the Union with a list of its representatives by name and/or title who are authorized to deal with the Union on matters involving Company-Union relations and procedures. The Union may refuse to deal with any Company official on Union business unless the representative has been properly accredited as stated above.

33.4 The Company agrees to furnish the Union on a semi-annual basis, an alphabetical list by island of all employees in the bargaining unit showing employee number, work group, job classification, wage rate, employment date and status.

33.5 The Company agrees to furnish the Union on a semi-annual basis, a service date list, by job classification, by island, of all employees in the bargaining unit.

ARTICLE 34

RIGHT OF ACCESS TO COMPANY'S PROPERTY

34.1 The Company shall grant to any properly authorized representative of the Union the right to be on Company premises to investigate grievances and complaints, post Union bulletin board notices, and discuss Union business with Union officials or shop stewards, provided such contacts do not interfere with work operations.

34.2 The Union agrees that neither the Union nor its members shall use Company communications or other facilities provided specifically for Company use, for the conducting of Union business.

ARTICLE 35

BULLETIN BOARDS

35.1 The Company shall provide suitable bulletin boards for the purpose of posting notices of the Union and other business of the Union, provided all such notices are signed and posted by officials of the Union. The Union shall not be permitted to post any document on such bulletin boards containing any inflammatory, scurrilous or intemperate language or any language derogatory to the Company or its employees or in any way reflecting upon the Company or any of its employees.

ARTICLE 36

WAGES

36.1 The schedules shown in Attachment I shall be followed for the classifications indicated. An employee's work records will be reviewed after the employee has worked six months at a particular rate and if, in the judgment of the Company, the employee is making satisfactory work progress, the increase to the next higher rate in the schedule will be granted. All progression increases will become effective on the first day of that pay period. In the event an employee's increase is not granted because of not making satisfactory work progress, the employee's performance will be reviewed monthly until performance is considered satisfactory, at which time the increase will be granted.

36.1.1 An employee whose rate of pay as a result of the wage schedule conversion on September 1, 1977 is higher than the top rate for the employee's job classification shall receive all future general increases in the amount by which the top rate for the job classification is increased, provided the employee remains in the same wage schedule. In the event the employee transfers to another job in a different wage schedule this section shall no longer be applicable and the wage rate shall be determined in accordance with other appropriate provisions of this Agreement.

36.1.2 Any employee whose job classification is reduced to a lower wage schedule as a result of the 1987 Hourly Job Evaluation shall continue at the current wage rate and shall receive all future general and progression increases of the employee's previous wage schedule. In the event the employee transfers to another job classification in a different wage schedule, this section shall no longer be applicable and the employee's wage rate shall be determined in accordance with other appropriate provisions of the Agreement.

36.1.3 The following job classifications will not be back-filled and incumbents shall continue at their current wage rate and shall receive all future general and progression increases of their current wage schedule provided they remain in the same wage schedule. In the event an employee transfers to another job in a different wage schedule, this section shall no longer be applicable and the wage rate shall be determined in accordance with other appropriate provisions of this Agreement:

Job Classification	Wage Schedule
Accounting Assistant	3
Air Conditioning Mechanic	9
Apparatus Repairer	7
Balance and Control Assistant	7
Billing Equipment Operator	2

Job Classification	Wage Schedule
Building Custodian	1
Building Maintenance Technician	7
Cabinet Maker	7
Cashier	4
Circuit Designer	12
Clerical Assistant	**2**
Coin Collector	5
Correspondence Stenographer	2
Customer Facilities Technician	10
Data Entry Operator	2
Electrician	9
Electro-Mechanical Maintainer	10
Equipment Repairer	10
Equipment Technician	6
Frameworker	5
General Cashier Assistant	3
Inventory Analyst	5
Job Scheduler	7
Junior Accountant	7
Leader Drafter	8
Leader Material Distributor	7
Leader Switching Technician	12
Library Assistant	5
Mail Clerk	1
Material Clerk	4
Metal Fabricator	10
Motor Pool Attendant	**1**
Office Clerk	1
Painter	7
Press Operator	3
Pressurization Equipment Repairer	10
Print Shop Helper	**1**
Production Technician	**7**
Public Access Sales Technician I	**8**
Public Access Sales Technician II	**7**
Senior Accounting Assistant	5
Senior Computer Operator	9
Senior Correspondence Stenographer	4
Senior Data Entry Operator	4
Senior Press Operator	5
Senior Service Representative	7
Service Assistant	6
Service Observer	3
Service Results Assistant	5
Special Services Assistant	4
Statistician	7
Teller	3

Job Classification	Wage Schedule
Vivid Advocate	10

Should the Company find it necessary to fill any of these jobs in the future, and the job content of the job does not change, the affected job shall be placed in the appropriate wage schedule indicated in this Section.

36.2 An employee who is selected for a promotion shall be transferred whenever possible to the higher position within two (2) pay periods after the date of the employee's acceptance. In the event the transfer cannot be effected by the last day of the second pay period, the promotion shall become effective on the first day of the second pay period following the employee's acceptance date, provided the employee is not absent from work. If the employee is absent from work because of vacation, illness, or any other reason, the promotion shall become effective the pay period the employee returns to work.

36.3 An employee who is promoted to the position of a Leader or Leader Material Handler shall receive on the date of promotion the rate which is 10 cents per hour more than the top rate, as set forth in Article 36, of the highest classification among the employees supervised, or the nearest rate of pay on the new schedule which is at least 3% higher than the employee's present wage rate, whichever is higher.

36.3.1 An employee promoted under 36.3 to a job formerly held on a regular basis, within four (4) years since leaving the former job, shall receive an additional increase of two (2) steps for each full year the former job was held. No employee, however, shall receive a rate higher than which the employee would receive if the employee remained in the former job.

36.3.2 An employee promoted under 36.3 to a job formerly held on a regular basis, within four (4) to eight (8) years since leaving the former job, shall receive an additional increase of one (1) step for each full year the former job was held. No employee, however, shall receive a rate higher than which the employee would receive if the employee remained in the former job.

36.4 The wage rate of an employee who is promoted to any job other than those set forth in Section 36.3 after attaining the minimum qualifying score in accordance with the procedures contained in Article 12 shall be increased on the date of promotion to the nearest rate of pay on the new schedule which is at least 3% higher than the employee's present rate.

36.4.1 An employee promoted under 36.4 to a job formerly held on a regular basis, within four (4) years since leaving the former job, shall receive an additional increase of two (2) steps for each full year the former job was held. No employee, however, shall receive a rate higher than which the employee would receive if the employee remained in the former job.

36.4.2 An employee promoted under 36.4 to a job formerly held on a regular basis, within four (4) to eight (8) years since leaving the former job, shall receive an additional increase of one (1) step

for each full year the former job was held. No employee, however, shall receive a rate higher than which the employee would receive if the employee remained in the former job.

36.5 The wage rate of an employee who is promoted to any job other than those set forth in Section 36.3 even though the employee did not attain the minimum qualifying score in accordance with the procedures contained in Article 12 shall be increased to the next higher rate of pay on the new schedule, provided it is less than 3% higher than the employee's rate prior to the promotion; if it is greater than 3% the employee shall not receive any increase except that no employee shall receive a rate lower than the start rate for the job classification.

36.5.1 Such an employee will be given another opportunity to attain the qualifying score in accordance with the procedures contained in Article 12. If, six months after the transfer, the employee has not applied for retesting the employee will be eligible for a progression increase to the next higher rate in the wage schedule if the employee's work is satisfactory. If the employee attains the minimum qualifying score upon retesting, the rate of pay will be adjusted, effective on the date of retesting, to the rate the employee would have been receiving had the employee qualified previously.

36.6 The wage rate of an employee who is transferred to another job in the same wage schedule shall remain unchanged. The employee will be reviewed for the next progression increase after working six months from the date of the last progression increase.

36.7 The wage rate of an employee who is demoted to a job of a lower classification shall be reduced to the nearest rate of pay on the new schedule which is lower than the employee's present rate, except as set forth in Sections 36.7.1 and 36.7.2.

36.7.1 The wage rate of an employee who is affected by a reduction in force shall be reduced as provided in Section 36.7 or to the rate the employee would be receiving if the employee had remained in the job to which the employee is reduced, whichever is higher.

36.7.2 The wage rate of an employee who is demoted to a job of lower classification within one year of promotion shall be reduced to the rate of pay which the employee would have received had the employee remained in the lower classification.

36.8 The work record of an employee promoted in accordance with Section 36.3 or 36.4 will be reviewed six months from the date of the last progression increase and, if the employee is making satisfactory progress, be eligible for a progression increase to the next higher rate in the wage schedule.

36.9 An employee may be granted an additional increase to the next higher hourly rate as shown in the wage progression schedule during each service year, as long as such increase does not result in the employee being paid more per hour than the top rate for the classification, if in the

judgment of the Company the employee is outstanding in the performance of duties.

36.9.1 The selection of employees who shall be granted such a merit increase during their service year, as provided above, shall be made by the Company on the basis of merit and the decision of the Company on such merit increases shall be final.

36.9.2 In the application of the above provisions the term "merit" shall include, but not be limited to, ability, cooperation, effort, quality and quantity of work, and attendance record.

36.10 Whenever a new job is created or the job content of an existing job is changed the Company will submit a job description to the Union. If the rate for the job classification does not appear in Article 36 of the Agreement, it shall be determined jointly by the Company and the Union. If the job classification appears in Article 36 but the Union feels that the classification or rate for the new or amended job is not proper, it shall be determined jointly by the Company and the Union. In the event that a joint agreement on a job classification cannot be reached within forty-five (45) days, the Company and the Union agree to begin Expedited Labor Arbitration Procedures in accordance with the American Arbitration Association rules within five (5) working days. It is the understanding that only one (1) staff member from the Union and one (1) staff member from Human Resources will be involved in the hearing conducted by the arbitrator.

36.11 Assigning Titles: The assignment of a particular title to an employee does not mean that the employee shall perform only the kind of work coming under the title classification, nor that certain kinds of work shall be performed exclusively by certain classifications of employees.

36.11.1 An employee who is regularly assigned to more than one class of work covered by the titles listed shall be classified under the title which covers the work on which the employee is engaged for the greater part of the time.

36.12 When, as a result of a medical examination made pursuant to the provisions of Article 30, an employee is determined to be unable to perform the work required by the employee's job classification because of ill health or infirmity, and the Company is of the opinion that the employee is capable of performing work in another job classification in which there is an opening, then the Company may transfer the employee to the other job classification rather than retire the employee.

36.13 When an employee is transferred to a new job classification pursuant to the provisions of Section 36.12 above, the wage rate will be determined on the following basis:

36.13.1 If the top rate of the classification to which the employee is transferred is higher than the rate the employee is receiving at the time of transfer, the employee will continue at the current rate for six months after which the employee will be eligible for a progression increase to the next higher rate in the wage schedule, if work is satisfactory.

36.13.2 If the top rate of the classification to which the employee is transferred is lower than the rate the employee is receiving at the time of transfer, the rate will be determined as follows:

36.13.2.1 If the employee has at least ten (10) years of service, the rate of pay will be reduced to a rate equal to the top rate of the classification to which the employee is transferred, plus a percentage, according to the length of service, of the difference between the employee's current rate of pay and the top rate of the classification to which the employee is transferred. The employee shall continue at this rate until the rate of the job classification to which the employee is reduced meets or exceeds the rate of pay the employee is receiving, at which time the employee's wage rate shall be determined in accordance with other appropriate provisions of the Agreement.

(Schedule follows)

Years of Service	Percentage
10 but less than 11	50
11 but less than 12	55
12 but less than 13	60
13 but less than 14	65
14 but less than 15	70
15 but less than 16	75
16 but less than 17	80
17 but less than 18	85
18 but less than 19	90
19 but less than 20	95
20 and over	100

36.13.2.2 The employee's rate, if the employee has less than ten (10) years' service, will be determined in accordance with Section 36.7.

36.14 When changes in operating procedures cause the elimination of a job, and the Company is of the opinion that the affected employee is capable of performing work in another classification in which there is an opening, then the Company and Union may mutually agree to transfer the employee to the other job classification, providing it does not result in a promotion.

36.15 An employee may be temporarily assigned to perform work in another job classification in the same or lower wage schedule without payment of a differential or loss of pay.

ARTICLE 37

PENSION PLAN

37.1 The Company's pension plan, which is printed separately, is made a part

of this Agreement.

ARTICLE 38

GROUP LIFE INSURANCE PLAN

38.1 The Company will make available a Life Insurance Plan to employees covered by this Agreement. The selection of the carrier and the administration of the Life Insurance Plan will rest with the Company provided the level and quality of the benefit remains the same. The benefits provided by the plan will not be discontinued or amended without the agreement of the Company and Union. Details of the plan will be described in a pamphlet which will be distributed to all employees.

38.2 Effective January 1, 2003, coverage will end thirty (30) days after termination of employment.

ARTICLE 39

DENTAL PLAN

39.1 The Company will make available a Dental Plan to employees covered by this Agreement. The selection of the carrier and the administration of the Dental Insurance Plan will rest with the Company provided the level and quality of the benefit remains the same. The benefits provided by this plan will not be discontinued or amended without the agreement of the Company and the Union.

39.2 For all **regular full-time** employees and their dependents, the Company will pay all of the premium **equivalent** for the Company Dental Plan.

39.3 **Effective January 1, 2003, coverage for employees and their dependents will end thirty (30) days after termination of employment. Coverage for dependents will end on the date they become ineligible for coverage.** Employees and their legal dependents may have an opportunity to continue to participate in the Company's dental plan in accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA).

ARTICLE 40

CONTRACTING OF WORK

40.1 The Company will not enter into contracts for telephone Plant craft work without first notifying the Union and discussing the proposed contract. The Company agrees that such contracting of work shall not result in the layoff or part-timing of regular employees in the same affected job classification.

ARTICLE 41

JURY DUTY

41.1 The Company will pay an employee the difference, if any, between jury duty fees and pay for that portion of the scheduled tour of duty that the employee spends on jury duty.

41.2 The supervisor may permit the employee to report to the courtroom or to go home from the courtroom without reporting to work, if, in the supervisor's judgment, the employee will be on the job for such a short time as to make such reporting impracticable. In all other cases, employees must report for work prior to going on jury duty; they will be allowed a reasonable amount of time to report to the courtroom. They must also return to work within a reasonable amount of time if they are discharged by the court before the end of their work day.

41.3 If, in the judgment of the Company, it is feasible to do so, an employee who is scheduled to work an evening or night shift will be rescheduled to work regular day hours. If such a change is made, no premium under Section 14.3 shall apply.

41.4 An employee whose normal tour of duty starts less than eight (8) hours after being relieved from jury duty may, if the employee chooses, be excused from a part of the following normal tour of duty. The employee must report to work no later than eight (8) hours after being relieved from jury duty. If the employee chooses to be excused, the employee must notify the supervisor no later than the scheduled starting time.

41.4.1 The employee will be paid the difference, if any, between jury duty fees and the pay at the basic wage rate that the employee would have earned during the period excused.

41.5 An employee whose normal tour of duty ends less than eight (8) hours prior to serving on jury duty may, if the employee chooses, be excused eight (8) hours prior to the time the employee is to report for jury duty. If the employee chooses to be excused, the supervisor must be notified prior to leaving the job.

41.5.1 The employee will be paid the difference, if any, between jury duty fees and the pay at the basic rate that the employee would have earned during the period excused.

41.6 Upon request, pay advances in an amount equivalent to jury duty fees, will be made to employees. Upon receipt of jury duty fees, the employee shall reimburse the Company.

ARTICLE 42

DURATION OF AGREEMENT

42.1 The Agreement is effective and binding upon the parties from **August 25, 2002** to and including **September 1, 2007**.

42.2 The Agreement shall be deemed renewed from year to year thereafter unless either party serves written notice upon the other of its desire to

terminate or to modify its provisions. The written notice must be served at least sixty (60) calendar days prior to the last day of its original or any yearly extended term, but no more than seventy-five (75) days prior to the last day of its original or any yearly extended term. Desired modifications, if any, shall be specified in the written notice.

42.3 If the aforesaid notice of termination or modification is served by either party, then this Agreement terminates upon the expiration of its original term or its yearly extended term.

ARTICLE 43

DOCUMENT CONTAINS ENTIRE AGREEMENT

43.1 This document contains the entire Agreement of the parties and neither party has made any representations to the other which are not contained herein.

43.2 This Agreement shall not be amended, modified, changed, altered, or waived except by written document executed by the parties hereto. IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have executed this Agreement on the 3rd day of May 2002.

VERIZON HAWAII INC.

Patti Ching
Manager-Labor Relations

Company Negotiating Committee:

Patti Ching
Manager-Labor Relations

s/Patti Ching
s/Candace Donohoe
s/Melvyn Hayamoto
s/Gary Heu
s/Gerald Noda
s/Valerie Tam

LOCAL UNION 1357,
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
A.F. OF L. - C.I.O.

George Stender
Its President

Union Negotiating Committee:

Harold J. Dias, Jr.
Chief Negotiator

s/Harold Dias, Jr.
s/Tanya Awong
s/Ted Furukado
s/Julie Kaupu
s/Scot Long
s/Joseph Medeiros
s/Arthur Simpson
s/Milton Souza
s/George Stender
s/Michael Woo
s/Allen Yamashita

EXHIBIT "A"

ASSIGNMENT OF WAGES TO COVER UNION DUES AND INITIATION FEE

TO: VERIZON HAWAII INC.

I hereby assign to Local Union 1357, International Brotherhood of Electrical Workers, A.F. of L.-C.I.O., and authorize you pursuant to your agreement with the Union to deduct from my wage not more than One-Hundred Dollars ($100.00) as an initiation fee, and an amount not to exceed One-Hundred Dollars ($100.00) a month for dues as certified to you in writing by the Union and pay over monthly to it the amount so deducted. Any changes in the amount to be deducted shall be made on a monthly basis, provided the changes are certified and presented to you in writing by the Union on or before the tenth day of each month.

This deduction from wages shall be made monthly, and shall become effective in the current month if this assignment is received by the Company before the 10th day of the month, otherwise in the next succeeding month.

This assignment is automatically canceled when my employment ends, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Agreement.

Date _____

_____

Employee

Address _____

The foregoing assignment is hereby accepted.

VERIZON HAWAII INC.

By _____

EXHIBIT "B"

ASSIGNMENT OF WAGES TO COVER SERVICE CHARGE EQUAL TO UNION DUES

TO: VERIZON HAWAII INC.

I hereby assign to Local Union 1357, International Brotherhood of Electrical Workers, A.F. of L.-C.I.O., and authorize you, pursuant to our collective bargaining agreement with the Union, to deduct from my wages a service charge not to exceed One-Hundred Dollars ($100.00) a month which shall represent the equivalent of monthly dues uniformly charged Union members as certified in writing by the Union, and to pay over monthly to the Union the amount so deducted. Any changes in the amount to be deducted shall be made on a monthly basis, provided the changes are certified and presented to you in writing by the Union on or before the tenth day of each month.

This deduction from wages shall be made monthly, and shall become effective in the current month if this assignment is received by the Company before the 10th day of the month, otherwise in the next succeeding month.

This assignment is automatically canceled when my employment ends, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Collective Bargaining Agreement, or when the collective bargaining agreement no longer contains an agency shop clause.

Date _____

_____
Employee

Address _____

The foregoing assignment is hereby accepted.

VERIZON HAWAII INC.

By _____

EXHIBIT "C"

ASSIGNMENT OF WAGES TO COVER INSURANCE PREMIUMS

TO:. VERIZON HAWAII INC.

I hereby assign to Bank of Hawaii and authorize you to deduct from my wages and pay over to said bank monthly, an amount not exceeding One-Hundred Dollars ($100.00) a month, as certified to you in writing by the Union, to cover and pay for Union group life plan premiums. Changes in the amount to be deducted for life insurance premiums shall only be made in the months of June and December, provided the changes are certified and presented to you in writing by the Union on or before the tenth day of each of the foregoing months.

This deduction from wages shall be made monthly, and shall become effective in the current month if this assignment is received by the Company before the 10th day of the month, otherwise in the next succeeding month.

This assignment is automatically canceled when my employment ends, or when I revoke my authorization to deduct Union dues from my wages, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Agreement.

Date _____

_____
Employee

Address _____

The foregoing assignment is hereby accepted.

VERIZON HAWAII INC.

By _____

EXHIBIT "D"

ASSIGNMENT OF WAGES TO THE UNION TO COVER UNION DISABILITY INCOME PROTECTION PREMIUMS

TO:. VERIZON HAWAII INC.

