

October 16, 2008

To: All AT&T Local Presidents

Subject: Lawsuit Announcement

Dear Colleagues:

CWA has filed a lawsuit today in the United States District Court in San Antonio, Texas, against AT&T Inc. and its major subsidiaries in an attempt to halt the company's use of corporate shell games to avoid contractual obligations to CWA and its members. The lawsuit, as filed, is attached to this message.

The lawsuit names as defendants AT&T Inc., every subsidiary that is a party to the five regional core contracts, AT&T Mobility (including all four regional wireless contracts), and AT&T Internet Services.

The lawsuit asks the court to issue injunctions ordering AT&T Inc. and its major subsidiaries to cease and desist from all contract violations. In addition, the lawsuit asks the court to order AT&T Inc. to recognize that it is a party to every subsidiary's collective bargaining agreement, responsible for contract compliance, and required to negotiate with CWA on issues that rightfully fall under the realm of each of the collective bargained agreements.

The suit cites many examples of violations by AT&T Inc. The most recent is the company's just-announced consolidation of wireless and wireline consumer marketing functions from Mobility and the core companies into a single Consumer Marketing organization. This reorganization dramatically threatens the wages, benefits, working conditions, and job security of thousands of Service Representatives in the core companies while squeezing more out of Mobility employees for disproportionately lower pay and benefits.

Another cited example is the company's new practice of cross-assigning the work of the old AT&T Corporation (Legacy T) technicians and the work of the old RBOC (Legacy S) technicians across bargaining unit lines, thus severely threatening the negotiated working conditions and contractually guaranteed seniority rights of all affected employees.

The lawsuit details several other similar violations of contractual rights through the company's ongoing disregard of bargaining unit lines, including the company's recent practice of diverting work to the AT&T Internet Services bargaining unit in order to obtain core work for lesser benefits and working conditions.

The lawsuit points out how the company hides behind the corporate fiction of "separate companies" to avoid accountability for contractual obligations. For instance, when CWA objects to both Mobility and a core company about lower-paid wireless Mobility retail sales consultants being assigned higher-paid wireline Service Representative work to the detriment of both groups of CWA members, both companies respond in essence that CWA is arguing about the rights of another company's employees thus there is no valid complaint.

CWA's lawsuit argues that AT&T Inc. is the real decision-maker and that every major

subsidiary is an alter ego of AT&T Inc. CWA contends that AT&T Inc. should not be permitted to hide behind the corporate veil to avoid accountability for collective bargaining obligations.

In addition to injunctive relief, the lawsuit asks for a jury trial and seeks decisions from the jury to hold AT&T Inc. accountable and award relief including damages for all harmed employees for all the itemized contract violations.

This lawsuit was filed because our traditional methods have not been successful. We have filed grievances, requested meetings and bargaining and filed board charges. This will not be a quick fix though we are hopeful that this action will put us in a much better position to resolve these issues for CWA and the members we represent.

We will keep you apprised as additional events occur specific to the lawsuit.

In Unity,

Annie Hill
Executive Vice President

Attachment

c: District Vice Presidents
Bill Bates
