

MEMORANDUM OF AGREEMENT
MONITORING

Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management") and the Communications Workers of America ("CWA" or the "Union") recognize that joint involvement of Management and Union is essential for mutual benefit and quality of work life. In that spirit, the parties have mutually agreed to enter into this Memorandum of Agreement. This Agreement supersedes the Memorandum of Agreement entered into April 4, 2004. It shall take effect on the effective date of the 2009 Labor Agreements and shall continue in force and effect until 11:59 p.m. on December 31, 2013, at which time it will terminate unless otherwise mutually agreed in writing by the parties.

1. Voice Monitoring

In an effort to provide courteous responses, accurate information, and superior service, customer calls are subject to monitoring. These efforts are focused on:

- training and development of employees;
- identification of customers' needs;
- identification of procedural problems; and
- overall improvement of the Company processes that involve direct interaction with the customer.

Voice Monitoring may be characterized as either:

- Employee Development Monitoring, or
- Service Measurement Monitoring.

A. Employee Development Monitoring

When Employee Development Monitoring (EDM) is conducted, it will be performed using consistent standards established by the organization.

The following parameters will be adhered to when conducting EDM:

- 1) Individual notification will be given to employees to be monitored the day the EDM is to take place.
- 2) Employees will have the option of "remote" or "side-by-side" EDM, where facilities exist.

- 3) Feedback from EDM efforts will be provided to employees by the end of the employees' next tour, unless unusual circumstances warrant otherwise.

Exception: Parameters (1) and (2) above are applicable once an employee has six (6) months' on-job experience after completion of formal training.

Where an employee demonstrates difficulty meeting established performance expectations (except in the areas of adherence, attendance, and safety), he/she may lose the privileges outlined in (1) & (2) above. If the employee loses these privileges, he/she will be notified. The loss of privileges will remain in effect until performance expectations are met on a consistent basis.

B. Service Measurement Monitoring

Service Measurement Monitoring (SMM) will be conducted for the purpose of ensuring consistent application of standards, evaluation of customer acceptance of new or changed procedures, or isolation of possible causes of a problem, such as fluctuation of work times, or an increase in customer complaints. The following parameters will be adhered to when conducting SMM:

- 1) No advance notification will be given to employees prior to monitoring since these efforts are oriented toward overall office performance rather than individual performance.
- 2) SMM will be conducted "remotely," where facilities exist.
- 3) SMM feedback may be documented and given to the monitored employees for developmental/diagnostic purposes.
- 4) During SMM, when an employee demonstrates an inability to consistently meet standards established by the organization, privileges of advance notification and choice of side-by-side or remote EDM may be revoked.

If an employee loses these privileges, he/she will be notified. This loss of privileges will remain in effect until performance expectations are met on a consistent basis.

It is not intended that this loss of privilege would be arbitrarily and routinely used.

- 5) Employees will not be evaluated for appraisal purposes on calls sampled through SMM.

C. Disciplinary Restrictions

No employee may be disciplined as a result of voice monitoring except for any of the following conditions:

- 1) When gross discourtesy or abuse of a customer is observed.
- 2) Attempts to defraud the Company through misuse of service and equipment are observed.
- 3) The employee violates privacy of communications or demonstrates integrity problems.
- 4) An employee fails to meet established performance expectations, as identified through EDM.

2. Electronic Monitoring

Electronic monitoring is defined as follows:

The collection, storage, analysis, and reporting about employee activities by means of computer observation and supervision.

All employees will be pre-notified of electronic monitoring reports and the intended use of such reports within their work group. The local Union president (or designee) will be notified of electronic monitoring reports prior to their use for appraisal or disciplinary purposes.

3. This Agreement does not preclude the Union's right of grievance procedure and/or arbitration as set forth in the 2009 Labor Agreements between both parties.