I hereby assign to Local Union 1357, International Brotherhood of Electrical Workers, A.F. of L.-C.I.O., and authorize you pursuant to your agreement with the Union to deduct from my wages the amount stipulated below for Union Disability Income Protection Premiums. The amount so deducted shall be sent to Grand Pacific Life Insurance Co., Ltd.

This deduction from wages shall be made monthly, and shall become effective in the month in which this assignment is received by the Company before the 20th day of the prior month, otherwise in the next succeeding month.

This assignment is automatically canceled when my employment ends, or when I revoke this authorization, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Agreement.

Date _____ Employee Number _____

Employee Signature _____ Social Security Number _____

Monthly Premium _____

Policy Number(s) _____

_____

The foregoing assignment is hereby accepted.

VERIZON HAWAII INC.

By _____

EXHIBIT "E"

ASSIGNMENT OF WAGES TO THE UNION TO COVER UNION SUPPLEMENTAL LIFE INSURANCE PREMIUMS

TO: VERIZON HAWAII INC.

I hereby assign to Local Union 1357, International Brotherhood of Electrical Workers, A.F. of L.-C.I.O., and authorize you pursuant to your agreement with the Union to deduct from my wages the amount stipulated below for Supplemental Life Insurance Premiums. The amount so deducted shall be sent to Hawaiian Life Insurance Co., Ltd.

This deduction from wages shall be made twice per month, in equal amounts, and shall become effective in the month in which this assignment is received by the Company before the 20th day of the prior month, provided that both deductions can be made during that month, otherwise in the next succeeding month. Any changes in the amount to be deducted shall only be made in the month of June and in the month of December, provided the changes are certified and presented to you in writing by the Union.

This assignment is automatically canceled when my employment ends, or when I revoke this authorization, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Agreement.

Date _____ Employee Number _____

Employee Signature _____

Social Security Number _____ Monthly Premium _____

The foregoing assignment is hereby accepted.

VERIZON HAWAII INC.

By _____

EXHIBIT "F"

ASSIGNMENT OF WAGES TO THE UNION TO COVER EMPLOYEE DONATIONS TO THE UNION POLITICAL ACTION COMMITTEE

TO: VERIZON HAWAII INC.

I hereby assign to Local Union 1357, International Brotherhood of Electrical Workers, A.F. of L.-C.I.O., and authorize you pursuant to your agreement with the Union to deduct from my wages the amount stipulated below to the IBEW Local Union 1357 Political Action Committee. The amount so deducted shall be sent to the Hawaiian Tel Federal Credit Union.

This deduction from wages shall be made once monthly, and shall become effective in the month in which this assignment is received by the Company before the 20th day of the prior month, otherwise in the next succeeding month.

Any changes in the amount to be deducted shall only be made in the month of June and in the month of December, provided the changes are certified and presented to you in writing by the Union.

This assignment is automatically canceled when my employment ends, or when I revoke this authorization, or when I cease to be employed in a capacity represented by the bargaining unit as set forth in Article 2 of the Agreement.

Date _____ Employee Number _____

Employee Signature _____

Social Security Number _____

Monthly Contribution _____

The foregoing assignment is hereby accepted:

VERIZON HAWAII INC.

By _____

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

ADOPTION ASSISTANCE

1. Effective January 1, 2003, Verizon agrees to make available the opportunity for regular full time employees of the company who are covered by the collective bargaining agreement to participate in the Adoption Assistance Plan which allows employees to claim reimbursement of expenses up to $10,000 per adopted child in accordance with existing Plan provisions.

2. The selection of the administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company. No matter concerning the Adoption Assistance Plan or any difference thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.

3. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

ADOPTION ASSISTANCE PLAN

- Regular active status full time employees are eligible for this benefit
- Available from the first day of active employment
- Adopted child must be:
  - Under 18 years of age
  - Over 18 years of age and physically or mentally incapable of caring for him/herself
- Includes adoption of a step child
- Reimbursement must be submitted within 90 days of adoption finalization
- Only expenses incurred during active service are eligible for reimbursement
- Covered expenses:
  - Legal fees and court costs
  - Temporary childcare expenses prior to placement
  - Necessary medical expenses for child being adopted
  - Private or public adoption agency fees
  - Medical expenses for biological mother
  - Adoption-related transportation/travel expenses
- Expenses not covered:
  - Expenses for the biological parents other than medical expenses related to the birth of child
  - Voluntary donations/contributions to the agency
  - Guardianship or custody expenses unrelated to adoption
- Maximum Expenses
  - $10,000 for each eligible employee (no duplicate of expenses for employees who are both employed by Verizon)

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

ALTERNATIVE DISPUTE RESOLUTION

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 mutually agree to explore the feasibility of adopting an alternative to resolving disputes before resorting to arbitration. Both parties will appoint a committee, consisting of an equal number of Union and Company representatives, but not more than three, to review, research and develop recommendations on an alternative approach to resolving disputes in a timely, cost-effective manner. Recommendations will be submitted to the Union's Business Manager and the Company's Labor Relations Manager for final review/approval.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

BASIC LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue, without endorsement, the Basic Life Insurance & Accidental Death & Dismemberment (AD&D).

2. **Eligibility for the Plan begins on date of hire.**

3. For a summary of details refer to the Life Insurance Summary Plan Description (SPD). See Attachment for highlights of the Plan.

4. The Plan will be administered solely in accordance with its provisions, and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Basic Life Insurance & AD&D, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

ATTACHMENT

LIFE INSURANCE

	Option 1	Option 2	Option 3
Basic Life Insurance	Equal to two times annual pay rounded to the next highest $1,000	Equal to one times annual pay rounded to the next highest $1,000	$10,000
Accidental Death and Dismemberment	*In addition to the above:* Equal to two times annual pay rounded to the next highest $1,000	*In addition to the above:* Equal to one times annual pay rounded to the next highest $1,000	*In addition to the above:* $10,000

BUSINESS TRAVEL ACCIDENT is not part of the Basic Life Insurance & AD&D program and is provided to the employee automatically. Payment is equal to three times annual pay rounded to the next highest $1,000

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

BUSINESS ATTIRE

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 recognize the necessity to enhance and promote a professional businesslike image in the highly competitive telecommunications workplace. Therefore, Standard Business Attire may be required of employees in classifications with face to face customer contact.

These include:

- Business Zone Technician I or its equivalent
- Business Zone Technician II or its equivalent
- Customer Zone Technician I or its equivalent
- Customer Zone Technician II or its equivalent
- Customer Zone Technician III or its equivalent
- Public Communications Sales Technician / Collector – Maintainer or its equivalent

Any other classification can be offered this program on a voluntary basis at any time. Additional job classifications required to wear Business Attire under this program may be included by mutual agreement.

The Business Attire Program includes the following features:

- An annual stipend toward the purchase of Business Attire for the affected employees of up to $200 the first year and up to $150 per year thereafter.
- An oxford style shirt in colors determined by the Company (Aloha cut in Hawaii).
- Polo style shirts will be offered as an option to the oxford.
- Any cost in excess of the stipend outlined above will be borne by the employee.
- A Company approved oxford or polo style shirt must be worn each day an employee works.
- Shirts may be ordered with or without Union lettering.
- Baseball style Verizon caps, which must be worn if employees desire to wear a hat at work.
- The company may modify the features of this plan, at anytime, provided the costs of any changes are not borne by the employee. These modifications could include, but are not limited to, changing from annual stipend to company provided or rental, style of shirt, color of shirts, etc. The provisions of this MOA have been entered into in good faith, and it is not the Company's intent to

arbitrarily modify or eliminate any features of the plan during the term of this agreement.

The Company will discuss any modifications to the plan or change of vendor with the Unions prior to implementation. These discussions will be designed to provide the rationale and receive input from the unions of the modifications being contemplated.

The employee will be responsible for the normal cleaning and continued upkeep of the clothing items unless state regulations provide otherwise.

It is further the intent of this Memorandum of Agreement (MOA) that all employees will exercise good judgement and common sense in projecting the proper professional image appropriate for their assignment and be neat, clean and well groomed.

This MOA will become effective August 25, 2002 and remain in effect until September 1, 2007. The Company may terminate this MOA with 30 days notice to the Union should it decide to no longer require business attire to be worn by employees in the above referenced job classifications. Otherwise, the parties specifically agree that all the terms and conditions set forth in this MOA shall also expire on September 1, 2007, and shall not survive the expiration of this MOA, unless agreed to by the parties in writing.

This MOA applies to Verizon's Region Operations but does not apply to bargaining units in Verizon Supply, Buried Services Group, Customer Networks and Verizon Government Systems.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

BUSINESS SOLUTIONS GROUP
INCENTIVE COMPENSATION PLAN

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the Business Solutions Group Incentive Compensation Plan set forth in this Memorandum of Agreement.

2. For a summary of details, refer to the attachment entitled Business Solutions Group Incentive Compensation Plan.

3. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

CALLOUT COMMITTEE

VERIZON HAWAII and IBEW Local Union 1357 agree to establish a Callout Committee to review and address callout issues. The committee shall be comprised of designated management and Union representatives.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

COMPANY COMPREHENSIVE MEDICAL PLAN

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the provisions of the Company Comprehensive Medical Plan set forth in this Memorandum of Agreement.

2. For a summary of details refer to the attachment entitled Company Comprehensive Medical Plan Highlights.

3. Some of the major provisions include:

   A. **Company premium contribution effective from date of hire or the date which the employee enrolls, whichever is later.** The Company premium contribution will be based on the Company Comprehensive Medical Plan. The difference between this contribution and the cost of any other plans offered may result in no employee contribution.

   B. Maintenance of Benefits permitted to the level of benefits provided in the Medical Plan.

   C. Lifetime benefit limits of $1,000,000. **Effective January 1, 2003 lifetime benefit limits will increase to $2,000,000.**

   D. Employees who elect not to enroll themselves or their eligible dependents in a company-sponsored medical plan or HMO will be eligible for an annual "opt out" credit of five hundred dollars ($500). This credit will be given to the employee over twelve (12) months on his/her bi-weekly paycheck. In order to be eligible for this credit, the employee may be required to provide satisfactory evidence of medical coverage upon request.

   E. **Effective January 1, 2003, a hearing aid benefit will be added to the Company Comprehensive Medical Plan. This benefit will provide coverage for expenses for a hearing examination by a licensed audiologist or physician, the hearing aid device,**

molds, repairs, hearing aid check and batteries. The maximum reimbursement under this benefit is $1,000 per covered individual every twenty-four (24) months. The benefit is not subject to deductible, co-pays or R&C and there are no separate maximums for any in or out of network expenses. Hearing aids are covered for all hearing impairments that are a result of birth defect, illness, accident and/or injury and progressive loss of hearing. Replacement and repair of hearing aids are covered unless due to misuse or loss.

4. The Company Comprehensive Medical Plan will be administered solely in accordance with its provisions, and no matter concerning the Company Comprehensive Medical Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.

5. The selection of the Health Care Plan Administrator, the administration of the Company Comprehensive Medical Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

6. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Company Comprehensive Medical Plan, shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
General		
Lifetime Maximum (No automatic restoration)	$1,000,000 (Effective January 1, 2003, maximum increases to $2,000,000)	$1,000,000 (Effective January 1, 2003, maximum increases to $2,000,000)
Calendar Year Deductible (No carry over)	Employee Only **$150** Employee + 1 $300 Employee + 2 or more **$450**	Employee Only **$150** Employee + 1 $300 Employee + 2 or more **$450**
Out of Pocket Maximums	Employee Only $1,500 **Employee + 1 $3,000** Employee + 2 or more $4,500	Employee Only $1,500 **Employee + 1 $3,000** Employee + 2 or more $4,500
Hospital Services (Subject to Care Coordination)		
Room and Board	80% of negotiated rate after deductible satisfied. * • Semi Private Room • Intensive & Cardiac Care Units	70% of R&C after deductible satisfied. • Semi Private Room • Intensive & Cardiac Care Units
Emergency Outpatient for Accidents	80% of negotiated rate after deductible satisfied. *	**80%** of R&C after deductible satisfied.
Preadmission Tests	100% of negotiated rate **after deductible satisfied**. * (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)	**100% of R&C after deductible satisfied**. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Inpatient Services Supplies	80% of negotiated rate after deductible satisfied.	60% of R&C after deductible satisfied.
Professional Services		
Doctor's Surgical Charges	80% of negotiated rate after deductible satisfied. *	60% of R&C after deductible satisfied.
Outpatient Surgery	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Doctor's Office Visits	$15 per visit *	60% of R&C after deductible satisfied.
Doctor's Home Visits	80% of negotiated rate after deductible satisfied. *	60% of R&C after deductible satisfied.
Maternity	$15 office visit copay, first visit only. * Covered the same as any other illness or injury.	60% of R&C after deductible satisfied.
High Risk Maternity (If Care Coordination recommends special care because pregnancy is considered high risk)	Physician and hospital charges are paid at 100%, no deductible. *	60% of R&C for physicians, 70% of R&C for hospital charges after deductible satisfied.
Nurse/Midwife	80% of negotiated rate after deductible satisfied. *	60% of R&C after deductible satisfied.
Birthing Center	60% of negotiated rate after deductible satisfied. *	60% of R&C after deductible satisfied.
Artificial Insemination & In Vitro Fertilization (Subject to Care Coordination)	Limited to 50% of charges to a maximum of $15,000 per lifetime. ($15,000 applies to overall lifetime maximum.)	Limited to 50% of charges to a maximum of $15,000 per lifetime. ($15,000 applies to overall lifetime maximum.)
Other Services		

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Chiropractor Services	$15 copay * (12 visits per year threshold. Additional services are covered if approved by Care Coordination.)	80% of R&C after deductible satisfied. (12 visits per year threshold. Additional services are covered if approved by Care Coordination.)
Diagnostic X-ray & Lab Tests	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Physical & Occupational Therapy	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Radiation Therapy	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Speech Therapy	80% of negotiated rate after deductible satisfied. * (20 visit limit per calendar year.)	80% of R&C after deductible satisfied. (20 visit limit per calendar year.)
Transplants (Subject to Care Coordination)	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness. • Travel & Lodging lifetime maximum of $10,000. • Lodging & Meal Allowance of $50 individual / $100 family per day.	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness. • Travel & Lodging lifetime maximum of $10,000. • Lodging & Meal Allowance of $50 individual / $100 family per day.

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
	Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to $25,000.	Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to $25,000.
Corrective Appliances & Artificial Limbs	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Home Rental of Durable Medical Equipment	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Oral Surgeries	80% of negotiated rate after deductible satisfied. * (Surgery meeting medical necessity guidelines covered.)	80% of R&C after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)
Voluntary Sterilization	80% of negotiated rate after deductible satisfied. *	80% of R&C after deductible satisfied.
Home Health Care (Subject to Care Coordination)	100% coinsurance. (No deductible required up to 52 HHC visits in a calendar year.)	80% of R&C after deductible satisfied. (Up to 52 visits per calendar year)
Skilled Nursing Facility (Subject to Care Coordination, in lieu of hospitalization)	80% of negotiated rate after deductible satisfied. * (Semi-private rate - 120 days per calendar year.)	80% of R&C after deductible satisfied. (up to 120 days per calendar year)

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Hospice Care (Subject to Care Coordination)	Hospice Facility - 100% of R&C, no deductible; At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C; Bereavement Counseling - 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses for an **unlimited number of counseling services** for the patient and covered family members.)	Hospice Facility - 100% of R&C, no deductible; At Home Hospice (if life expectancy is less than 6 months) - 100% of R&C; Bereavement Counseling - 100% of R&C (While patient is in Hospice care, plan covers reasonable expenses for an **unlimited number of counseling services** for the patient and covered family members.)
Second Surgical Opinion	100% of negotiated rate, no deductible, voluntary.	**80%** of R&C, no deductible, voluntary.
Preventive Care	In-network - 100% (Not subject to copay or deductible)	Out-of-network - 100% of R&C, no deductible.
Well Woman Exam	One annual Well Woman Examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)	One annual Well Woman Examination with or without a Pap Smear including Blood Count and Urinalysis. (Additional Pap Smears covered if medically necessary at 80%.)
Mammograms	One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional mammograms covered at 80% of reasonable charges if medically necessary.)	One routine Mammogram every two years for women through age 49; once a year thereafter. (Additional mammograms covered at 80% of reasonable charges if medically necessary.)

COMPANY COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
In Area and Out of Area Plans

Benefits	• PPO Available and Used • PPO Not Available	• PPO Available and Not Used
Immunizations	One complete regimen of immunizations per lifetime for children and adults covered at 100%, not subject to deductible.	One complete regimen of immunizations per lifetime for children and adults covered at 100%, not subject to deductible.
Influenza Immunizations	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)	One influenza immunization per year. (The office visit associated with immunizations is a covered expense.)
Prostate Specific Antigen	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)	One routine PSA test every calendar year for men age 50 and over. (The office visit associated with the PSA test is a covered expense.)
Sigmoidoscopy	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with sigmoidoscopy is a covered expense.)	One routine Sigmoidoscopy every three years for men and women age 50 and over. (The office visit associated with sigmoidoscopy is a covered expense.)
Fecal Occult Blood Test	One annual Fecal Occult Blood Test for men and women age 40 and over.	One annual Fecal Occult Blood Test for men and women age 40 and over.

* If the employee does not reside in the PPO Service Area, coverage is 80% of R&C after the deductible is satisfied.

The plan covering the patient as an employee pays benefits before a plan covering the patient as a dependent. Birthday rule for dependents to determine which plan pays first.

When the Company Comprehensive Medical Plan pays second, the plan pays the difference in the amount payable from the first plan and the amount our plan would have paid if there was no coordination of benefits.

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

MENTAL HEALTH/SUBSTANCE ABUSE CARE

BENEFITS	IN VERIZON STANDARD MH/SA NETWORK	OUTSIDE VERIZON STANDARD MH/SA NETWORK
In-patient hospital 45 days per calendar year	100%	$0
Partial hospitalization Up to 90 days per year for intensive outpatient therapy (2 days intensive outpatient in lieu of 1 day inpatient care)	100%	$0
Out-patient Up to 50 visits per calendar year	100% after $15 co-payment per visit	$0
Supplemental Benefit Annual maximums outlined above are exceeded	50% of covered charges up to lifetime Medical Plan maximum of $1,000,000 **($2,000,000 effective January 1, 2003)**	$0

Note: Employees must call **United HealthCare Service Center at 1-800-527-0764** prior to routine care and within 48 hours of emergency care.

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

COOPERATIVE EFFORTS

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the following initiatives as a means of fostering a strong working partnership and maintaining positive Company/Union relations.

For VERIZON HAWAII to prosper and continue to provide employment security for its employees, there must be no question that there is a need to focus on the customer and that when the customer has choices they will be made as much on the basis of service received as on the basis of cost.

Both the management and the employees should be aware that not only the actual performance of the Company will be watched, but also that the perception of the relationship between the Company and Union representing its employees will influence the customers view of the quality of service provided and received.

To this end, both the Company and the Union pledge that all negative activities which are visible to the public will cease immediately and that all future disputes and disagreements between them will be handled internally through the process outlined in the Collective Bargaining Agreement.

In recognition that the financial success of VERIZON HAWAII is equally important to all of its employees, the parties pledge to work together to ensure that actions of the Public Utilities Commission and the various legislative bodies will serve the best interests of VERIZON HAWAII and its employees.

To facilitate this process the parties agree to establish a Joint Legislative Action Committee, whose purpose will be to meet on a regular basis to discuss pending legislative and PUC issues and to work toward resolving any differences between them in this forum so that whenever possible they may present a united front. This should include joint appearances and lobbying efforts; and when different agendas are required each party should plead its own case in such a way that the common objective of the success of VERIZON HAWAII is not compromised.

Both the Company and the Union recognize their responsibility to use their resources to demonstrate their place in the community, and in the past each has made efforts to fulfill this obligation. As a means of further demonstration to the

public of their collective concern for the community which is made up of their customers, the Company and the Union will jointly seek opportunities and develop ways in which they can cooperate in these activities.

The parties will establish a Local Common Interest Forum (LCIF), patterned after the national Common Interest Forum (CIF). The intent of this committee is to meet periodically for the purpose of sharing information and/or addressing problem areas and issues of common interest concerning industry, Company and Union activities that affect the well being of employees and all parties. The committee will work in partnership on programs and concerns that may include but are not limited to addressing job and employment security issues, enhancing employee commitment, identifying "hot spots", seeking resolution to problems which may interfere with the relationship, United Way, Sell One More, Labor Optimization, community involvement, joint lobbying, competitive cost positioning, personal holiday scheduling, health care cost containment, LiveSource midnight scheduling, future new business venture opportunities and other employee interests and concerns.

