

October 6, 2005

To: Yvette Herrera
Sr. Director – Education & Communications

Subject: Sprint Contract Negotiations

The Sprint/Nextel merger has been approved by the proper government agency. However, Sprint's plans to split off its Local Service Divisions within the next six months or so still requires PUC approval in about 17 states.

CWA feels that Sprint should have agreed to extend all contracts, except for wage re-openers and pension increases, until after the new Local Service Company formation is completed.

Presently, CWA Locals 3176, 3672, 3871 and 4700 contracts have expired. There are an additional seven contracts that expire in 2005 and four more in the first half of 2006.

Local 3176's contract expired March 31, 2005; Local 3672's expired May 31, 2005; Local 3871's expired August 31, 2005; and the Local 4700 contract expired September 30, 2005. There have been few or no bargaining sessions since contract expirations. Sprint has suspended dues deductions and arbitration.

Local 3176 and Sprint met with a Federal Mediator on April 28, 2005, with no results.

Sprint has given very little consideration to the Union proposals at all four tables. While some local items differ from table to table, below are some of the Company demands that make their last offer unacceptable. Major items are highlighted.

- 1. Eliminate Sunday premium pay as now provided.**
2. Eliminate personal paid time off.
3. Diminished language in regards to an employee's right to transfer.
4. Eliminate right to change schedules.
5. Temporary assignment pay qualification changed from two hours to eight hours.
6. Eliminate overtime for travel to and from training.
7. Change definition of "work group" which could impact many aspects of the contract.

8. Change in stand-by duty requirements.
9. Qualification for relocation changed from 35 miles to 50 miles.
- 10. Remove words "substantially equal" from promotion language which disregards seniority.**
11. Remove payment for rest period after 14 hours of work.
- 12. Sever changes to present Company-matched dollars for the 401(k) plan. No guaranteed Company-match by last year of contract and reduced by 50% first two years.**
- 13. New language which would allow the Company to unilaterally implement recognition and incentive programs.**
- 14. Company proposal to diminish "contractor" protection.**
- 15. Unacceptable modification to present Flexcare medical coverage language.**
- 16. Major reduction in short term disability payments and increased time period to qualify in case of occurrence.**
- 17. Remove Company-paid supplemental long term disability benefits.**
- 18. Major retrogression in vacations, holiday, personal time and sick leave use by new language called PTO (Paid Time Off).**
- 19. Wages range from 1% every six months of three-year agreement to 1.25% every six months.**

The CWA staff assigned are:

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|-------------------------------|----------------------------------|
| Local 3176 – Gary McCallister | (Local President – Bob Campbell) |
| Local 3672 – Willie Leggett | (Local President – Gary McClure) |
| Local 3871 – Thelma Dunlap | (Local President – Eddie Hicks) |
| Local 4700 – Henley Johns | (Local President – Martyn Pyle) |

If you have any questions, please don't hesitate to contact me.

Bob Richhart, Assistant to Vice President
CWA Telecommunications

cc: Jimmy Gurganus