FOR THE UNION:

FOR THE COMPANY:

By (signed) Andy Milburn
Andy Milburn
Vice President, District 6

By (signed) Joe Croci
Joe Croci
Vice President-Labor Relations

440.02 - 1998 Bargaining

May 22, 1998

MR. BARRY:	MR. HARDEN:	MR. MILLER:
MR. CARTER:	MR. HELM:	MS. MILLS:
MS. CERRUDO:	MS. HILL-ARDOIN:	MR. MORGAN:
MS. CHAMPION:	MR. HOVIS:	MS. PARKER:
MR. COLE:	MR. IRELAND:	DR. REHM:
MR. COONAN:	MR. KAHAN:	MR. RICHTER:
MS. DELUCA:	MS. KENNEY:	MR. ROBERTSON:
MR. DREYER:	MS. JENNINGS:	MR. RODRIGUEZ:
MR. DUPRE:	MR. JENNINGS:	MR. SHELLEY:
MR. ELLIS:	MS. KENDALL:	MR. SIGMAN:
MR. FENOGLIO:	MR. LINDNER:	MS. SNYDER:
MR. FOSTER:	MR. LOPEZ:	MR. TAYLOR:
MR. GALLEMORE:	MR. LYNCH:	MR. TURNER:
MR. GILLIAM:	MS. MANNING:	MR. WALKOVIK:
MR. GLOTZBACH:	MS. MARTINEZ LOZANO:	MR. WELCH:
MS. GONZALEZ:	MR. MASTERS:	MR. WILKINS:
MR. HANNIGAN:	MR. MCKENZIE:	

It was agreed in 1998 Bargaining to extend the February 7, 1997 Memorandum of Agreement (MOA) Regarding Monitoring through December 31, 2001 (copy attached).

Both parties acknowledged that the MOA involves compromises. However, it is the product of extensive efforts by Company and Union representatives over the past several years and it was determined that it should be extended since it protects the major interests of both parties.

The Union did present a number of substantive concerns that it felt must be addressed if the terms of the MOA were to be equitably administered. Since resolving the Monitoring issue was critical to bringing 1998 Bargaining to a successful conclusion, the parties agreed to the following:

1. Service Management Monitoring

One very important feature of the MOA that allows managers to ensure the overall quality of service is Service Management Monitoring (SMM). It is also a feature that has generated apprehension among a number of employees.

Please remind your supervisors that remote SMM observations are not a substitute for Employee Development Monitoring (EDM). SMM observations are intended to provide a representative and random sample

of service being provided by the work group as a whole. Obviously, a valuable by-product of these observations is information that is useful for developmental purposes. However, we should be able to assure our employees that we do not intend to take SMM observations on individual employees for the purpose of avoiding the advance notification requirement associated with EDM observations.

2. Restoration of Privileges

Qualified employees are individually notified on the days that EDM monitoring is to take place. In addition, they have an option of "remote" or "side-by-side" EDM. Employees can lose these privileges if they experience difficulty in consistently meeting performance expectations. The concern voiced by the Union involved the duration of this loss of privileges. The Union was advised that the duration of such loss of privileges should be closely related to the duration of the performance problem that led to this loss. For example, a problem indicated over a two-month period should not result in a four-month loss of privileges.

3. Feedback From Observations

The Union reported that some employees perceive that feedback from observations tends to be negative and their perception is that one less - than-satisfactory monthly observation can lead to a formal step of Positive Discipline (PD). Managers should be aware that an important facet of the PD program is developing employees by discussing performance expectations. As stated in paragraph 3.2 of the PD program, "Employee discussion is the expected method for the supervisor to discuss work performance with the employee and is not part of the disciplinary process." Paragraph 3.3 continues with, "Most performance improvement will be accomplished through recognition of good performance or employee discussions." Since a prime objective of monitoring is employee development, constructive dialogue, rather than an automatic disciplinary step of PD, must be considered.

In order to emphasize our commitment to the Union to honor the spirit of the MOA, we have agreed to incorporate the above items into the next issue of the Supervisor's Manual. In this manner, these items will be included along with other personnel policy references for use by our managers.

Sgnd. Gary Lucas