If the Union is to share responsibility with the Company for the success of VERIZON HAWAII, it must be informed about company plans and objectives. The LCIF will be the forum for the exchange of such information, and provide the process by which the Union's input is received.

No one questions the value of the employee's knowledge and understanding of the best and right way to perform the work that must be done to ensure continuous, low cost service and customer satisfaction. Two problems exist in providing the means of taking advantage of this expertise. First, is an effective way of gathering the information and acting on it in such a way that the employees know that they not only can make a difference, but that their ideas are as important and warrant the same attention and consideration as management's.

The second, and at this time most difficult, impediment is a feeling by some employees that they have become "disconnected" from the Company other than doing their job and taking home their pay. A way around this dilemma is for both the Company and the Union to behave in a way that demonstrates that they recognize the importance of the customer and are committed to service excellence and that because "we are all in this together," everyone is important to our success and everyone's input is not only necessary but also is acknowledged.

The Local Common Interest Forum (LCIF) will be responsible for these efforts and will take action to address any concerns that may run contrary to this objective.

This committee will be comprised of an equal number of Union and Company representatives, Union representatives will be appointed by the Business Manager, with participation by the Union's Business Manager and the Company's President.

This Memorandum of Agreement is effective August 25, 2002 and shall not survive the expiration of the collective bargaining agreement, unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

CUSTOMER ZONE TECHNICIAN

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the implementation of the Customer Zone Technician (CZT) job classifications as outlined below:

1. Initial Staffing

   a. Customer Operations: For initial staffing, incumbent employees in Customer Operations will be reclassified to the appropriate CZT job classification as described in this section.
      (1) Employees currently in the job classification of Communications Technician, Telecommunications Technician and Switching Technician will be reclassified to Customer Zone Technician I in wage schedule 12.
      (2) Employees currently in the job classification of Cable Splicer and Station Technician will be reclassified to Customer Zone Technician II in wage schedule 10.
   b. At the time of Initial Staffing, employees, who are not in Customer Operations but are holding the job classification of Switching Technician, will be upgraded to wage schedule 12 with no change in job title.
   c. Employees who are not in Customer Operations but are holding the job classification of Communications Technician, Telecommunications Technician, Cable Splicer or Station Technician will retain their respective classification and wage schedule in accordance with Attachment I of the Collective Bargaining Agreement.

2. Subsequent Staffing

   a. Subsequent vacancies for CZT I and CZT II will be staffed in accordance with Article 12.

3. Reduction In Force

   a. In the event of a force reduction during the term of this memorandum of agreement, the following will also apply to Article 13, Section 13.1.2 of the Collective Bargaining Agreement:

(1) For the purpose of Article 13, employees who held the job classification of Communications Technician, Telecommunications Technician or Switching Technician prior to and on the day of reclassification will be recognized as having held the job classification of Customer Zone Technician I.

(2) For the purpose of Article 13, employees who held the job classification of Cable Splicer or Station Technician prior to and on the day of reclassification will be recognized as having held the job classification of Customer Zone Technician II.

4. Training

a. Training, as determined by management will be provided.

This Memorandum of Agreement will remain in effect for as long as there are employees in the affected job classifications from initial staffing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

DENTAL PLAN

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue offering the Verizon and Hawaii Dental Service (HDS) Dental Plans set forth in this Memorandum of Agreement.

2. For a summary of details refer to the attached Dental Plan Highlights.

3. **Eligibility for the Plans begin on date of hire.**

4. Maintenance of Benefits (MOB) permitted to the level of benefits provided in the Dental Plans.

5. The Company premium contribution will be based on the HDS plan. The difference between this contribution and the cost of any other plan offered may result in no employee contribution.

6. The Plan will be administered solely in accordance with its provisions and no matter concerning the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the Plan Administrator, the administration of the Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.

7. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Dental Plan, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

8. Upon expiration of the Memorandum of Agreement, Article 39 of the Collective Bargaining Agreement shall govern and the HDS plan then in effect shall continue.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

DENTAL PLAN HIGHLIGHTS

	VERIZON DENTAL PLAN		HDS PLAN	
ELIGIBILITY	On date of hire for employee, spouse and dependent children to age 19 or age **25** if a full-time student.		On date of hire for employee, spouse and dependent children to age 19 or age **25** if a full-time student.	
DEDUCTIBLE	$25 per individual **Effective 1/1/03 the deductible will be waived if Preferred Dental Provider (PDP) used.**		$25 per individual; $100 per family	
COORDINATION OF BENEFITS	Yes. Plan covering the patient as an employee pays benefits before a plan covering the patient as a dependent. "Birthday rule" for dependents to determine which plan pays first.		Yes. Plan covering the patient as an employee pays benefits before a plan covering the patient as a dependent. "Birthday rule" for dependents to determine which plan pays first.	
NON-DUPLICATION OF BENEFITS	Yes. When our plan pays second, the plan pays the difference in amounts payable from the first plan and the amount our plan would have paid if there was no coordination.		No. When our plan pays second, the plan pays the difference in amounts payable from the first plan up to 100% of eligible charges.	
ANNUAL BENEFIT MAXIMUM	$1,500 per individual		None	
SERVICE	**DED**	**COVERAGE**	**DED**	**COVERAGE**
Preventive Services	No	100%	No	100%
General Services	Yes*	80%	Yes	70%
Major Services	Yes*	60%	Yes	50%
Orthodontia	Yes	50% up to $1,500 lifetime maximum		Not covered
TMJ	Yes	**50% up to $500 lifetime maximum, effective 1/1/03**		Not covered

PREVENTIVE SERVICES: Cleanings, fluoride treatments, space maintainers,

	exams, x-rays and lab tests
GENERAL SERVICES:	Sealants, extractions, fillings, root canals, periodontics, repair of dentures, crowns, bridges, relining and rebasing of dentures, cementing inlays, onlays, and crowns, adding teeth to existing partial bridges
MAJOR SERVICES:	Crowns or gold fillings, bridgework, dentures

***Effective 1/1/03, deductible waived if Preferred Dental Provider (PDP) used.**

For Verizon Dental Plan, any amendment diminishing or increasing the level of benefits contained in this Memorandum of Agreement shall be limited to those changes applicable to salaried employees.

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

DEVELOPMENTAL CLASSIFICATION TRIAL

Verizon Hawaii and IBEW Local Union 1357 agree to meet jointly to develop guidelines to implement on a trial basis "Entry Level Positions" in Network Operations and in Central Office Equipment Installation.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

DOMESTIC PARTNER BENEFITS

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue extending benefits, as set forth below, to employees' domestic partners and children of domestic partners.

2. Employees may elect health and welfare benefits coverage of domestic partners and children of domestic partners, as described below. Employees who have been (or will be) identified by the Company as employed in a property that is to be divested as part of Verizon's Network Services Repositioning program will be excluded from this offer.

3. The Company and the Union agree that eligibility of a domestic partner for health and welfare benefits shall be based on the following conditions:

   A. The employee and the domestic partner are same-sex, adult partners.

   B. Neither the employee nor the domestic partner is married or a domestic partner of a third party.

   C. Both the employee and the domestic partner are at least eighteen (18) years of age and are mentally competent to contract.

   D. The employee and the domestic partner are not related by blood to a degree of closeness that would prohibit legal marriage in their state of residence.

   E. The employee and the domestic partner live together at the same permanent residence.

   F. The employee and the domestic partner are jointly responsible for each other's welfare and basic living expenses.

   G. The domestic partner is the employee's sole domestic partner and intends to remain so indefinitely.

H. The employee and the domestic partner agree to notify the Company and any other appropriate party of any changes in the above conditions.

4. The Company and the Union agree that eligibility of children of domestic partners for health and welfare benefits shall be based on the following conditions:

   A. An eligible domestic partner is the natural parent, adoptive parent or legal guardian of the child.

   B. The child is unmarried and either under the age of nineteen (19), or under the age of twenty-five (25), attending an accredited secondary school, college, university or nursing school, and are dependent on the domestic partner for care and support.

5. An employee may elect coverage of a domestic partner and any children of a domestic partner for the following benefits. The amount and availability of benefits are governed by the provisions of the applicable plan and are subject to the Internal Revenue Code and related regulations.

   A. Medical

   B. Dental

   C. Health care continuation coverage

   D. Flexible Reimbursement Plan Healthcare Reimbursement Account (for IRS Tax Dependents)

   E. Dependent Care Reimbursement Account (for IRS Tax Dependants)

   F. Retiree Medical (limited to Domestic Partner and children of Domestic Partner who are covered by medical plan at time of employee's retirement)

   G. Group Universal Life

6. Employees are entitled to Bereavement Leave in the event of the death of a domestic partner, children of the domestic partner and other domestic partner family members as specified in the relevant collective bargaining agreement.

7. Employees are entitled to Family and Medical Leave for the care of a seriously-ill domestic partner, or child of a domestic partner, subject to general eligibility requirements.

8. Other benefit programs are also available to domestic partners and/or their

children, as applicable. Availability and amount of benefit is governed by the applicable plan or policy.

A. Event Travel Expense (one guest accommodated)

B. Financial Counseling

C. Survivor Support

D. Dependent Scholarships (children of domestic partner only)

E. Adoption Assistance (employee must be adoptive parent)

F. Company Discounts (recipient is employee)

G. Childcare Discounts (recipient is employee)

H. Employee Assistance Program

9. In the event that any of the above Domestic Partner Benefits are found to be discriminatory against non-eligible, unmarried employees in any jurisdiction, then these Domestic Partner Benefits will not be available in that jurisdiction.

10. To the extent that the terms of any plan conflict with the provisions of this Memorandum of Agreement, the terms of such plan shall govern. Notwithstanding the foregoing, this Memorandum of Agreement shall constitute part of the plan to which it relates; provided, however, it may be elaborated upon in other plan materials, such as employee bulletins and enrollment materials, by the Company. To the extent that any provision of this Memorandum of Agreement conflicts with any state or local law, the parties agree to discuss the applicability of such state or local law.

11. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

DRUG AND ALCOHOL POLICY

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to maintain a safe, healthful and efficient working environment for all employees of the company and to provide a work place that complies with federal, state and local laws. Therefore, Verizon Hawaii does not sanction the abuse of legal drugs or alcohol on or off company premises and prohibits the manufacture, possession, use, sale or solicitation, and/or distribution of any illegal drug by any Verizon employee. Verizon Hawaii recognizes that drug and alcohol abuse may be treatable illnesses and that normally the preferable response would be education, treatment and rehabilitation.

The following activities are expressly prohibited:

- The use of alcohol, illegal drugs or controlled substances (except medications obtained in conformity with the law or prescribed and used under the specific directions of a physician or dentist to the user) during a tour of duty.
- The abuse of legal drugs, alcohol, illegal drugs or controlled substances resulting in impaired job performance.
- Any use of illegal drugs or controlled substances is prohibited if the use results in the presence of the substance in an employee's body or body fluids while on duty or impairs the employee's job performance.
- Being under the influence of alcohol, illegal drugs, or controlled substances during a tour of duty.
- Possession of illegal drugs or unauthorized possession of alcohol during a tour of duty or while on company premises.
- Operation of a company vehicle while under the influence of alcohol, illegal drugs or controlled substances.

The following terms used in this Memorandum of Agreement are defined:

Illegal Drugs - all forms of narcotics, hallucinogens, controlled substances (including cannabis), depressants, stimulants and other drugs whose use, possession, or transfer is restricted or prohibited by law. Drugs prescribed by physicians, dentists or other authorized health professionals, and used in accordance with their instructions, are not subject to the restrictions of this policy. Legal drugs that are not used as prescribed, or which negatively affect job

performance or safety, shall be considered controlled substances within the intent of this Memorandum of Agreement.
Legal Drugs - includes prescribed drugs and over-the-counter drugs which have been obtained and are being used for the purpose for which they were prescribed or manufactured.
Tour of Duty - all work hours, including any extension of the work hours, and all relief, lunch, or dinner breaks after which the employee returns to normal work activities.

Employees who violate the policies contained herein will be subject to disciplinary action up to and including termination and will have recourse through the Grievance and Arbitration procedures of the Collective Bargaining Agreement. It is understood that a decision to discipline as a result of a violation of this Policy or a positive test would depend on all circumstances surrounding the particular situation and would be based on established just cause standards. The Company acknowledges that employees will have the right to union representation, as provided by the Weingarten decision. The Company has not agreed to representation that is beyond that provided in Weingarten.

Drug and Alcohol Testing
The Company will guarantee forensic quality chain of custody procedures will be followed for all drug screens. Any break in the chain of custody will result in the test being ruled invalid. The Company will use NIDA established cutoff levels where available. Only NIDA certified labs will be used. At the time the specimen is collected for a drug screen that is not required by law, the employee will be provided the opportunity to provide two specimens in separate containers. The second specimen will be properly sealed and maintained so as to be available for retest at the request of the employee and/or the Union as described below. The Company agrees that the employee who tests positive on both the screen and the confirmation test will have the option to request the additional specimen be released to a certified lab to be retested. If there is no second specimen, a portion of the remaining specimen will be made available for retest. It is also understood that in some small percentage of the cases it is possible that there may not be enough of the specimen remaining to retest. The Company's responsibility for the chain of custody ends when the specimen is released at the direction of the second testing lab. This request must be made by the Union or the employee within ten (10) working days from the date the original test result is provided to the employee. It is understood that the employee and/or the Union is responsible to arrange for the test at the same or another NIDA certified lab and be responsible for all associated additional cost. The results of this retest will be forwarded to the Company within ten (10) working days from the date the results are available for consideration by the Company. In the event the second test is negative and, if after review, the Director-Health Services concurs with the negative test result, the employee may request reimbursement from the Company for any additional costs incurred.

Drug and alcohol screening will also be conducted in the following situation:

- **Reasonable cause** - observed behavior that can be attributed to substance

abuse. The indicators shall be recognized as accepted symptoms of intoxication or impairment caused by drugs or alcohol.

Guidelines for screening employees when there is "reasonable cause" are as follows:

- It is the supervisor's responsibility to make a good faith determination that an employee is fit for duty. Such determination is a result of the supervisor's objective observation of an employee's ability to perform job duties in a safe and efficient manner. Supervisors observing one or more indicators of intoxication or impairment, should ask at least one other responsible person, such as another supervisor, if reasonable available, to observe the employee for corroboration. After consultation, the immediate supervisor should contact the Director-Health Services.
- The Company will require that the observations that result in the requirement for drug and/or alcohol screening will be documented in writing by the management employee(s) who makes the observation.
- It is not the intent of the policy to require a drug/alcohol screen as a result of a performance problem(s), in and of itself, without the presence of indicators that would cause a "reasonable person" to conclude that the individual could be under the influence of a drug or alcohol. This is to say that a single indicator that could be the result of many different conditions would not be the sole factor that would result in a requirement for a drug/alcohol screening.
- Employees may be required to submit to drug and/or alcohol screening (with concurrence of local Verizon Health Services Director or his/her designee and Director-Human Resources or his/her designee) if they exhibit signs of:
  - impairment or intoxication
  - performance deficiencies
  - behavior patterns inconsistent with their normal behavior
- The employee will be offered an opportunity to give an explanation to management of the employee's condition, such as reaction to a prescribed drug, fatigue, lack of sleep, exposure to noxious fumes, reaction to over-the-counter medication or illness.
- Employees requested to submit to a screening test are required to sign a consent/release form authorizing the physician to perform the test and release the results to the company. If an employee refuses to sign a consent/release form and/or submit to a screening test, the employee's refusal will be considered the same as a confirmed positive.
- Employees who say they are unable to give urine samples (for a urinalysis test) immediately upon request, will be given up to three hours to provide that sample. If they fail to provide the sample within that time, they will be subject to the same action as those employees who refuse to submit to testing and/or sign a consent/release form.
- Employees whose test results are confirmed positive for drugs and/or alcohol will be contacted by the Director-Health Services prior to disciplinary action which may include termination and will have recourse through the Grievance and Arbitration procedures of the Collective Bargaining Agreement.

Post Treatment
After an employee has been referred to a treatment facility for drug and/or alcohol rehabilitation in lieu of, or as part of, disciplinary action, Verizon Hawaii may require:

- The treatment facility test the employee for the presence of any type of drug or controlled substance and/or the presence of alcohol prior to the employee's return to work at Verizon Hawaii.
- The employee undergo periodic, announced testing for such drugs and/or alcohol for up to two years after the completion of rehabilitative treatment. Such tests may be performed by the treatment facility and/or a company designated medical facility.

Prior to starting such a medical evaluation, the employee is required to complete and sign a consent form, and the signature is to be witnessed.

Post Accident
If an employee is directly involved in a personal injury or general liability accident during their tour of duty, while on or off company premises, or while operating a company vehicle or a mobile tool, the employee will be required to submit to a drug and/or alcohol screening test if either of the conditions listed below are met:

- Fatality of an employee or member of the public.
- The employee exhibits signs of impairment and/or behavioral patterns inconsistent with his/her normal behavior. However, it is not the intent of the policy to require drug or alcohol screening after an accident (in which no death occurs) as a result of behavior that can clearly be attributed to the accident alone.

This test should occur as soon after the accident as practicable, but in no case later than 32 hours after the accident. Medical treatment of any injury resulting from the accident takes precedence over the screening test.

Body fluid samples for testing include urine and/or blood (when appropriate). Verizon Hawaii physicians will interpret and report test results. If an employee refuses to sign a consent/release form and/or submit to a screening test, the employee's refusal will be considered the same as a confirmed positive test, and the employee will be subject to disciplinary action up to and including termination and will have recourse through the Grievance and Arbitration procedures of the Collective Bargaining Agreement.

Alcohol Use
Verizon Hawaii restricts the use of alcohol by its employees as follows:

- No alcohol is to be consumed during a tour of duty.
- No employee is to be "under the influence" of alcohol during a tour of duty.

- No employee may operate a company vehicle while "under the influence" of alcohol, illegal drugs or controlled substances.

"Under the influence" shall mean having a quantity of alcohol in one's body sufficient to:

- Interfere with one's ability to perform assigned duties in a productive manner.
- Cause one to be exposed to an increased safety risk.
- Create an increased risk to the safety or property of others.
- Create an increased risk of damage to company property.

Violating any of the above listed restriction is a serious breach of company policy and will result in disciplinary action up to and including termination and the employee shall have recourse through the Grievance and Arbitration procedures of the Collective Bargaining Agreement.

Drug Awareness Training

The Company shall provide written notice of its Drug and Alcohol Policy to all employees and provide initial and periodic follow up training.

A major thrust of our concern is to educate both management and hourly employees. Employees are to learn:

- Verizon Hawaii's position on drug and alcohol use and abuse.
- Dangers involved in drug and alcohol use and abuse.
- The importance of rehabilitation in the overall policy.

This ongoing education addresses the problem of drug and alcohol abuse from three perspectives:

- As an educational measure for prevention.
- To alert supervisors to drug/alcohol policies and the existence of help for troubled employees.
- In a rehabilitative mode–where needs have been identified and treatment is indicated.

The training includes the following components:

- Employee awareness activities/training.
- Supervisory training.
- Employee Assistance Program (EAP).

Each component is detailed in the following paragraphs.

Awareness activities and training for **all** employees include the following:

- Distribution of brochures, pamphlets, posters, etc., about drugs and alcohol and how to seek help from the EAP and/or community resources.
- Recognition of warning signs of drug and alcohol abuse.
- Employee awareness sessions, lunchtime workshops, and other appropriate means to educate employees about drug and alcohol and this policy.

All supervisors are to be trained to assist in identifying and addressing the illegal use of drugs and the use/abuse of alcohol by employees. Training for supervisors includes, but is not limited to, the following:

- Recognizing signs of being "under the influence" and signs of impairment that may be linked to a drug or alcohol problem.
- Accessing the Employee Assistance Program (EAP).
- General education and awareness programs about drug or alcohol addiction including information on how to seek help.
- Using related written and audiovisual materials.

Employee Assistance Program
The Company makes available an Employee Assistance Program (EAP) to all employees and their families. Along with other services, the EAP offers confidential assistance to those involved in drug and/or alcohol abuse. Employees are encouraged to voluntarily seek help through EAP.

EAP's role includes:

- Providing help in resolving substance abuse problems.
- Making appropriate referrals to resources for treatment.
- Monitoring progress in treatment.
- Designing a follow-up program when necessary.

Managers and supervisors may refer employees to the EAP to receive appropriate assistance.
Employee's self-referrals and their individual interactions with EAP are confidential and no record of an employee's interactions with the EAP is included in the employee's personnel file. Employee's interactions with the EAP are shared with supervisors or others only with the permission of the employee.

