

AGREEMENT OF
RECOGNITION,
BARGAINING PROCEDURE
AND
OPERATING CONTRACT

BETWEEN

VERIZON SOUTHWEST INCORPORATED

And

Communications Workers of America



Contract Dated: August 16, 2001



**ARTICLE 26
COMPANY RIGHTS AND RESPONSIBILITIES**

Section 1. Rights of Management

- 1.1 This Agreement shall not limit the Company in the exercise of any of the generally recognized customary rights of management to hire new employees, to discharge for cause, to promote, demote, transfer and lay off in accordance with the provisions of this Agreement, to establish work schedules and hours of work and to discipline for violation of Company rules. All other customary management rights shall be reserved solely by the Company.

Section 2. Company Shall Determine Size of Work Force

- 2.1 The Company shall determine the size of the work force for all departments and shall make such adjustments in the size of the work force as are necessary to insure a profitable operation of the Company.

Section 3. Company Will Not Interfere With Union

- 3.1 The Company agrees not to coerce or interfere with any employee with the object of restraining membership in the Union nor to discriminate in any way against employees because of membership in the Union.

Section 4. Company to Furnish List of Employees to Union

Company agrees to furnish to the Union, on or before December 1, a list of all employees within the designated bargaining unit showing name, employee number, work location, job title, and seniority date.

The Company will provide the Union additional lists of employees, as designated in Paragraph 4.1 herewith, as requested by the Union at current net cost to the Company for production of the same. The cost is established to be sixty-five dollars (\$65.00) each throughout the principal term of this Agreement.

**ARTICLE 27
CONTRACT LABOR**

Section 1. Use of Contract Labor

- 1.1 Contract labor shall be held to nine (9) percent of the aggregate bargaining unit work force and in no case shall trouble shooting, cable splicing, plant maintenance (except any maintenance incidental to central office installation projects and construction projects), and station installation (except the installation of underground station or explosive resistant equipment unless the equipment is owned and maintained by the Company) be contracted out except in case of emergency or where