Note: Exceptions to the policy of confidentiality are the following:

- The individual is a danger to him/herself.
- The individual is a danger to others.
- When child abuse is involved.

The services of Verizon's Employee Assistance Program can be accessed by:

- **Self-referral**
  Employees who recognize the need to use the services of the EAP are encouraged to do so before their job performance is affected. Family members are encouraged to seek the services of the EAP as well.

- **Supervisor Referral**
  Supervisors with employees who have job performance or behavioral problems are encouraged to consult and/or refer to the EAP. Referrals of employees will not be a defense against disciplinary action.

  After a referral of an employee to the EAP, a comprehensive assessment will be completed. If the assessment identifies a substance abuse problem, an appropriate treatment plan will be coordinated through EAP.

- It is agreed that an employee who tests positive on the first occasion will not normally be terminated as a result of this first test, unless surrounding the incident that resulted in the requirement for the test there are other performance or behavior problems that warrant discharge. Also, active participation in a recommended EAP referral program will not normally jeopardize an employee's continued employment with the Company provided job performance and on-the-job behavior is satisfactory. However, participation will not prevent disciplinary action for a violation of Company policy and/or procedures of unsatisfactory job performance.

- **Employee Relations/Labor Relations Referral**
  With Employee Relations/Labor Relations approval, employees in the discipline process who are thought to have a substance abuse-related problem may be referred to the EAP for an assessment. After the assessment is completed, and with the employee's consent, the EAP will give feedback to Employee Relations/Labor Relations and provide a professional opinion as to the treatability of the employee's behavior problem.

  Based on this input, Employee Relations/Labor Relations will make the decision whether or not to offer treatment as part of the discipline process. If treatment is determined to be appropriate, the employee will be informed of his/her alternatives.

Verizon Hawaii further agrees to hold harmless, and indemnify, IBEW Local Union 1357 from any liability as a result of actions of the Company relating to this policy.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

EDUCATION AND LIFE-LONG LEARNING

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue joint efforts (including the 100% *tuition reimbursement and the 100% prepaid feature), which allow employees* additional opportunities to learn and enhance their knowledge of the jobs being performed. On an "as needed" basis as determined jointly by the parties, a joint study team, consisting of management and union officials, will be created to explore opportunities for joint educational programs. Joint study teams will explore issues such as:

- The level of employee awareness of the Verizon Communications, Inc. tuition assistance program.
- The role of education assistance in the attraction and retention of *bargaining unit employees.*
- The design and coordination of communication vehicles, in conjunction with NACTEL, to encourage employee and prospective employee participation in the AAS degree in Telecommunications or other programs developed.
- The identification of certain non-degreed programs, which enhance or certify job knowledge.

Any joint study team formed by the parties will report its findings and make recommendations to the Joint Company/Union Steering Committee for review and final determination.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

FACILITY PROVISIONING SPECIALIST

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the following:

1. This title will be responsible for the facility and inventory assignments for residential and business service order requests including complex services, ISDN and special services requests.

2. These positions will be staffed initially with the Service Facility Technicians currently in the Assignment Provisioning Center. These Service Facility Technicians will be retitled as Facility Provisioning Specialists in Wage Schedule 9 of the current Collective Bargaining Agreement.

3. Future positions will be filled according to the staffing procedures outlined in Article 12 of the Collective Bargaining Agreement. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.

4. For the purpose of Article 13 and qualifications on all Job Descriptions, employees who held the job classification of Service Facility Technician prior to and on the day of reclassification will be recognized as having held the job classification of Facility Provisioning Specialist.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the provisions concerning Family and Medical Leaves of Absence under the Family and Medical Leave Act of 1993 (FMLA), set forth in this Memorandum of Agreement.

2. The purpose of the leave shall be as follows:

   a. for the birth and care of a newborn child of the employee, or the placement of a child with the employee for adoption or foster care.

   b. to care for a spouse, **domestic partner**, biological or adoptive parent, or person who has acted in role as parent with day-to-day responsibility, or child (biological, adopted, foster or stepchild or legal ward or child for whom the employee has day-to-day parental responsibility) who has a "serious health condition".

   c. for a serious health condition of the employee which makes the employee unable to perform the functions of the position of such employee. As with any absence for a serious health condition, employees will be required to provide a "fitness for duty" certification to return to work after such leave.

3. The total period of this leave will be up to twelve (12) work weeks within a twelve (12) month period, calculated on a **twelve (12) calendar months basis. Any leave or absence provided for in the Collective Bargaining Agreement (CBA), whether paid or without pay, that are qualified under the Family Medical Leave Act, shall run concurrently with the Family Medical Leave**.

4. Employees who have completed at least twelve (12) months of accredited service at the beginning of the leave and worked at least 1,250 hours during such period may be eligible for leave.

5. The FMLA excludes employees where there are less than fifty (50) employees within seventy-five (75) miles of the employee's work site. The

Company will attempt to accommodate requests for FMLA leave for employees at remote locations, however, such requests may be denied based on business necessity.

6. Leave may be taken on an intermittent or reduced schedule basis for reasons specified in paragraphs 2.b and 2.c if determined to be "medically necessary" as defined in the Department of Labor Regulations 29 CFR Part 825. It may not be taken intermittently or on a reduced schedule basis for reasons specified in paragraph 2.a unless approved by the Company.

7. If an employee is granted intermittent or reduced schedule leave, the Company may require such employee to transfer temporarily to an available alternative, equivalent position that better accommodates recurring periods of leave than the employee's regular position.

8. Employees shall be required to present, to the satisfaction of the Company's **Human Resources Services Department**, documentation concerning the basis for the requested leave of absence. Failure to provide medical certification within **twenty-five (25)** days of the request for leave may result in denial of leave.

9. Employees shall provide the Company with at least thirty (30) days advance notice of intent to take leave when foreseeable.

10. In cases where both spouses are employed by the Company, **and both spouses are eligible for FMLA leave**, they will be permitted to take a total of 12 weeks of FMLA leave **during the applicable 12-month period for any one qualifying circumstance. Where the husband and wife both use a portion of the total 12 week FMLA leave entitlement for one qualifying circumstance, the husband and wife would each be entitled to the difference between the amount he or she took individually and 12 weeks for FMLA leave for a different purpose**.

11. While on FMLA leave, eligible employees shall continue to receive company-paid life insurance and medical/dental benefits to the extent provided to active employees.

12. Upon return to work, employees granted FMLA leave shall receive accredited service for the period of the leave. There is no break in service for purposes of vesting, eligibility to participate in pension plans and **other types of benefits** and seniority.

13. Subject to Item 15 below, at the end of the approved leave (or each segment of the leave, as applicable), employees shall be **guaranteed** reinstatement to the same or equivalent job.

14. Reinstatement is subject to any contractual provisions of the Collective Bargaining Agreement which cover adjustments to the workforce that may

have occurred during the leave of affected employees.

15. Employees who wish to change their projected return date, may request the change and the Company will endeavor to accommodate such requests.

16. Employees, while on leave, shall be considered to have terminated employment if they accept employment with another employer, engage in business for profit, and/or apply for unemployment insurance benefits.

17. The provisions of this Memorandum of Agreement are not subject to the grievance or arbitration procedure of the Collective Bargaining Agreement except for the application for reinstatement by employees on leave.

18. All terms herein shall be defined as set forth in the Department of Labor Regulations, 29 CFR 825.

19. The Company has the right to act in accordance with the Family and Medical Leave Act of 1993 and to comply with the regulations provided by the Department of Labor.

20. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

FLEXIBLE REIMBURSEMENT PLAN (FRP)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the Flexible Reimbursement Plan (FRP).

2. **Eligibility for the Plan begins after ninety (90) days net credited service is achieved or the date which the employee enrolls, whichever is later.**

3. For a summary of details refer to the Flexible Reimbursement Plan Summary Plan Description (SPD).

4. The FRP will be administered solely in accordance with its provisions, and no matter concerning the FRP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the FRP Administrator, the administration of the FRP and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or reimbursements shall be determined by and at the sole discretion of the Company.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Flexible Reimbursement Plan, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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FLEXIBLE TIME

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the establishment of a Flexible Time Program (hereinafter referred to as "Flextime"), which allows flexibility to employees in exercising control over their starting and ending hours of work due to emergencies subject to the terms and conditions contained herein:

1. Customer service and/or operational requirements permitting, and at the discretion of management, Flextime may be made available by a department to its regular employees.

2. Flextime allows an employee to adjust his/her tour of duty subject to the following:

   a. The period of Flextime allowed per employee per month shall not exceed ninety (90) minutes and shall be taken in increments of either fifteen (15) or thirty (30) minutes only.

   b. Flextime may be applied before, during, or at the end of a scheduled tour of duty. However, the Company may designate a period of time during which Flextime shall not apply and shall inform participants of such.

   c. The amount of Flextime applied, whether starting or ending a tour of duty earlier or later than originally scheduled, shall be completed during that same tour of duty. If the employee fails to complete the Flextime during that tour of duty, he/she shall be recorded as tardy or absent unexcused, as appropriate, for those periods.

   d. Any unused Flextime during the month shall not be accumulated.

   e. Flextime is not intended to result in a change to the number of hours worked during a tour.

   f. If an employee abuses Flextime, it shall be revoked from that individual.

3. To ensure adequate workforce requirements, employees shall notify and obtain approval from their supervisor before utilizing Flextime. In case of unexpected and/or unavoidable situations, employees shall notify their supervisors as soon as practicable. The granting of Flextime requests shall be in the sequence which they are received and in accordance with #2.a.

4. Employees shall be responsible for maintaining a record of their Flextime used. If employees exceed their maximum allotment during the month, then they will be warned for the first offense. A subsequent offense within a rolling twelve (12) month period shall result in revocation of participation in this program for three (3) months.

5. Shift premiums and differentials shall not be affected and shall remain the same as if the employee had worked his/her original shift.

This agreement is effective August 25, 2002, and shall not survive the expiration of the collective bargaining agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
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MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

4-10 WORK SCHEDULE

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to establish a four (4) day, ten (10) hour day work schedule (hereinafter referred to as the 4-10 Work Schedule). This voluntary work schedule is intended to apply to work groups and/or employees as determined by the Company. Unless specifically stated, the language in the collective bargaining agreement shall take precedence over the terms and conditions of this agreement.

1. An implementation committee made up of an equal number of Company and Union representatives will be formed to assist in the development of implementation plans. This committee shall meet periodically to review and address any problems that may arise from the implementation of 4-10 work schedules.

2. A 4-10 Work Schedule shall consist of a four (4) day, ten (10) consecutive hours work week.

3. A meal period of no more than forty-five (45) minutes without pay will be established approximately five (5) hours after the start of a shift. Two (2) relief periods will be provided, consisting of fifteen (15) minutes each with pay.

4. Time worked in excess of forty (40) straight time hours within a work week, or ten (10) straight time hours a day, will be considered overtime.

5. No meal allowance shall be provided during the regular ten-hour work day. For employees working beyond a 4-10 Work Schedule, meals will be provided in accordance with Article 21.3.

6. A vacation week equals forty (40) hours.

    a. An employee on one (1) week vacation shall be paid on the basis of a five (5) day week, eight (8) hour day.

    b. Vacation hours taken a day at a time will be at ten (10) hours, if the day is a regularly scheduled 10-hour day.

7. Work weeks with holidays shall revert to five (5) day week, eight (8) hour day work week.

8. Employees eligible for sick pay will receive up to ten (10) hours pay if sick on a scheduled ten (10) hour day. Actual hours absent will be recorded on the eligible employee's attendance record.

9. Article 17 - payment will be made as follows:

   a. Less than two (2) hours work - payment for the time actually worked, calculated to the nearest quarter hour.

   b. Two (2) hours but less than four (4) hours work - payment for four (4) hours.

   c. Four (4) hours but less than six (6) hours work - payment for six (6) hours.

   d. Six (6) hours but less than eight (8) hours work - payment for eight (8) hours.

   e. Eight (8) hours but less than ten (10) hours work - payment for ten (10) hours.

10. Callout overtime earned by an employee on a 4-10 Work Schedule shall be credited against any overtime due for work performed in excess of ten (10) straight time hours during the same day, and for work performed in excess of forty (40) straight time hours during the same work week.

11. Payment for excused time off for jury duty and funeral leave will be based on up to ten (10) hours per day rather than eight (8) hours.

12. Employees attending training will revert to a five (5) day, eight (8) hour day work week.

13. Employees on temporary assignment to another work group will conform to the work schedule of that group.

14. 4-10 Work Schedule will be voluntary with selection among volunteers based on seniority.

15. This Memorandum of Agreement is effective on August 25, 2002 and shall not survive the expiration of the collective bargaining agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

GROUP UNIVERSAL LIFE (GUL) INSURANCE

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue, without endorsement, the opportunity for employees to enroll in Group Universal Life (GUL) Insurance.

2. For a summary of details refer to the booklet, Group Universal Life.

3. GUL will be administered solely in accordance with its provisions, and no matter concerning GUL or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of GUL and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.

4. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Group Universal Life Insurance, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

HOME DISPATCH

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the establishment of Home Dispatch, which will be introduced, suspended or terminated at the discretion of management. A Home Dispatch Committee, made up of an equal number of Union and Company representatives, will be formed and shall meet periodically to review and address any problems that may arise from the Home Dispatch program. Unless specifically stated, the language in the collective bargaining agreement shall take precedence over the terms and conditions of this agreement.

1. Home Dispatch will be exempt from the conditions of Article 22, Section 22.5 of the collective bargaining agreement.

2. Home Dispatch will be voluntary, with selection among volunteers based on seniority.

3. Employees participating in Home Dispatch will take a Company vehicle home and use the vehicle to report to their first assignment. Employees will start and end their tours of duty at their assigned work site.

4. Travel distance will be limited to thirty (30) minutes or twenty (20) miles, whichever is greater.

5. Employees will be expected to exercise good judgment in the care, storing and use of the Company vehicle, and abide by all Company policies applicable thereto.

This Memorandum of Agreement is effective on August 25, 2002 and shall not survive the expiration of the collective bargaining agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
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Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

HOURLY SAVINGS PLAN (HSP)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 will make the Hourly Savings Plan (HSP) available to regular full time hourly employees of the Company who are covered by a Collective Bargaining Agreement.

2. The Company reserves the right at any time, and from time to time, by action of the Board of Directors, to modify or amend in whole or part, any or all of the provisions of the HSP, but no such amendment or modification shall have the effect of reducing the accrued benefits of members, retired members, former members or their beneficiaries or of diverting any part of the Trust Fund to any purpose other than for the exclusive benefit of members, former members, or their beneficiaries and the payment of reasonable HSP administration expenses.

3. The Company reserves the right, by action of the Board of Directors, to terminate or partially terminate the HSP at any time. Upon termination or partial termination of the HSP or upon the complete discontinuance of contributions under the HSP, the member accounts of the members affected by the termination, partial termination, or complete discontinuance of contributions as the case may be shall be nonforfeitable.

4. The HSP may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan; provided, however, that no such merger, consolidation, or transfer shall be consummated unless each member and beneficiary under the HSP would receive a benefit immediately after the merger, consolidation, or transfer, if the transferee plan then terminated, that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation or transfer, if the HSP had then terminated.

5. The Company and the Union agree that every provision heretofore contained in this Agreement is contingent upon the Company's receipt of a favorable determination that the HSP, as amended, continues to be qualified under Section 401 (a) et. seq., of the Internal Revenue Code. In the event any recession in the HSP is necessary to obtain or maintain a favorable

determination from the Internal Revenue Service, the Company will make the revisions, adhering as closely as possible to the level of benefits contained in the HSP.

6. In the event any portion of this Agreement is determined by a court or government agency to be in violation of existing law or is voided by a change in existing laws, the Company retains the unilateral right to make whatever modifications it deems necessary and appropriate to comply with the law, including the right to rescind the Agreement, if it deems no such modification is feasible. The Company shall have no obligation to bargain or negotiate with the Union in the event that this Agreement is modified or eliminated or in the event the Company does not implement any or all of the provisions of this Agreement because it does not receive Internal Revenue Service approval, any or all of these plans are deemed not qualified, or because of a change in existing laws.

7. The HSP will be administered solely in accordance with its provisions and no matter concerning the HSP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement but rather shall be governed by the terms and conditions of the HSP and the interpretation of the HSP Committee.

8. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
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HOURLY SAVINGS PLAN - COMPANY MATCHING CONTRIBUTION

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to increase the company matching contribution to the Hourly Savings Plan (HSP).

- Effective January 1, 2003, the company matching contribution will increase from 66 cents to 75 cents for every $1 contributed by the employee, up to a maximum of six percent of pay.

- Effective January 1, 2004, the company matching contribution will increase from 75 cents to 82 cents for every $1 contributed by the employee, up to a maximum of six percent of pay.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

INCOME SECURITY PLAN (ISP)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 recognize the need for technological change in the business and hereby enter into this Memorandum of Agreement (hereinafter referred to as the Agreement). In order to lessen the economic impact upon regular employees who become surplus due to technological change, the Company and the Union agree to establish the INCOME SECURITY PLAN (the Plan). "Technological change" shall be defined as a change in plant or equipment, or a change in a method of operation, diminishing the total number of regular employees required to supply the same services to the Company or its subscribers. "Technological change" shall not include layoffs or force realignments caused by business conditions, variations in subscribers' requirements, or temporary or seasonal interruptions of work.

   When technological change brings about any of the following conditions, the Plan shall apply:

   A. A need to layoff and/or force realign employees in any job title;

   B. Reassignment of regular employees between designated operating areas.

2. During the term of this Agreement, if the Company notifies the Union in writing that a technological change has created or will create a surplus in any job title in any work group and/or work location, regular employees meeting the following qualifications shall be eligible for Plan participation:

   A. Accredited service of one year or more;

   B. No comparable assignment available within the same operating area and/or refusal of reassignment to another operating area.

   However, the Company reserves the right to apply this Plan to any surplus in force, whether or not it is brought about by technological change, that the Company deems appropriate. All elections shall be voluntary and

acceptance by the Company will be in order of seniority.

3. The Company reserves the right to determine the job titles and work group(s) and/or work location(s) in which a surplus exists, the number of work groups and/or work locations in which a surplus exists, the number of employees in such titles and locations which are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Plan. In no event shall the number of employee elections accepted under the terms of the Plan exceed the number of employees determined by the Company to be surplus.

4. For those employees who are eligible in accordance with Sections 1 and 2, the Company will provide the following ISP Termination pay benefits:

   A. ISP Termination Allowance of $1,100, less withholding taxes, for *each* ***completed*** year of accredited service up to and including thirty (30) years for a maximum of $33,000 prior to withholding taxes. The ISP Termination Allowance **is not** prorated for any partial year of service.

   B. In addition to the ISP Termination Allowance, the Company shall pay an employee who has left the service of the Company with ISP benefits an *ISP Expense Allowance not to exceed $750, less* withholding taxes, for each **completed** year of accredited service for a maximum of $3,750 prior to withholding taxes. The ISP Expense Allowance **is not** prorated for any partial year of service.

   The combined maximum ISP Termination pay benefit payable as set forth in Paragraphs A and B of this Section 4 shall in no event exceed a total of $36,750.

5. **Effective July 1, 2002.** The Company reserves the right to offer Enhanced ISP Termination pay benefits at its sole discretion. The Enhanced ISP Termination pay benefit will be in lieu of the regular ISP Termination Pay benefit described in paragraph 4 above and shall be equal to two times the applicable regular ISP Termination pay benefit. All other provisions of this MOA shall apply to Enhanced ISP payments.

6. Employees eligible for ISP Termination Allowance in accordance with Section 2 will receive a lump sum payment for the entire amount of the ISP Termination Allowance paid in the month following the month in which the employee leaves the service of the Company.

7. Reemployed employees must complete one (1) full year of accredited service with the Company before coming eligible again for termination benefits. In subsequent terminations to which this Agreement is applicable, the employee shall receive the difference between the termination benefits for which he or she is presently eligible and any

benefits previously received.

8. All benefits payable under the Plan are subject to legally required deductions.

9. Termination benefits shall not be made if the termination is the result of any sale or other disposition by the Company of the exchange or office at which the employee is working or from which the employee is assigned to work, when the employee is continued in the employment of the new management of the exchange or office.

10. An employee's election to leave the service of the Company and receive termination pay benefits must be in writing and transmitted to the Company within fourteen (14) calendar days from the date of the Company's offer in order to be effective, and it may not be revoked after such fourteen (14) calendar day period.

11. This Agreement will be implemented prior to invoking the provisions of Article 13, Reduction in Force and Layoffs, of the Collective Bargaining Agreement, when conditions set forth in Section 1 of this Agreement exist as determined by the Company.

12. Neither the right to effect a technological change, the determination of a surplus condition, eligibility for participation in the Plan, nor any part of this Plan or Agreement shall be subject to the grievance/arbitration procedure of the Collective Bargaining Agreement.

13. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

LIVESOURCE
INCENTIVE COMPENSATION PLAN

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the LiveSource Incentive Compensation Plan set forth in this Memorandum of Agreement.

2. For a summary of details, refer to the attachment entitled, "LiveSource Incentive Compensation Plan."

3. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

LIVING BENEFIT RIDER (LBR)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to, without endorsement, the opportunity for a Living Benefit Rider (LBR) to employees and their spouses who are enrolled in Group Universal Life (GUL) Insurance.

2. The Company and the Union recognize that long term care will continue to be the most likely catastrophic illness risk facing employees. As a result of these concerns and for these reasons, the LBR option to GUL is established to provide protection against the financial ravages of declining health.

3. The LBR provides a benefit equal to 2% of the face value of the policy (excluding any cash value amounts) per month for a period up to 25 months. In effect, the LBR can pay out a maximum of 50% of the face value of the policy (25 months x 2%). The maximum potential benefit is $10,000 per month with a minimum potential monthly benefit of $400.

4. Eligibility for the benefit shall be based on the following conditions:

   A. Employees or spouses must be continuously unable to care for themselves in a minimum of three activities of daily living for at least six months. Activities of daily living are defined as eating, getting around, transferring, toileting, bathing, and dressing.

   B. Employees or spouses must submit written medical evidence that shows the inability to perform the activities of daily living.

   C. The condition causing the inability to care for oneself cannot be a condition for which the individual received medical care or treatment during the six months immediately before LBR coverage became effective (pre-existing condition clause).

   D. GUL must remain in force.

   E. The LBR is paid for a maximum of 25 months and permanently

reduces any amount of life insurance proceeds by the total amount of the LBR paid.

5. No matter concerning the Living Benefit Rider or any differences arising thereunder shall be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

6. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Living Benefit Rider, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

LONG TERM DISABILITY (LTD)

In recognition of the impact a prolonged disability can have on income security and as a valuable supplement to the short-term disability benefits currently provided by the Company, VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue a Long-Term Disability (hereinafter referred to as LTD) plan subject to the following provisions:

1. Regular full-time employees are eligible to participate in the LTD plan, subject to the following requirements:

   - Completion of ninety (90) days of continuous employment (new hires)
   - Enrollment during the first ninety (90) days of employment (new hires)
   - Enrollment during the initial Company-designated enrollment period (incumbents with ninety (90) days of continuous employment)
   - Enrollment during periods not mentioned **and/or when opting up or increasing the LTD benefit level** additionally require regular full-time employees to submit evidence of good health at their expense and approval by the Plan Administrator
   - The disability is not caused by participation in an assault, crime or illegal occupation, an intentionally self-inflicted injury, war or act of war
   - **The disability does not result from conditions that existed on the date LTD coverage began or does not result in an absence from work because of the pre-existing condition for ninety (90) consecutive days**
   - The contributions are continuously paid following enrollment

2. The cost of the LTD plan coverage will be paid by the employee. Contributions for coverage may change from time to time. Should this occur, the Company agrees to notify the Union in writing, within fifteen (15) calendar days prior to the date of modification, specifying the cause for any change in the contribution rate.

3. The LTD plan shall pay monthly benefits as follows:

- Up to 50% of the employee's basic monthly earnings, up to a maximum of $3,000 per month, or

- Up to 60% of the employee's basic monthly earnings, up to a maximum of $5,000 per month

Monthly benefits shall be coordinated and reduced by any amount received by Workers' Compensation (or its equivalent), primary and dependent disability or retirement benefits from Social Security, payments under any other State or Federal disability benefits law, Verizon pension plan (if applicable), Company-provided salary continuation plan (ISP, EAIP, TPP, layoff allowances) or any other plan which provides income benefits.

A. The employee must apply for primary and dependent (if applicable) Social Security disability benefits.

B. Plan benefits are not payable for any period of disability during which the employee refuses of fails to apply for Social Security disability benefits or to appeal any denied claim for Social Security benefits.

4. Benefits will be paid, provided the Plan is in force, if eligible employees have been continuously and totally disabled, under the care of a physician and absent from work for twenty-six (26) weeks or if the disability has resulted in twenty-six (26) weeks of absence during a period of fifty-two (52) consecutive weeks and the eligible employees have been under the care of a physician.

- Monthly benefits will be paid for twelve (12) months, if the disability prevents eligible employees from performing their regular work or an alternative occupation with similar earning potential

- Monthly benefits will be paid following this twelve (12) month period, if the disability prevents eligible employees from performing any work for which they are otherwise qualified to perform

- If eligible employees become disabled prior to age sixty (60), benefits will paid up to their 65th birthday

- If eligible employees become disabled on or after age sixty (60), benefits will be paid according to the following schedule:

Age of Disability	Benefits Paid to Age
60	65
61	66
62	67
63	68
64	69
65	70
66	70
67	70
68	71
69	72
70	72
71	72.5
72	73.5
73	74.5
74	75.5
75+	For 1 year

- Disabilities as a result of a mental health disorder, alcoholism or drug addiction, will generally result in monthly LTD benefits for no longer than twelve (12) months.

5. During the period LTD benefits are paid, eligible employees will continue to receive life, medical and dental insurance coverage in accordance with the Collective Bargaining Agreement between VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357. Accredited Service will be applied toward eligible employees' pension calculations until the disability benefits end or the eligible employee retires, quits or dies.

6. The amount and availability of benefits under the LTD Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the LTD Plan, selection of the insurance carrier, eligibility for the benefits, cost of coverage, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Long-Term Disability Plan, shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

LUMP SUM PAYMENT OPTION

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to modify the Plan for Hourly Employees' Pensions (hereinafter referred to as the Plan). Such modifications are conditional upon the approval from the appropriate Board of Directors and a favorable determination from the Internal Revenue Service that the Plan is and continues to be qualified under Section 401(a) of the Internal Revenue Code. Therefore, the effective date of August 25, 2002 for the following modification will be contingent upon the receipt of the necessary approvals.

2. Regular employees who are eligible to receive a single life annuity from the Plan will be provided a lump sum payment option which will be based on the present value of their single life annuity.

3. The amount and availability of benefits under the Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. Any payments received will be determined under the terms of the Plan in effect at the time regular employees separate from service. The operation and administration of the Plan, the calculation of the lump sum benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

4. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the lump sum payment option, shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

LUMP SUM PENSION CALCULATION

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 recognize the lump sum pension calculations for retirement eligible employees change on January 1, 2000 as a result of the General Agreement on Tariffs and Trades (GATT) legislation.

The Company and Union agree to protect employees who are eligible to retire on or before December 31, 1999 from adverse implications from GATT legislation.

All employees who are eligible to retire on or before December 31, 1999, and who are eligible for lump sum pension distributions will be allowed to continue to receive the highest lump sum produced by the two lump sum calculation methods currently used in the GTE Pension Plans and a third new method that complies with GATT. Regardless of when these employees retire, on or after January 1, 2000, they will receive the highest lump sum amount produced by these three methodologies.

For employees who are eligible to retire on or after January 1, 2000, pensions will be calculated by using whichever of the following rates produces the largest lump sum amount.

- The GTE Plan Rate (currently the 10-year treasury bond rate) or
- The GATT rate (30-year treasury bond rate)

The Memorandum of Agreement is effective August 25, 2002, and shall expire on September 1, 2007, unless extended by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

MAIL ORDER PRESCRIPTION PLAN (MOPP)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to extend the provisions of the Mail Order Prescription Plan (MOPP) to employees **and their eligible dependents enrolled in the Company Comprehensive Medical Plan**.

2. A 90-day prescribed supply of medication will be provided at $5.00 per generic prescription or $15.00 per brand name prescription co-payment. This co-payment cannot be reimbursed through the Company Comprehensive Medical Plan and does not apply to deductibles or out-of-pocket maximums. Generic drugs will be provided when available and permissible by law.

3. Employees and dependents currently covered under the Company Comprehensive Medical Plan will be eligible to participate in the Mail Order Prescription Plan. Once employees (who are covered under the Comprehensive Medical Plan) retire, they and their eligible dependents may continue to participate in this Mail Order Prescription Plan on the same basis as active employees. **MOPP is not available to participants in Health Maintenance Organizations (HMO's).**

4. MOPP will be administered solely in accordance with its provisions, and no matter concerning MOPP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the MOPP Carrier, the administration of MOPP and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.

5. The Company shall have the right to amend MOPP in any way, including the selection of the MOPP Carrier. **However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent** will be limited to those changes applicable to salaried employees.

6. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Mail Order Prescription Plan, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

MEDICAL PLANS

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue offering employees several medical plan options for themselves and their eligible dependents. Following are the plans to be offered:

1) The negotiated Company Comprehensive Medical Plan summarized in the Company Comprehensive Medical Plan Memorandum of Agreement.

2) The negotiated HMSA HMO Preferred Provider Plan summarized in the attachment to this document.

3) The Kaiser HMO plan to be determined by the Company and approved by the Department of Labor, State of Hawaii in accordance with the Hawaii Prepaid Health Care Act.

4) The HMSA/HMO/Hawaii Plan to be determined by the Company and approved by the Department of Labor, State of Hawaii in accordance with the Hawaii Prepaid Health Care Act.

5) Other providers and/or plan designs may be offered at the discretion of the Company.

Eligibility for coverage under any of these medical plans will be from date of hire or the date which the employee enrolls, whichever is later. The Company premium contribution will be based on the Company Comprehensive Medical Plan. The difference between this contribution and the cost of any other plans offered may result in no employee contribution.

Employees who elect not to enroll themselves or their eligible dependents in any of the medical plans offered will be eligible for an annual "opt out" credit of five hundred dollars ($500). This credit will be given to the employee over twelve (12) months on his/her bi-weekly paycheck. In order to be eligible for this credit, the employee may be required to provide satisfactory evidence of medical coverage upon request.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement, including the various medical plans, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Upon expiration of the Memorandum of Agreement, Article 28 of the Collective Bargaining Agreement shall govern and the Company Comprehensive Medical Plan and HMO plans then in effect shall continue.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

ATTACHMENT A-1

PROPOSAL BY IBEW LOCAL 1357 TO REPLACE CURRENT HMSA COMPREHENSIVE MEDICAL PLAN FOR BARGAINING EMPLOYEES OF VERIZON HAWAII

HMSA BENEFIT PLAN SUMMARY FOR PREFERRED PROVIDER PLAN

This is a brief summary of benefits. Please refer to the plan brochure for a complete description of benefits.

BENEFITS	**PREFERRED PROVIDER PLAN**	
	Preferred Providers	Non-Preferred Providers
Annual Deductible	None $100 per person for Other Services*	$100 per person Maximum: $300 per family
Hospital Deductible per Confinement	None	$200
Annual Copayment Maximum	Maximum: $1,500 per person $3,000 per family	
Lifetime Maximum	None	
Extension of Student Coverage	Through age 24	
BENEFITS	**PREFERRED PROVIDER PLAN PLAN PAYS**	
PHYSICIAN SERVICES		
	Preferred Providers	Non-Preferred Providers
Office Visits, Hospital Visits	90%	70% after annual deductible
HOSPITAL SERVICES (includes Maternity Benefits)		
Room & Care	90% of semiprivate room rate; unlimited number of days	70% of semiprivate room rate after annual & hospital deductibles; unlimited number of days
Isolation Care Unit	90% of Isolation Care Unit rate	70% after annual & hospital deductibles

	Preferred Providers	Non-Preferred Providers
Intermediate Care Unit	90% of Intermediate Care Unit rate	70% after annual & hospital deductibles
Intensive Care Unit, Coronary Care Unit, Ancillary Services	90%	70% after annual & hospital deductibles
SURGICAL SERVICES		
Surgery (includes Maternity Benefits)	90%	70% after annual deductible
Anesthesiologist**	90%	70% after annual deductible
**Most Participating Providers agree to accept HMSA's payment as payment in full.		
OUTPATIENT LABORATORY & X-RAY SERVICES*		
X-ray films for injuries (within 48 hours), Radiotherapy for malignancies	80%	70% after annual deductible
Laboratory & diagnostic tests, Other X-rays, Radiotherapy for non-malignancies	80%	70% after annual deductible
***Most Participating Providers agree to accept HMSA's payment as payment in full.		
MENTAL HEALTH SERVICES**		
Hospital & Facility Services 30 days maximum per calendar year	Regular Plan Benefits	Regular Plan Benefits
Psychiatrist & Psychologist Services		
Inpatient - 30 visits maximum per calendar year	90%	70% after annual deductible
Outpatient - 12 visits maximum per calendar year	90%	70% after annual deductible
****For the Preferred Provider Plan, the member must first receive approval from the Benefit Manager.		

	Preferred Providers	Non-Preferred Providers
HOSPICE CARE SERVICES	100%	Not a Benefit
NURSE-MIDWIFE/BIRTHING CENTER SERVICES	100%	70% after annual deductible
SKILLED NURSING FACILITY	90% of semiprivate room rate	70% of semiprivate room rate after annual & hospital deductibles
Prior confinement in hospital required; 120 days per calendar year		
AUTOMOBILE AMBULANCE	80% after annual deductible	70% after annual deductible
AIR AMBULANCE	80% after annual deductible	70% after annual deductible
OTHER SERVICES*	All benefits payable after application of $100 annual deductible	
Appliances & Equipment, Chemotherapy, Evaluations for the Use of Hearing Aids, Organ Donor Services, Speech Therapy	80% *	70%
Allergy Testing	80% *	70%
Dialysis & Supplies	80% *	70%
Blood, Outpatient Injections	80% *	70%
Physical Therapy	80% *	70%
	No prior confinement in hospital required	
MANAGED CARE	HMSA's Managed Care Program works to save you money by encouraging lower cost alternatives while maintaining a high level of quality care. This program includes several features to assure you of the most appropriate and efficient method and place of treatment for your specific illness or injury.	

	Preferred Providers	Non-Preferred Providers
HEALTHPASS	You and your covered spouse and beneficiaries age 14 and over are entitled to receive a free annual health assessment that evaluates your health and lifestyle. HealthPass can include medical screenings and physical examinations to detect early signs of disease, when appropriate. The program provides professional counseling to help you design a personal health action program that fosters healthy behavior.	Not a Benefit

NOTE: All plan payments shown as a percent relate to a percentage of Eligible charges.

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

NEUTRALITY AND CONSENT ELECTION

This agreement between VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 covers all understandings between the parties concerning union organizing; access to employees and code of conduct applicable to union organizing efforts.

The Union and the Company recognize that it is in their mutual interest to enhance the success and image of the Company, to acknowledge the Union as a valued partner, and to foster the pride and commitment of the employees. The parties also share the mutual goals of building a world class, high performance enterprise and addressing employment security through business success and employee development. As a means to enhance these goals, the parties will mutually support regulatory and legislative efforts, marketing/sales and service efforts and other business initiatives leading to employment security and VERIZON's business success.

The parties also recognize that the Union's goal of growing membership is intrinsically linked to the successful growth of the business. In order to maintain this perspective and to avoid unnecessary confrontation, the parties agree that the following principles regarding neutrality and consent election will be applicable to **VERIZON's former "GTE Network Services Companies" (Incumbent Local Exchange Carriers and Logistics)**. This shall be the exclusive means by which the Union, their locals, or individuals acting on their behalf, will conduct an effort to organize eligible employees in the covered VERIZON's former "GTE Network Services Companies" (Incumbent Local Exchange Carriers and Logistics) as defined by the National Labor Relations Act.

1. Employee Choice

Both the Union and the Company support and agree with the principle that the decision as to whether or not to become represented by a union is one that does not belong to either the Union or to the Company. Rather, it is an individual decision that belongs to the employee. With the parties' mutual recognition of this fundamental tenet, the following provisions are intended to establish, encourage and nurture an environment during a union organizing drive that will allow employees to choose whether or not to

become represented in a fully informed and uncoerced manner. All negotiations concerning appropriate unit, access, conduct and voting will be performed by VERIZON Labor Relations Staff in conjunction with local management and designated Union representatives.

2. Neutrality

The Company and the Union agree that an organizing drive will be met by a neutral position by the Company. This statement is consistent with and reinforces the previously established principle of employee choice. It should follow that an environment intended to foster employee choice would be a neutral environment and that information communicated by either party would be fact based and not misleading, distorted or disparaging. Neutrality means the following:

(a) Management will not be anti-Union nor will the Union be anti-management.

(b) Management will not advocate that employees should not vote for a Union to represent them.

(c) The Unions will be afforded reasonable opportunities for access to employees to get their message communicated.

(d) Management will respond to employee questions and is obligated to correct inaccurate or misunderstood information by employees.

(e) The Union(s) will be referred to by name and will not be characterized as a "third party" or "outsider".

(f) Any written information distributed to employees by either party relative to the organizing campaign will be shared with the other. The parties' communications with employees will be shared with the other. The parties' communications with employees will be in accordance with this agreement.

(g) Neither party will hire consultants who encourage an adversarial relationship.

(h) Neither managers nor Union representatives will be personally attacked.

(i) Neither the Union nor the Company will be attacked as institutions.

(j) The Company will not conduct meetings for the sole purpose of discussing organizing activities without inviting appropriate Union representatives to attend.

Allegations of violations of these provisions will be handled via the dispute resolution process contained in this Agreement.

3. Rules

The procedures to be followed are listed below:

(a) The Union must show a minimum of 50% + 1 show of interest on signature cards of the appropriate unit.

(b) A vote of 50% + 1 of those votes, validated by the Third Party Neutral (TPN), will determine the outcome.

(c) If the Union is not successful, another election will not be scheduled for twelve months.

(d) The TPN will resolve any issue concerning challenged ballots in similar fashion to the National Labor Relations Board (NLRB) process.

4. Time Bound

It is in the interest of both parties that the organizing campaign be conducted expeditiously. The Union is therefore obligated to notify management of its intention to conduct a formal organizing drive before it begins. The date of this notification will "start the clock". The entire campaign, including the consent election, will be concluded in 90 days. It is the intent of the parties that the 90-day time frame will include discussion and agreement on the unit. In the event the parties are unable to agree on the unit, the dispute resolution process set forth below will be utilized and the time period will be extended by the number of days required to reach agreement on the unit, but in no event will the total campaign, including resolution of the scope of the bargaining unit and the consent election process exceed 120 days. If employees vote not to be represented, the Union agrees not to initiate another campaign (nor continue the current campaign) in that same work group for 12 months from the date of the conclusion of the campaign. This would not preclude the local Union from having contact with the workers in the group. If employees vote to be represented, collective bargaining over the terms and conditions of employment will commence within 60 days and will be limited to the agreed upon unit.

5. Informed Decision

Both parties agree that employees should be fully informed about all aspects of Union representation. The Union will provide fact-based information to employees as it endeavors to convince prospective members of the merits of being represented by a Labor Union. Management's role

during this process will include:

(a) responding to individual employee inquiries;

(b) explaining the organizing process, including obligations and responsibilities; and

(c) correcting any inaccuracies, misstatements or misunderstandings disseminated by the Union.

6. Free from Coercion

Consistent with the basic tenet of employee choice, the parties want to ensure that employees have expressed their choice from an informed position and are completely free from any coercion by the Company, the Union or any other party or parties. One way to ensure this objective is to have a NLRB conducted election.

In the alternative, the Company and the Union agree to use a process that is called "Consent Election." This process will work as follows:

(1) As part of the access discussions, the parties agree to use "Consent Election".

(2) The Unions shall initiate the consent election process by providing to a TPN proof of support by means of show of interest cards from 50% + 1 of the employees in the unit. The TPN will then notify VERIZON Labor Relations Staff and request a list of names, job titles and home addresses. The Company will furnish the list within five working days. The Union will also be furnished with the list. The "show of interest" cards will clearly state their purpose and that a secret ballot consent election will be conducted to determine the will of the unit. If the TPN determines that the Union has a sufficient show of interest, he/she will schedule a Consent Election process in accordance with this agreement.

(3) The election process will be supervised by a mutually selected TPN, whose role is to ensure the integrity of the process itself, and will be conducted within two weeks of the submission of the Union's show of interest to the TPN. Employees will be asked to express their individual preference in a manner that will ensure that their choice will not be known to either party. The TPN will count the votes and advise the parties of the outcome. Consistent with this agreement, a vote of 50% + 1 of those who vote will control. The parties may have an observer present when the TPN counts the ballots.

(4) In all cases, the election process shall take place within 14 days of

receipt and verification of the Union's show of interest cards by the TPN. In those cases where there is no dispute about the composition of the unit, the election process will be held within seven days. The election may be held at the Company location or at a neutral site as agreed by the parties. The cost of using a neutral site will be split equally by the parties.

If there is a dispute as to composition of the unit, the TPN shall decide the issue within an additional seven days.

7. Access Agreement

As soon as reasonably practicable after a request by the Union for access, VERIZON Labor Relations Staff, in conjunction with local management and Union representatives, will meet to discuss the details related to reasonable access to the unit by the Union representatives. The Union will be allowed reasonable opportunities for access to VERIZON facilities. It is the intent and commitment of VERIZON and IBEW LOCAL UNION 1357 that the access agreed upon will not interfere with the operation and other normal and routine business activities, plans and programs of VERIZON generally, and specifically, the selected unit. Access agreed upon will be in non-working areas and during employee non-working times. Agreements as to eventful access, such as access to conference rooms, will be reasonable in length and there will be reasonable periods between requests for eventful access. However, an uneventful access, such as a prearranged meeting with an individual employee, will not be affected.

If VERIZON and IBEW LOCAL UNION 1357 are unable to agree on reasonable access, the TPN will be asked to resolve the issue. Successful access agreements utilized at other units will be looked to for guidance as to what works and is reasonable. VERIZON and IBEW LOCAL UNION 1357 commit that they will reach such an access agreement in each instance in an expeditious manner.

8. Dispute Resolution

(a) Questions or disputes arising during the course of an organizing effort within a particular unit of non-represented employees will, in all cases, be addressed first by and between the parties themselves and, in particular, Labor Relations Staff in conjunction with local VERIZON management and appropriate IBEW LOCAL UNION 1357 representatives. It is the intent and desire of VERIZON and the IBEW LOCAL UNION 1357 that such matters are dealt with by and between the parties themselves, particularly at the local level, without having to resort to the assistance of a third party. It is also agreed, however, that if every good faith and reasonable effort has been made, but the matter unresolved, the process described below will be utilized.

(b) The TPN will resolve disputes in the manner set forth in this agreement. Either VERIZON or IBEW LOCAL UNION 1357 can refer a question or dispute, unresolved after good faith efforts have been made to resolve the dispute locally, to the chosen TPN by providing three working days' written notice to both the other party and the TPN. The notice will provide concise statement of the question or dispute to be addressed and a statement that the parties have attempted in good faith but have been unable to resolve the matter by and between them.

(c) If the question or dispute involves a matter related to access (i.e., the nature, event, time, location, individuals involved, etc.) the TPN will fully investigate all relevant facts surrounding the question or dispute. The TPN will then call the parties together and attempt to facilitate resolution of or otherwise mediate the matter.

If, after a good faith attempt at facilitated resolution or mediation, the access question or dispute is still not resolved, the TPN will attempt to render an immediate decision, which includes a method or alternative methods of resolving the perceived problem. However, in no event will the TPN take longer than five days thereafter to render a decision. The decision of the TPN will be final and binding and the parties agree to abide by his/her decision. This process, from the time the TPN is contacted to the time his or her opinion is issued, will not take more than 15 days unless the parties agree otherwise.

(d) If the dispute involves the appropriateness of the bargaining unit the Union seeks to organize and the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to TPN and a hearing shall be conducted consistent with the rules of the American Arbitration Association. The TPN shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act and the decisions of the NLRB and Appellate reviews of such Board decisions.

(e) Regardless of the type of question or dispute that is submitted to the TPN, the parties will each be given a full opportunity to present their positions and supporting factual information prior to the issuance of any opinion. No written briefs will be submitted. There shall be no ex parte contact with the TPN without the concurrence of all parties. VERIZON and IBEW LOCAL UNION 1357 believe that matters pertaining to these values are best handled by and between the parties themselves and resort to a TPN should be

necessary in only a limited number of cases.

VERIZON and IBEW LOCAL UNION 1357 agree that the parties may distribute a decision of the TPN to employees in the selected unit but not outside to the public such as the press.

(f) The parties agree that the process set forth herein shall be the exclusive means for resolving disputes covered by this dispute resolution process, and neither party will utilize any other forum (e.g. NLRB, federal court, etc.) to address issues subject to resolution pursuant to this process.

(g) All expenses, resulting from the use of the TPN process, shall be split equally by VERIZON and IBEW LOCAL UNION 1357

9. *Acquisitions and Ventures*

The parties recognize the rapidly changing nature and structure of the communications industry. VERIZON may acquire (or be acquired by) another entity. It has and may in the future form joint ventures or strategic alliances, may license its brand or technology, or may be a financial investor in other entities. The employees in those entities may be non-represented, represented in whole or in the part of the Union, or represented in whole or in part by some other labor organization. It is not possible to structure a single rule which will apply to all such circumstances and the Company cannot compel other entities to abide by this agreement.

10. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PAC PAYROLL DEDUCTION

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to implement the following provisions for the payroll deduction of PAC (Political Action Committee) effective August 25, 2002.

1. The Company will make collection of PAC funds once each month through payroll deduction from employee's pay upon receipt of a written authorization form signed by the individual employee and delivered by the Union to the Company.

2. The Company also agrees to remit the amounts so deducted to the designated representative of the Union and to furnish the Union one (1) copy of the list of employees for whom such deductions have been made and the amount of each deduction. The Company also agrees to furnish the Union one (1) copy of a list of employees for whom no deductions have been made.

3. The Company shall bear the full cost of the undertaking set forth herein except that the Union agrees to furnish the PAC deduction authorization forms.

4. The Union agrees to hold harmless and indemnify the Company against liabilities resulting from the process of PAC collection from the employees and subsequent transfer to the Union.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PENDING DISPUTES

The Collective Bargaining Agreement contains the mechanism for settling grievances including arbitration. In order for this process to work effectively the parties must be able to use it to resolve disputes in a timely manner. At this time the number of pending grievances and arbitration cases is such that it is difficult to find solutions in the most effective way.

In recognition of this, the parties will convene a joint committee whose purpose it will be to examine all pending disputes, attempt to discover the underlying causes and find lasting solutions. It is the intent of the Company and Union to resolve all current disputes as a part of their pledge to a new relationship and to restore the grievance procedure to its intended purpose of resolving problems when and where they occur.

Since the first responsibility for settling "shop floor" disputes lies with the union stewards and the first line supervisors it is imperative that they be equipped with the best available tools to carry out this responsibility. To ensure that they have received the best possible training in this area the parties agree to implement a joint training program including dispute resolution methods and contract interpretation.

The parties have agreed to establish a Joint Labor-Management Committee for the purpose of fostering ".....a strong working partnership and to maintain positive Company/Union relations." In a further effort to keep disputes at a minimum so that time and energy can be directed toward positive endeavors, the parties agree to extend the concept of the Joint Labor-Management Committee to the job site by the establishment of Department Labor-Management Forums which will meet periodically to discuss various matters which will affect, or are affecting, the employees, their jobs, and their ability to best serve the customers.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PENSION PLAN SURVIVOR BENEFITS

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to modify the Plan for Hourly Employees' Pensions. Such modifications are subject to approvals by the Company's Board of Directors and the United States Department of the Treasury. Therefore, the modifications will be contingent upon receipt of necessary approvals but no earlier than January 1, 2003.

2. The existing pre-retirement survivor pension benefit provisions of the Pension Plan shall be amended to provide a pre-retirement survivor pension benefit for an employee who dies, either during active service or prior to commencing a pension benefit, at a time when he or she is unmarried and has accrued at least five years of vesting service.

3. An unmarried employee may, at any time prior to commencing a pension benefit or dying, designate any living person as the designated beneficiary for the pre-retirement survivor pension benefit. The employee may likewise revise the beneficiary designation at any one or more times prior to commencing a pension benefit or dying. A valid beneficiary designation must be on file for the pre-retirement survivor benefit to be paid.

4. For married employees, the spouse will automatically be considered the beneficiary. However, subject to the requirements regarding non-spouse beneficiaries and with spousal consent, a married employee may name a beneficiary other than the spouse. A single individual must be named as beneficiary; an estate or trust may not be named, nor may multiple individuals.

5. Subject to the provisions of the Plan, the pre-retirement survivor pension may be distributed as a 50% or 65% survivor annuity, or the lump sum equivalent, based upon the employee's election.

6. If a vested employee terminates employment on or after the effective date, the named survivor will be eligible for the survivor pension payable on the date the employee would have reached the age 65. An actuarially reduced benefit may be payable before age 65 if the vested employee would have been eligible for an earlier commencement.

7. In addition, the Pension Plan shall be amended to allow an employee, at the time of commencing a pension benefit, to designate any living person as the beneficiary for any of the forms of joint and survivor annuity offered under the Pension Plan or any of the term-certain forms of benefit. In the case of an employee who is married at the time of commencing a pension, the employee may not designate any beneficiary other than the spouse without complying with the spousal consent rules of the Plan.

8. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manger-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PERFORMANCE DIFFERENTIAL

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 mutually agree that the Company may, at its sole discretion, establish and implement from time to time Performance Differentials for employees who have completed the probationary period and are at the 54 or 60-month step of their wage schedule.

2. It is agreed that an employee who is consistently meeting high performance standards may be granted a Performance Differential. The performance measurement criteria will be established on an annual basis. Each department (at the Director level) may develop and establish "stretch" performance standards/criteria for select job classifications and/or employee groups that must be met or exceeded in order for an employee to qualify for the Performance Differential. The criteria will be reviewed with the Business Manager prior to implementation.

3. The amount of the hourly Performance Differential may vary by job classification and/or departments; this variance is necessary due to the varying levels of payback associated with incremental performance improvement in each job classification. All differential amounts must be reviewed with the Business Manager.

4. It is also understood that the following parameters will apply to Performance Differentials:

   a. The performance differential will be applied only to hours actually worked, including overtime hours actually worked, and will be included in the computation of any overtime compensation that may be due employees.

   b. The performance criteria will be established once a year.

   c. Employees who meet the performance criteria accumulative average for six months will be paid the performance differential during the following six (6) months.

d. To be eligible for the performance differential, the employee must have worked 840 straight time hours during the six (6) month review period.

e. An employee whose differential is discontinued will be ineligible for the differential until the next six (6) month review.

f. An employee who has received a Merit Increase is not eligible for performance differential for the same time period.

g. In the event of a process suspension, employees currently receiving a performance differential will continue for an additional 90 days from the effective suspension of the agreement, or to the end of period for which their current differential applies, whichever comes first.

h. The payment of an employee's earned performance differential shall end on the employee's last day paid.

If an employee met the criteria unethically, such employee's performance differential will be immediately stopped.

The provisions of the Performance Differential Memorandum of Agreement shall not be subject to the grievance or arbitration provisions of the collective bargaining agreement.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the provisions of Performance Differentials, shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PERSONAL HOLIDAY PILOT PROGRAM

In an effort to accommodate employee requests for Personal Holidays, Verizon Hawaii Inc. and IBEW Local Union 1357 agree to implement and evaluate a pilot program for Personal Holiday selection in the CSSC, effective January 1, 2003.

Following are the provisions for the selection of Personal Holidays under the pilot program:

1. An employee's Personal Holiday is a day off which must be requested by the employee at least thirty (30) days in advance of the elected date.

2. With thirty (30) days notice, the expressed preference of each employee shall be granted for one (1) Personal Holiday in 2003. Requests to change the selected Personal Holiday must also be made thirty (30) days in advance. This Personal Holiday shall not be used in conjunction with vacation.

3. Should the number of employees requesting the same day for their Personal Holiday result in staffing levels that jeopardize customer service, the CSSC shall notify the Union. The Union shall intercede to assist the CSSC in obtaining the required staffing levels by granting the allowable number of preferences in accordance with seniority, or by another mutually agreeable method.

4. The balance of an employee's Personal Holidays in 2003 shall be requested and granted according to existing CSSC policies and procedures.

5. The Company will not incur additional operational costs to implement this MOA.

At the end of 2003, the CSSC and the Union shall evaluate the effect of the Personal Holiday pilot program, and mutually agree to continue and/or expand the program. If mutual agreement is not reached, this MOA will not be continued.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PERSONAL HOLIDAY SELECTION FOR NON-CALL CENTER EMPLOYEES

In an effort to promote the true intent of the Personal Holiday, Verizon Hawaii Inc. and the International Brotherhood of Electrical Workers, Local Union 1357 agree that effective January 1, 2003, all employees other than those who work in a Call Center, shall be granted their request to take a personal holiday on any one of the non-observed holidays listed below, providing the employee gives their immediate supervisor a written request at least thirty (30) days prior to the date of the non-observed holiday:

Admission Day
Day after Thanksgiving
Discoverers' Day
General Election Day
Good Friday
Martin Luther King, Jr. Day
Veteran's Day

The non-Call Center departments will work with the Union if there is a jeopardy in meeting business needs. To avoid confusion, these departments will pre-identify the maximum number of employees who are able to take their Personal Holidays on these non-observed holidays. The Company will not incur additional operational costs to implement this Memorandum of Agreement.

All other requests will be handled in accordance with Article 26, Sections 26.5, 26.5.1, 26.5.2 and 26.5.3 of the Collective Bargaining Agreement.

This Memorandum of Agreement is effective August 25, 2002 and shall expire on September 1, 2007.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PERSONAL LINES OF INSURANCE

1. VERIZON HAWAII agrees to continue, without endorsement, the opportunity for regular full-time hourly employees of the Company who are covered by the Collective Bargaining Agreement to purchase automobile, home and other personal property and casualty insurance through payroll deduction.

2. Personal Lines of Insurance will be administered solely in accordance with its provisions, and no matter concerning Personal Lines of Insurance or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of Personal Lines of Insurance and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.

3. The Company reserves the right at any time, and from time to time, to modify or amend in whole or part, any and all provisions of the agreement with the Insurance Carrier, to change Insurance Carriers, or to terminate the agreement with the Insurance Carrier.

4. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Personal Lines of Insurance, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

PRESCRIPTION IDENTIFICATION CARD (PIC)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the Prescription Identification Card for employees and their eligible dependents enrolled in the Company Comprehensive Medical Plan.

2. Once employees (who are covered under the Company Comprehensive Medical Plan) retire, they and their eligible dependents may continue to participate in this PIC plan on the same basis as active employees. PIC is not available to participants in Health Maintenance Organizations (HMO's).

3. Eligible employees may purchase prescription medications from participating network pharmacies at a Verizon discounted rate. Employees who use participating network pharmacies will have an annual $25.00 deductible and co-payments of $5.00 (generic) and $15.00 (brand name).

4. Eligible employees purchasing prescription medications from non-network pharmacies will have an annual $75.00 deductible and co-payments of $5.00 (generic) and $15.00 (brand name).

5. The deductible and co-payment do not apply to the deductible or out-of-pocket maximums of the Company Comprehensive Medical Plan. The out-of-pocket maximum for PIC is $300 per person.

6. PIC will be administered solely in accordance with its provisions and no matter concerning PIC or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the PIC carrier, the administration of PIC and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.

7. The Company shall have the right to amend PIC in any way, including the selection of the PIC carrier. However, any amendment **diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent** will be

limited to those changes applicable to salaried employees.

8. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Prescription Identification Card, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

RETAIL SALES
INCENTIVE COMPENSATION PLAN

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the Retail Sales Incentive Compensation Plan set forth in this Memorandum of Agreement.

2. For a summary of details refer to the attachment entitled "Retail Sales Incentive Compensation Plan."

3. This Memorandum of Agreement is effective August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching	*Harold J. Dias, Jr.*
Manager-Labor Relations	Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

RETIREE LIFE INSURANCE

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to make available to employees who retire on or after January 1, 1997, with a service or disability pension under the VERIZON HAWAII Pension Plan, a $5,000 retiree life insurance benefit.

2. Employees who retire on or after January 1, 2003, with a service or disability pension under VERIZON HAWAII Pension Plan, a $10,000 retiree life insurance benefit.

3. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Retiree Life Insurance benefit, shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

RETIREE MEDICAL BENEFITS FOR "GRANDFATHERED" EMPLOYEES

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree that employees, who have reached 50 years of age and have 20 years of service as of December 31, 1996, and, who retire after achieving 55 years of age and 25 years of service, shall be eligible for Retiree Medical Benefits as outlined in the Memorandum of Agreement VEBA Retiree Medical Benefits - II.

The parties also agree that any employee, who meets the eligibility requirements outlined above after August 25, 2002, will qualify for the same contribution percentage as outlined in Section 4 of the MOA VEBA Retiree Medical Benefits - II, regardless of the actual date of retirement.

This MOA is effective August 25, 2002 and will remain in effect until all eligible employees have met the conditions of this MOA or until this MOA is canceled by mutual agreement of the parties.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SICKNESS DISABILITY ADMINISTRATION REVIEW COMMITTEE

Verizon Hawaii Inc. and IBEW Local Union 1357 agree to establish a committee to review the administration of sickness disability benefits by the Company's vendor. The committee shall be comprised of an equal number of management and Union representatives, not to exceed three (3) each. The frequency of meetings will be determined by the committee.

The intent of this committee is to meet periodically for the purpose of reviewing and assessing the procedures for processing employee sickness disability claims, and to identify and address problem areas. The committee will provide feedback and offer recommendations to the Company regarding the renewal of the vendor's contract.

The Company agrees to take the committee's recommendations under advisement. The Company, however, retains jurisdictional authority in deciding the appropriate action to be taken.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SICKNESS DISABILITY WAIT DAY PAY SUBSTITUTION

In an effort to provide pay substitution options for employees assessed unpaid sickness disability wait days, Verizon Hawaii Inc. and IBEW Local Union 1357 agree to implement and evaluate a program allowing the substitution of personal holiday time for unpaid wait days, effective January 1, 2003.

Following are the provisions for pay substitution under this program:

1. Employees, assessed wait day(s) in conjunction with their sickness disability benefits, will be allowed to substitute available personal holiday time for their unpaid wait days, provided they have personal holiday time available.

2. Personal holiday time must be substituted for unpaid sickness disability wait days in 8-hour increments.

3. Employees electing to use this pay substitution option, must inform their supervisor of their election when first reporting their absence. If an employee does not inform the Company of their election to use this option when first reporting their absence, this option cannot be utilized.

4. Wait days converted to personal holidays under this MOA will not be counted toward an employee's absenteeism rate and will not be used for disciplinary purposes.

5. Wait days converted to personal holidays under this MOA will be included as part of the 5-day period prior to which an employee is required to provide a doctor's note to substantiate their absence.

The Company and the Union will review and address any problems that may arise from the implementation of the Sickness Disability Wait Day Pay Substitution Program.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SPLIT SHIFTS

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree that this is to confirm the Company's intent to implement split shifts for designated **on line employees in the Consumer Sales & Solutions Center, Business Solutions Group and Customer Response Center.** The implementation of split shifts shall be done on a trial basis for an initial period of six (6) months.

An Implementation Committee, made up of an equal number of Union and Company representatives, will be formed to assist in the development of the implementation plan regarding the trial period. This Committee will meet periodically to review and address any problems that may arise during this period. After the initial period of six (6) months all information and a recommendation from the Implementation Committee will be brought to the Company and Union for review. In the event split shifts are agreed to between the Company and Union following this trial period, subsequent adjustments to Section 18.4 and the respective job descriptions will be made.

Selection for split shifts will first be offered on a voluntary basis, in order of seniority. If an adequate number of employees do not volunteer, assignment will be in the reverse order of seniority.

This Memorandum of Agreement is effective on August 25, 2002 and shall not survive the expiration of the collective bargaining agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SURVIVOR BENEFIT - MEDICAL CONTINUATION

Effective January 1, 2002 an eligible surviving spouse, registered domestic partner, and qualified dependent(s) of an active employee who participate in a Verizon medical plan, shall be provided medical coverage continuation at no charge for twenty-four (24) months following the death of an employee.

This Memorandum of Agreement shall be effective August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

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VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SWITCH MAINTENANCE TRAINING DIFFERENTIAL

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree that a requirement has been identified to utilize the skills and expertise of qualified switch maintenance personnel. These employees will provide structured training to support and supplement existing available training, i.e. computer based training, formal internal/external training in the DMS, GTD5, 5ESS or any other new switch technologies.

1. The training requirements, training curricula and locations will be established by management.

2. Temporary trainers will be relieved of their regular duties to prepare for and conduct structured training and will be paid a differential of $1.00 per hour. Qualified voluntary trainers will be selected by seniority.

3. This training differential will not be paid in addition to any other temporary assignment differential provided in Article 19.

This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

SWITCH PROVISIONING SPECIALIST

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to the following:

1. This title will be responsible for switch provisioning for residential and business service order requests for POTS, Centranet and special services in the GTD5, 5ESS, DMS100, DMS10, and DCO central offices.

2. These positions will be staffed initially with the Service Facility Technicians currently in the Recent Change Mechanized Assignment Center. These Service Facility Technicians will be retitled as Switch Provisioning Specialists in Wage Schedule 9 of the current Collective Bargaining Agreement.

3. Future positions will be filled according to the staffing procedures outlined in Article 12 of the Collective Bargaining Agreement. Candidates for these positions will be required to pass appropriate testing for this position, as determined by Verizon.

4. For the purpose of Article 13 and qualifications on all Job Descriptions, employees who held the job classification of Service Facility Technician prior to and on the day of reclassification will be recognized as having held the job classification of Switch Provisioning Specialist.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

TEAM PERFORMANCE AWARD

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to continue the Team Performance Award set forth in this Memorandum of Agreement.

2. For a summary of details, refer to the attachment entitled Team Performance Award.

3. This Memorandum of Agreement is effective on August 25, 2002 and shall expire September 1, 2007. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

TEAM PERFORMANCE AWARD

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to develop and implement a Team Performance Award (TPA), which will provide participating employees the opportunity to earn compensation based upon collective/team performance results.

2. **ELIGIBILITY**

All regular full-time hourly employees are eligible to receive an award if they are on a TPA Team for 30 calendar days or more. Employees on other Incentive plans are not eligible, i.e., BSC, Retail, LiveSource.

3. **AWARDS**

Awards are based on performance toward objectives over the period of a calendar year. An award amount is determined for the applicable calendar year, a percentage of which may be earned by eligible employees, depending on team performance during that calendar year. The payout ranges from 0% to 120% of an established target.

The range of the Team Performance Award payout is as follows:

Plan Year	Target Award*			Payable 1st Quarter
	Min	Target	Max	
2002	0%	4%	4.8%	2003
2003	0%	4%	4.8%	2004
2004	0%	4%	4.8%	2005
2005	0%	4%	4.8%	2006
2006	0%	4%	4.8%	2007

* Range is from 0% to 120% based on achievement of objectives.

The payout percentage is applied to an employee's **highest hourly basic rate of pay during the 26 pay periods of the calendar year**.

Employees transferring between teams shall have their award prorated according to the time on each team.

In the event of reorganization which results in employees changing teams, awards shall be prorated based upon each team's performance.

An employee who resigns, is laid off, terminated, dies or retires during the calendar year is eligible for a prorated Team Performance Award if all other eligibility requirements have been met. *

* **In case of Termination for Cause the individual situation will be reviewed to determine if the individual is eligible for an award.**

* **Temporary and seasonal employees are eligible for a prorated Team Performance award if all other eligibility requirements are met.**

Employees on approved military leave of absence who have one year or more service will be given full wage credit up to three months toward the Team Performance Award. Employees on any other unpaid leave will have cumulative leave time excluded from award computation.

4. **TIME OFF FOR UNION ACTIVITIES**

Excused time off for union activity will be counted as time worked when computing Team Performance Awards.

5. **BENEFITS TREATMENT**

Team Performance Award payments are recognized in the calculation of Pension Plan benefits, Group Life Insurance, and the Hourly Savings Plan. Such payments will be applicable in the year payment is received. This is in accordance with benefit plan definitions.

All other benefits are in accordance with the collective bargaining agreement and are based on rates shown in the hourly wage schedules.

6. **TAXES, PERSONAL ALLOTMENT**

Deductions for federal, state, and local tax liabilities will be made in accordance with lump sum distribution tax laws.

Personal allotments such as savings bonds, and United Way contributions will not be made.

7. **OVERTIME**

The Team Performance Award payouts are for hours worked and must be included in overtime payments.

The overtime payment will be calculated as follows:

The Team Performance Award payout divided by the total hours worked equals the award hourly rate. This rate is then multiplied times .5 x number of overtime hours in the same calendar year for which the Team Performance Award was paid. The result of this calculation is the award overtime payment due the employee.

EXAMPLE:

Team Performance Award	$500
divided by	
Total Hours Worked	1,880
equals	
Award Hourly Rate	$0.2659
times	
Overtime Rate (1/2)	.5
equals	
Hourly Overtime Rate of Pay	$0.1329
times	
Total Overtime Hours	100
equals	
Award Overtime Payment	$13.29

A Team Performance Award overtime payment will be included in the award payout.

8. **OBJECTIVES/MEASURES**

All hourly employees normally will be assigned to teams based on their functional area of responsibility. Teams may consist of a few employees or many.

Each team will be given a set of objectives linked to, but not limited to, one or more of these performances areas:

Quality/Value of services delivered
Productivity
Expense Budget
Revenue

Teams that satisfy a minimum level of performance will receive an incentive payment. If that minimum level of performance is exceeded, the incentive payment will be larger. Each member of a team will receive the same percentage of target award that the team achieved. An example would be as follows:

Level of Performance	Percentage of Target Award
Below Minimum	0%
Minimum to Target	10 - 99%
Target	100%
Over Target to Maximum	101 - 120%

9. The Company reserves the right to establish objectives and determine performance results. The objectives, the performance results, or any part

of the Team Performance Award shall not be subject to the grievance or arbitration provisions of the collective bargaining agreement.

10. Prior to the announcement of objectives and performance targets for the applicable year, company representatives will meet with Union representatives, if requested, to review the rationale for such objectives and targets.

11. **MODIFICATION OF THE TEAM PERFORMANCE PLAN**

Verizon may at any time modify, in part or in whole, the Team Performance Award Plan. Any modification shall not affect awards already earned under this plan. **The Company reserves the right to modify team structure as may be necessary.**

12. **TERMINATION OF THE TEAM PERFORMANCE PLAN**

The suspension or termination must be by mutual agreement of the parties.

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

UNION LEAVE OF ABSENCE

WHEREAS former GTE/IBEW LOCAL 1357 bargaining unit employees have become full-time employees of the IBEW or its local affiliates:

WHEREAS the treatment of such IBEW employees for Verizon/GTE pension benefit credit varies both among former GTE/IBEW bargaining units and between IBEW and local affiliate employment; and

WHEREAS other employers in Verizon's industry permit similarly situated employees greater pension benefits credit than does Verizon/GTE:

NOW THEREFORE THE VERIZON/GTE COMPANIES AND IBEW LOCAL 1357 agree as follows:

1. Any full time employee of Verizon/GTE who becomes a full-time employee of either IBEW or a IBEW local affiliate (a "Verizon/GTE-Union employee") shall be entitled to be on leave of absence status from Verizon/GTE. While on such leave status, the Verizon/GTE-Union employee shall continue to accumulate seniority and shall retain return rights to the bargaining unit.

2. While on leave of absence status, a Verizon/GTE-Union employee shall accrue Accredited Service under the Verizon/GTE Pension Plan in which the employee actively participated while a bargaining unit employee until either:

   (a) The Verizon/GTE-Union employee ends his/her full-time employment with the IBEW or a local affiliate; or

   (b) The Verizon/GTE-Union employee retires from Verizon/GTE or otherwise affirmatively relinquishes his/her leave of absence; or

   (c) The aggregate length of all such leaves of absence equals fifteen (15) years.

      (i) Effective January 1, 2003 the aggregate length of all such leaves of absence equals eighteen (18) years.

(ii) Effective January 1, 2005 the aggregate length of all such leaves of absence equals twenty (20) years.

3. In the event that any court of competent jurisdiction finds this Agreement to be unlawful, it shall be null and void as of the date of its execution, but Verizon/GTE and the IBEW will immediately negotiate in good faith to provide the most equivalent lawful benefit for Verizon/GTE-Union employees.

4. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

UNUSED VACATION PAY

Each calendar year, the Company shall review and determine year-end manpower needs in accordance with customer service requirements and economic conditions. If deemed appropriate by the Company, a plan may be implemented to allow an employee with more than two (2) weeks earned vacation, to be paid a sum equivalent to the remaining third, fourth and/or fifth week of vacation at their basic rate of pay. Those employees allowed to participate in the plan and work during their vacation period shall receive vacation pay for that period and will work the equivalent week(s) on a regular scheduled basis. Pay for the hours actually worked by employee(s) shall be at the basic rate of pay. The vacation hours paid to employees shall be at the basic rate of pay and shall not count towards the build up of overtime payment.

The frequency and determination of the method of implementation of this plan shall rest wholly within the discretion of the Company and is not subject to the Grievance and Arbitration provisions of the Collective Bargaining Agreement.

It is further understood that the administration of this program will be equitable to all parties.

This Agreement is effective August 25, 2002 through September 1, 2007.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

VACATION CARRY FORWARD (BANKING)

1. VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree that eligible employees may carry forward into future years a limited number of weeks of vacation for each vacation year as set forth in this Memorandum of Agreement.

2. Employees eligible for four (4) weeks of vacation may carry forward up to one (1) vacation week for each vacation year; employees eligible for five (5) weeks of vacation may carry forward up to two (2) vacation weeks for each vacation year.

3. Such carried forward vacation shall be subject to supervisory approval.

4. Future scheduling of such accumulated carried forward vacation time is subject to advanced written application and approval.

5. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII INC.

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

VISION PLAN

1. Verizon Hawaii Inc. and the International Brotherhood of Electrical Workers Local 1357 agree to implement the provisions of the Vision Plan set forth in this Memorandum of Agreement. The effective date of the Vision Plan will be January 1, 2003.

2. For a summary of details, refer to the attachment entitled Vision Plan Highlights.

3. Some of the major provisions include:

   - No annual deductible
   - Eye exam every twelve months
   - One pair of prescription eyeglasses or contact lenses every 24 months

4. Employees enrolled in the Comprehensive Medical Plan are automatically enrolled in the Vision Plan.

5. The cost of the Vision Plan coverage will be paid by the Company.

6. The amount and availability of benefits under the Vision Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the Vision Plan, selection of the insurance carrier, eligibility for the benefits, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving Vision Plan terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

7. This Memorandum of Agreement is effective on August 25, 2002, and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the

parties in writing.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

VISION PLAN HIGHLIGHTS

Feature	Participating Provider	Non-Participating Provider
Annual Deductible	None	None
Eye Exam (Once every 12 months)	**You pay the network provider a $25 co-payment.** No claim filing is required.	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to $25.
Lenses and Frames (Once every 24 months)*	**You pay the network provider a $100 co-payment for lenses and frames or $50 for just lenses or frames.**	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to $25 for lenses and $25 for frames for a maximum reimbursement of $50.
Contact Lenses (Once every 24 months)*	You pay nothing for standard-wear, soft, daily-wear, or disposable contact lenses. **Discounts available for replacement lenses.**	You pay the expense in full and file a claim with Davis Vision. The Plan reimburses you up to **$50**.
Laser Vision Correction	**Discounts available.**	**No discounts available.**

* **Limited to one pair of prescription eyeglasses or one pair of prescription contact lenses every 24 months.**

Additional Provisions

- Two or more opticians, optometrists, or ophthalmologists within 10 miles of the employee's home.
- Employees that have no provider within 10 miles can use the Out-of-Area Provision.

Out-of-Area Provisions

Steps to find an Out-of-Area Provider:

1. Call Davis Vision when ready to schedule an appointment for services. The number for Davis Vision can be obtained from the Verizon Benefits Center.
2. Ask the Member Service Associate to locate a non-participating provider (NPP) or give them the name and address of a local provider.
3. Davis Vision will contact the provider to arrange in-network vision care services for you and will contact you with an authorization to receive your services.
4. Employee will receive the participating provider benefits.

Professional Provider Services

Standards of care for eye examinations are entirely consistent with those established by State Departments of Health and include preventive eye care with glaucoma testing, refractive care and the prescribing of eyeglasses.

Each patient receives a comprehensive eye examination with a preferred optometrist or ophthalmologist which includes the following components:

- Case History – chief complaint, eye and vision history, medical history
- Entrance distance acuities
- External ocular evaluation including slit lamp examination
- Internal ocular examination inclusive of dilated fundus evaluation
- Tonometry
- Distance refraction – objective and subjective
- Binocular coordination and ocular motility evaluation
- Evaluation of pupillary function
- Biomicroscopy
- Gross visual fields
- Assessment and plan
- Patient education
- Form completion – school, motor vehicle, etc.

All of these components are fully within the education, training and scope of licensure for both optometrists and ophthalmologists.

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION
RETIREE MEDICAL BENEFITS
DEFINED BENEFITS

VERIZON HAWAII and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs for eligible employees who retire between April 30, 1991 and December 31, 1996 with a service or disability pension under the GTE Hawaiian Telephone Company Incorporated, Hourly Retirement System Pension Plan and their beneficiaries (hereinafter referred to as the Eligible Participant). This trust is being established to provide benefit security for the term of this Memorandum of Agreement.

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and where applicable, regulatory approval for recovery).

2. The Company agrees that funds placed into the trust will be used exclusively to pay for the benefits and administrative costs heretofore described.

3. During the term of the Memorandum of Agreement, Retiree Medical Benefits for the Eligible Participants shall be the same level and type of benefits as provided in the Medical plan in effect for the International Brotherhood of Electrical Workers, Local Union 1357 represented employees. Employees who retire between May 1, 1991 and December 31, 1991 benefits shall be in accordance with the attached. Employees who retire between January 1, 1992 and December 31, 1996 shall be in accordance with the medical benefits then in effect.

4. During the term of this Memorandum of Agreement, the Company shall contribute an amount in accordance with Article 28.7 and appropriate sub-sections of the Collective Bargaining Agreement for Retiree Medical Benefits, as described in paragraph 3 above, (hereinafter referred to as Defined Benefits).

For retirees electing coverage under available plans other than HTC (e.g., Kaiser or HMO Hawaii), the retiree is responsible for the difference between the Company's monthly premium contribution under HTC and the alternate plan.

5. It is the Company's intention to cap the amount it pays toward Retiree Medical Benefit premiums. When premiums reach or exceed the figures set forth in the chart below, the retiree must pay the Company the amount of the premium that exceeds the Capped Retiree Medical Benefits Premium.

Coverage Category	Capped Retiree Medical Benefits Premium
Retiree only (primary coverage)	$5,124
Retiree plus one dependent coverage	$10,236
Family coverage	$11,340
Medicare covered retiree (Per eligible life)	$1,354

6. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operations of the trust and/or applicable sections of this Memorandum of Agreement, other than those sections relating to the level and type of Retiree Medical Benefits need to be modified or rescinded prior to August 25, 2002. This notification will take place, in writing, within fifteen calendar days prior to the date of modification or rescission. This notification will specify the cause for and effect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

7. The funding and operation of the trust, the level and administration of the Retiree Medical Benefits, the Defined Benefits, the selection of the insurance carrier, eligibility for the benefits, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the Grievance or Arbitration Procedures set forth in the Collective Bargaining Agreement.

8. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the

Defined Benefits, the Retiree Medical Benefits currently given and the Capped Retiree Medical Benefit Premiums, shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing. The parties further agree that the expiration of the VEBA Memorandum of Agreement does not terminate the Company's obligation to provide retiree medical benefits.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION
RETIREE MEDICAL BENEFITS - II

VERIZON HAWAII (hereinafter referred to as the Company) and IBEW Local 1357 (hereinafter referred to as the Union) hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between January 1, 1997 and September 1, 2007 with a service or disability pension under the Hourly Employees Retirement System pension plan and their beneficiaries (hereinafter referred to as the Eligible Participants). This trust is being established to provide benefit security for the term of this Memorandum of Agreement.

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and where applicable, regulatory approval for recovery).

2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs described below or for any other purpose permitted by law.

3. The level and type of Retiree Medical Benefits for employees who retire on or after January 1, 1997 shall be governed by the GTE RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 6 below.

4. Effective January 1, 1997, in order to receive Retiree Medical Benefits, the retiree must pay a percentage/amount of the Retiree Medical premium ("Retiree Contribution Percentage/Amount"). Similarly, the Company will pay a percentage/amount of the premium ("Company Contribution Percentage/Amount"), subject to Section 5 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentage/Amount will be based on the following contribution schedule:

Years of Accredited Service @ Retirement	Company Contribution %/Amount	Retiree Contribution %/Amount
Less than 10	0%	100%
10 thru 14	20%	80%
15 thru 19	40%	60%
20 thru 24	60%	40%
25 thru 29	80%	20%
30 and over	90%	10%
*Employees age 50 thru 65 with at least 20 years of service as of December 31, 1996 and whose retirement occurs after achieving at least 55 years of age and 25 years of service	100%	0%
Medicare covered retiree (Per eligible life)		$15/month

5. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). The Company's Contribution Amount shall be determined by multiplying the Retiree Medical Benefits Premium times the Company Contribution Percentage.

(b) Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 1997. The following chart shows the maximum Retiree Medical Benefits Premiums to be used in calculating the Company Contribution Amount.

Coverage Category	Capped Retiree Medical Benefits Premium
Retiree only (primary coverage)	$5,124
Retiree plus one dependent coverage	$10,236
Family coverage	$11,340
Medicare covered retiree (Per eligible life)	$1,354

When the Retiree Medical Benefits Premiums for the $350 deductible coverage option under GTE RETIREE OPTIONS reaches or exceeds the figures set forth in the above chart ("Capped Retiree Medical Benefits Premiums"), the Company Contribution Amount shall be calculated as follows. The Maximum Company Contribution Amount applicable to each

Coverage Category shall be determined by multiplying the Capped Retiree Medical Benefits Premium as set forth above for that coverage times the Company Contribution Percentage. The applicable Maximum Company Contribution Amount shall not increase when the Retiree Medical Benefits Premium exceeds the amount set forth in the chart above.

6. In order to receive Retiree Medical Benefits, the retiree must pay the Company the amount of the Retiree Medical Benefits Premium that exceeds the Company Contribution Amount as described in paragraphs 4 and 5 above ("Retiree Contribution Amount"). When the Retiree Medical Benefits Premium reaches or exceeds the Capped Retiree Medical Benefit Premium, the retiree must pay the Company the amount of the Retiree Medical Benefits Premium that exceeds the Maximum Company Contribution Amount.

7. The Capped Retiree Medical Benefits Premium and the Maximum Company Contribution Amount set forth in paragraph 5 above is based upon the $350 deductible coverage option. If the retiree elects the $150 deductible coverage option, the Retiree Contribution Amount will increase by the amount the $150 deductible coverage option exceeds the $350 deductible coverage option. If the retiree elects the $1000 deductible coverage option, the Retiree Contribution amount will decrease by the amount the $1000 deductible coverage option is less than the $350 deductible coverage option (not to exceed zero). When the Retiree Medical Benefit Premiums for the $350 deductible coverage option reach the amounts set forth in the chart in paragraph 5, the Company Contribution Amount for all coverage options, including the $150 and $1000 deductible coverage options, shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.

   When the Retiree Medical Benefit Premiums for the HMO coverage option reach the amounts set forth in the chart in paragraph 5, the Company Contribution Amount for the HMO coverage option(s) shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.

   When the Retiree Medical Benefit Premiums for Medicare covered retirees reaches the amount set forth in the chart in paragraph 5, the Company Contribution Amount for Medicare coverage shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.

8. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, except for pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, need to be modified or rescinded prior to the

expiration of the Articles of Agreement. This notification will take place, in writing, within fifteen calendar days prior to the date of modification or rescission. This notification will specify the cause for and affect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

9. The funding and operation of the trust; the level and administration of the Retiree Medical Benefits; amount or cost of premiums; premium pricing mechanisms; the attainment of the Maximum Company Contribution Amount; the selection of the claims administrator, alternate health carrier or insurance carrier; eligibility for the benefits; all terms and conditions related hereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

10. This Memorandum of Agreement is effective on August 25, 2002 and shall be in effect for the duration of this Agreement. The parties specifically agree that this Memorandum of Agreement, the Retiree Medical Benefits described herein, and the terms and conditions set forth in this Memorandum of Agreement relating to Retiree Medical Benefits, including but not limited to the Maximum Company Contribution Amount and the level and type of Retiree Medical Benefits shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

The parties further agree that the expiration of the VEBA Memorandum of Agreement does not terminate the Company's obligation to provide retiree medical benefits although the level and type of benefits provided may change due to the Internal Revenue Code, financial, regulatory and legal considerations.

VERIZON HAWAII	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357
Patti Ching Manager-Labor Relations	Harold J. Dias, Jr. Business Manager-Financial Secretary

MEMORANDUM OF AGREEMENT

between

VERIZON HAWAII

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

WAGES

VERIZON HAWAII INC. and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree to implement a wage increase as follows:

1. The parties agree that all employees will receive a 20% General Wage Increase over five years as follows:

   - A 2.00% General Wage Increase, effective August 25, 2002
   - A 2.00% General Wage Increase, effective February 23, 2003
   - A 4.00% General Wage Increase, effective December 28, 2003
   - A 4.00% General Wage Increase, effective December 26, 2004
   - A 4.00% General Wage Increase, effective December 25, 2005
   - A 4.00% General Wage Increase, effective December 24, 2006

   Additionally, employees covered by the Team Performance Award Plan (TPA) will be eligible to receive a total 20% payout at target over five years as follows:

   - 4.0% for 2002
   - 4.0% for 2003
   - 4.0% for 2004
   - 4.0% for 2005
   - 4.0% for 2006

   Awards will be determined and administered in accordance with the Memorandum of Agreement concerning the Team Performance Award Plan.

2. Effective December 26, 2004, all wage schedules (except WS3 and WS3A) will be adjusted to the new 48-step wage schedule.

3. Business Customer Representatives in the Business Solutions Center

   Additional two percent (2%) wage increases effective August 24, 2003 and February 22, 2004.

4. Service Representatives in the Consumer Sales and Solutions Center

Current Service Representatives will be reclassified to Consumer Sales Consultants in wage schedule 6A, effective August 25, 2002, and will receive additional two percent (2%) wage increases effective August 24, 2003 and February 22, 2004.

5. Master Auto Technicians will be upgraded from wage schedule 10 to wage schedule 12, effective August 25, 2002.

6. Facility Assistants will be upgraded from wage schedule 5 to wage schedule 6, effective August 25, 2002.

7. This Memorandum of Agreement is effective on August 25, 2002 and shall expire on September 1, 2007. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement relating to wages shall terminate on September 1, 2007 and shall not survive the expiration of this Memorandum of Agreement unless specifically agreed to by the parties in writing.

VERIZON HAWAII

Patti Ching
Manager-Labor Relations

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357

Harold J. Dias, Jr.
Business Manager-Financial Secretary

ATTACHMENT 1

WAGE SCHEDULE 12

Communications Technician
Customer Service Specialist
Customer Zone Technician I
Electronic Equipment Installer
Leader Equipment Installer
Master Auto Technician
Metrology Technician
Switching Technician
Telecommunications Technician

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$12.86	$13.12	$13.64	$14.19	$14.76	$15.35
6 Mo	14.47	14.76	15.35	15.96	16.60	17.26
12 Mo	15.38	15.69	16.32	16.97	17.65	18.36
18 Mo	16.34	16.67	17.34	18.03	18.75	19.50
24 Mo	17.33	17.68	18.39	19.13	19.90	20.70
30 Mo	18.42	18.79	19.54	20.32	21.13	21.98
36 Mo	19.58	19.97	20.77	21.60	22.46	23.36
42 Mo	20.76	21.18	22.03	22.91	23.83	24.78
48 Mo	22.06	22.50	23.40 →	27.44	26.54	29.68
54 Mo	23.42	23.89	24.85			
60 Mo	24.87	25.37	26.38			

WAGE SCHEDULE 11

Building Services Technician
Customer Service Technician
Leader Lineworker
Leader Mechanic

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$12.59	$12.84	$13.35	$13.88	$14.44	$15.02
6 Mo	14.18	14.46	15.04	15.64	16.27	16.92
12 Mo	15.07	15.37	15.98	16.62	17.28	17.97
18 Mo	15.99	16.31	16.96	17.64	18.35	19.08
24 Mo	16.99	17.33	18.02	18.74	19.49	20.27
30 Mo	18.00	18.36	19.09	19.85	20.64	21.47
36 Mo	19.11	19.49	20.27	21.08	21.92	22.80
42 Mo	20.32	20.73	21.56	22.42	23.32	24.25
48 Mo	21.54	21.97	22.85 →	26.80	27.87	28.98
54 Mo	22.88	23.34	24.27			
60 Mo	24.29	24.78	25.77			

WAGE SCHEDULE 10

Cable Splicer
Customer Zone Technician II
Equipment Installation Planner
Equipment Installer
Junior Engineer

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$12.29	$12.54	$13.04	$13.56	$14.10	$14.66
6 Mo	13.79	14.07	14.63	15.22	15.83	16.46
12 Mo	14.65	14.94	15.54	16.16	16.81	17.48
18 Mo	15.52	15.83	16.46	17.12	17.80	18.51
24 Mo	16.47	16.80	17.47	18.17	18.90	19.66
30 Mo	17.44	17.79	18.50	19.24	20.01	20.81
36 Mo	18.50	18.87	19.62	20.40	21.22	22.07
42 Mo	19.66	20.05	20.85	21.68	22.55	23.45
48 Mo	20.81	21.23	22.08 →	25.85	26.88	27.96
54 Mo	22.09	22.53	23.43			
60 Mo	23.43	23.90	24.86			

WAGE SCHEDULE 9

Customer Care Advocate
Customer Inquiry Advocate
Facility Provisioning Specialist
Mechanic
Service Facility Technician
Service Order Router-PBX
Station Technician
Switch Provisioning Specialist

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$12.09	$12.33	$12.82	$13.33	$13.86	$14.41
6 Mo	13.61	13.88	14.44	15.02	15.62	16.24
12 Mo	14.40	14.69	15.28	15.89	16.53	17.19
18 Mo	15.28	15.59	16.21	16.86	17.53	18.23
24 Mo	16.20	16.52	17.18	17.87	18.58	19.32
30 Mo	17.15	17.49	18.19	18.92	19.68	20.47
36 Mo	18.18	18.54	19.28	20.05	20.85	21.68
42 Mo	19.27	19.66	20.45	21.27	22.12	23.00
48 Mo	20.44	20.85	21.68 →	25.30	26.31	27.36
54 Mo	21.66	22.09	22.97			
60 Mo	22.93	23.39	24.33			

WAGE SCHEDULE 8

Business Sales Support Specialist — Lineworker

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$11.88	$12.12	$12.60	$13.10	$13.62	$14.16
6 Mo	13.33	13.60	14.14	14.71	15.30	15.91
12 Mo	14.15	14.43	15.01	15.61	16.23	16.88
18 Mo	14.99	15.29	15.90	16.54	17.20	17.89
24 Mo	15.89	16.21	16.86	17.53	18.23	18.96
30 Mo	16.80	17.14	17.83	18.54	19.28	20.05
36 Mo	17.83	18.19	18.92	19.68	20.47	21.29
42 Mo	18.87	19.25	20.02	20.82	21.65	22.52
48 Mo	20.00	20.40	21.22 →	24.75	25.74	26.77
54 Mo	21.18	21.60	22.46			
60 Mo	22.43	22.88	23.80			

WAGE SCHEDULE 7A

Business Customer Representative

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 2% 8/24/03	GWI 4% 12/28/03	GWI 2% 2/22/04	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$10.88	$11.10	$11.32	$11.77	$12.01	$12.49	$12.99	$13.51
6 Mo	12.23	12.47	12.72	13.23	13.49	14.03	14.59	15.17
12 Mo	12.92	13.18	13.44	13.98	14.26	14.83	15.42	16.04
18 Mo	13.67	13.94	14.22	14.79	15.09	15.69	16.32	16.97
24 Mo	14.47	14.76	15.06	15.66	15.97	16.61	17.27	17.96
30 Mo	15.32	15.63	15.94	16.58	16.91	17.59	18.29	19.02
36 Mo	16.22	16.54	16.87	17.54	17.89	18.61	19.35	20.12
42 Mo	17.18	17.52	17.87	18.58	18.95	19.71	20.50	21.32
48 Mo	18.16	18.52	18.89	19.65	20.04 →	23.33	24.26	25.23
54 Mo	19.21	19.59	19.98	20.78	21.20			
60 Mo	20.32	20.73	21.14	21.99	22.43			

WAGE SCHEDULE 7

Business Customer Support Representative
Business Service Representative
Cable Splicer Helper
Chef
Coin Collector/Maintainer
Communications Service Advisor
Computer Operator
Drafter
Leader Material Handler
Mechanic's Helper

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$11.55	$11.78	$12.25	$12.74	$13.25	$13.78
6 Mo	12.97	13.23	13.76	14.31	14.88	15.48
12 Mo	13.71	13.98	14.54	15.12	15.72	16.35
18 Mo	14.50	14.79	15.38	16.00	16.64	17.31
24 Mo	15.36	15.67	16.30	16.95	17.63	18.34
30 Mo	16.26	16.59	17.25	17.94	18.66	19.41
36 Mo	17.21	17.55	18.25	18.98	19.74	20.53
42 Mo	18.23	18.59	19.33	20.10	20.90	21.74
48 Mo	19.27	19.66	20.45 →	23.78	24.73	25.72
54 Mo	20.38	20.79	21.62 ┐			
60 Mo	21.56	21.99	22.87 ┘			

WAGE SCHEDULE 6A

Consumer Sales Consultant

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 2% 8/24/03	GWI 4% 12/28/03	GWI 2% 2/22/04	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$10.32	$10.53	$10.74	$11.17	$11.39	$11.85	$12.32	$12.81
6 Mo	11.43	11.66	11.89	12.37	12.62	13.12	13.64	14.19
12 Mo	12.05	12.29	12.54	13.04	13.30	13.83	14.38	14.96
18 Mo	12.66	12.91	13.17	13.70	13.97	14.53	15.11	15.71
24 Mo	13.36	13.63	13.90	14.46	14.75	15.34	15.95	16.59
30 Mo	14.09	14.37	14.66	15.25	15.56	16.18	16.83	17.50
36 Mo	14.83	15.13	15.43	16.05	16.37	17.02	17.70	18.41
42 Mo	15.63	15.94	16.26	16.91	17.25	17.94	18.66	19.41
48 Mo	16.46	16.79	17.13	17.82	18.18 →	20.97	21.81	22.68
54 Mo	17.32	17.67	18.02	18.74	19.11 ┐			
60 Mo	18.26	18.63	19.00	19.76	20.16 ┘			

WAGE SCHEDULE 6

Assigner
Facility Assistant
Installation Coordinator
Material Distributor
Purchasing Specialist
Service Representative
Supply Specialist

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$10.32	$10.53	$10.95	$11.39	$11.85	$12.32
6 Mo	11.43	11.66	12.13	12.62	13.12	13.64
12 Mo	12.05	12.29	12.78	13.29	13.82	14.37
18 Mo	12.66	12.91	13.43	13.97	14.53	15.11
24 Mo	13.36	13.63	14.18	14.75	15.34	15.95
30 Mo	14.09	14.37	14.94	15.54	16.16	16.81
36 Mo	14.83	15.13	15.74	16.37	17.02	17.70
42 Mo	15.63	15.94	16.58	17.24	17.93	18.65
48 Mo	16.46	16.79	17.46 →	20.16	20.97	21.81
54 Mo	17.32	17.67	18.38			
60 Mo	18.26	18.63	19.38			

WAGE SCHEDULE 5

Directory Clerk
Material Handler
Technical Support Assistant

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$9.77	$9.97	$10.37	$10.78	$11.21	$11.66
6 Mo	10.80	11.02	11.46	11.92	12.40	12.90
12 Mo	11.37	11.60	12.06	12.54	13.04	13.56
18 Mo	11.94	12.18	12.67	13.18	13.71	14.26
24 Mo	12.56	12.81	13.32	13.85	14.40	14.98
30 Mo	13.18	13.44	13.98	14.54	15.12	15.72
36 Mo	13.87	14.15	14.72	15.31	15.92	16.56
42 Mo	14.58	14.87	15.46	16.08	16.72	17.39
48 Mo	15.31	15.62	16.24 →	18.68	19.43	20.21
54 Mo	16.09	16.41	17.07			
60 Mo	16.93	17.27	17.96			

WAGE SCHEDULE 4

Coin Center Processor
Contact Representative
Office Assistant

Phone Mart Assistant
Retail Sales Consultant

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$9.45	$9.64	$10.03	$10.43	$10.85	$11.28
6 Mo	10.41	10.62	11.04	11.48	11.94	12.42
12 Mo	10.93	11.15	11.60	12.06	12.54	13.04
18 Mo	11.45	11.68	12.15	12.64	13.15	13.68
24 Mo	12.04	12.28	12.77	13.28	13.81	14.36
30 Mo	12.61	12.86	13.37	13.90	14.46	15.04
36 Mo	13.24	13.50	14.04	14.60	15.18	15.79
42 Mo	13.91	14.19	14.76	15.35	15.96	16.60
48 Mo	14.62	14.91	15.51 →	17.73	18.44	19.18
54 Mo	15.31	15.62	16.24			
60 Mo	16.07	16.39	17.05			

WAGE SCHEDULE 3B

Service Order Representative

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$9.13	$9.31	$9.68	$10.07	$10.47	$10.89
6 Mo	10.04	10.24	10.65	11.08	11.52	11.98
12 Mo	10.51	10.72	11.15	11.60	12.06	12.54
18 Mo	10.99	11.21	11.66	12.13	12.62	13.12
24 Mo	11.50	11.73	12.20	12.69	13.20	13.73
30 Mo	12.06	12.30	12.79	13.30	13.83	14.38
36 Mo	12.62	12.87	13.38	13.92	14.48	15.06
42 Mo	13.22	13.48	14.02	14.58	15.16	15.77
48 Mo	13.87	14.15	14.72 →	16.79	17.46	18.16
54 Mo	14.50	14.79	15.38			
60 Mo	15.22	15.52	16.14			

WAGE SCHEDULE 3A

Communications Assistant — Switchboard Operator

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$8.99	$9.17	$9.54	$9.92	$10.32	$10.73
6 Mo	9.84	10.04	10.44	10.86	11.29	11.74
12 Mo	9.92	10.12	10.52	10.94	11.38	11.84
18 Mo	10.03	10.23	10.64	11.07	11.51	11.97
24 Mo	10.51	10.72	11.15	11.60	12.06	12.54
30 Mo	10.99	11.21	11.66	12.13	12.62	13.12
36 Mo	11.50	11.73	12.20	12.69	13.20	13.73
42 Mo	12.06	12.30	12.79	13.30	13.83	14.38
48 Mo	12.62	12.87	13.38	13.92	14.48	15.06
54 Mo	13.22	13.48	14.02	14.58	15.16	15.77
60 Mo	13.87	14.15	14.72	15.31	15.92	16.56
66 Mo	14.50	14.79	15.38	16.00	16.64	17.31
72 Mo	15.22	15.52	16.14	16.79	17.46	18.16

**Note: Wage Schedule 3A is applicable to employees who were hired or transferred into these classifications on or after 9/1/99*

WAGE SCHEDULE 3

Communications Assistant — Switchboard Operator

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$9.13	$9.31	$9.68	$10.07	$10.47	$10.89
6 Mo	10.04	10.24	10.65	11.08	11.52	11.98
12 Mo	10.51	10.72	11.15	11.60	12.06	12.54
18 Mo	10.99	11.21	11.66	12.13	12.62	13.12
24 Mo	11.50	11.73	12.20	12.69	13.20	13.73
30 Mo	12.06	12.30	12.79	13.30	13.83	14.38
36 Mo	12.62	12.87	13.38	13.92	14.48	15.06
42 Mo	13.22	13.48	14.02	14.58	15.16	15.77
48 Mo	13.87	14.15	14.72	15.31	15.92	16.56
54 Mo	14.50	14.79	15.38	16.00	16.64	17.31
60 Mo	15.22	15.52	16.14	16.79	17.46	18.16

**Note: Wage Schedule 3 is applicable to Communications Assistants and Switchboard Operators who were hired or transferred into these classifications prior to 9/1/99*

WAGE SCHEDULE 2

Accounting Clerk
Assistant Cook

Mail Services Clerk

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$8.88	$9.06	$9.42	$9.80	$10.19	$10.60
6 Mo	9.73	9.92	10.32	10.73	11.16	11.61
12 Mo	10.18	10.38	10.80	11.23	11.68	12.15
18 Mo	10.67	10.88	11.32	11.77	12.24	12.73
24 Mo	11.16	11.38	11.84	12.31	12.80	13.31
30 Mo	11.67	11.90	12.38	12.88	13.40	13.94
36 Mo	12.21	12.45	12.95	13.47	14.01	14.57
42 Mo	12.79	13.05	13.57	14.11	14.67	15.26
48 Mo	13.36	13.63	14.18 →	16.15	16.80	17.47
54 Mo	13.98	14.26	14.83			
60 Mo	14.64	14.93	15.53			

WAGE SCHEDULE 1

Food Server

	GWI 2% 8/25/02	GWI 2% 2/23/03	GWI 4% 12/28/03	GWI 4% 12/26/04	GWI 4% 12/25/05	GWI 4% 12/24/06
Start	$8.50	$8.67	$9.02	$9.38	$9.76	$10.15
6 Mo	9.30	9.49	9.87	10.26	10.67	11.10
12 Mo	9.69	9.88	10.28	10.69	11.12	11.56
18 Mo	10.10	10.30	10.71	11.14	11.59	12.05
24 Mo	10.57	10.78	11.21	11.66	12.13	12.62
30 Mo	11.01	11.23	11.68	12.15	12.64	13.15
36 Mo	11.49	11.72	12.19	12.68	13.19	13.72
42 Mo	11.99	12.23	12.72	13.23	13.76	14.31
48 Mo	12.54	12.79	13.30 →	15.06	15.66	16.29
54 Mo	13.07	13.33	13.86			
60 Mo	13.65	13.92	14.48			

ATTACHMENT 2

STANDARD TRAVEL AGREEMENT

VERIZON HAWAII and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357 agree that the following conditions will apply to employees selected for assignments to the continental United States and Alaska.

1. Transportation: Mode of transportation shall be determined by the Company. Transportation shall be by a carrier such as United, **American**, etc.
2. Quarters: The employee will be accommodated at a commercial hotel **and there will be** one employee per room.
3. **Round trip** travel from **and to** Home Island and Assignment Destination: The employee will be paid **non-premium pay** for **the round trip** traveling time **between home island and assignment destination. This includes** flight time spent waiting at the airport before and after the flight. If the employee is required to go directly from home to the airport, travel time for the reasonable time it takes to travel from his/her home to the airport will be allowed.
   For the purpose of calculating the number of hours to be paid, the employee will remain on Hawaii time and be paid until he/she arrives at his/her assignment quarters. Paid time will not start again until the employee reports to work.
4. Working time beginning with first day of work in assignment destination: The employee will be paid at least 8 hours from Monday through Friday, less 45 minutes for lunch.
5. Per diem allowance: An allowance of **$37.00** a day will be paid. **The per diem allowance will increase to $40.00 effective January 1, 2003; $42.00 effective January 1, 2004; $45.00 effective January 1, 2005; $45.00 effective January 1, 2006; $46.00 effective January 1, 2007.**
6. Emergency notifications: In case an emergency arises in the

employee's family, the Company will notify the employee if it receives notification of the emergency from a member of the employee's family.

7. Interim trips home: The employee will not be allowed to return home before the completion of the assignment except under the following conditions:

   a. The employee's job performance or conduct is unsatisfactory.
   b. There is a serious emergency in the employee's family.
   c. The employee becomes ill and the nature of the illness requires the employee to return home.
   d. Cancellation of the scheduled assignment.

8. Return home: The employee will not be returned home before the completion of the assignment except at the Company's discretion.

9. Work assignment: The employee agrees to work in any location to which he/she is assigned and to perform any work assigned under his/her job classification. The Company agrees, however, that it will not assign the employee to work under conditions that would subject the employee to bodily harm.

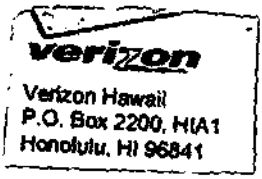
10. Insurance: In addition to the employee's existing Group Life Insurance and Workers' Compensation Insurance, the employee will be provided with accident insurance commencing when the employee leaves home or place of regular employment, whichever last occurs, and terminating when the employee returns home or to the place of regular employment, whichever occurs first. This coverage applies to death or dismemberment on a 24-hour basis as a result of an accident. The amount of coverage will be three times the employee's annual base rate of pay at the time of the accident.

11. Telephone calls home: The employee will be allowed to make one telephone call at the Company's expense for each night away from home. Such calls shall be limited to **fifteen (15)** minutes each and may be used daily or accumulated, but such accumulation shall

terminate at the end of the assignment.

12. Other provisions: All provisions of the Labor Agreement, except as modified above will apply.

*Note: Employees who travel on award trips will do so voluntarily. They will be paid 8 hours per day, at straight time, while traveling or participating in business functions, only if scheduled to work on those days. Any travel and/or business function participation done on an employee's non scheduled work day, will be on the employee's own time. This method of pay treatment will be explained to the employee prior to the award trip.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