

July 18, 2007 Omaha Lucent/Avaya/CSM Pensioners Association
Quarterly Meeting

MEETING CALLED TO ORDER: President, Lyle Nicholson called the meeting to order.

PLEDGE OF ALLEGIANCE: We all stood for the Pledge of Allegiance.

ROLL CALL: Present were Lyle Nicholson, Dan Kovar, Pauline Lieth, Andy Barges, Jim Filipiak, John Barnes, Howard Clark, Bill Love, Bev Opfer, Everett Peterson, Mary Jo Pinkerton, Ray Sempek, John Malone, and Martha Ross. Absent were Nick Johnson, Vern Klaumann, John Pinkerton, and Cheryl Todd.

DECEASED RETIREES: Deceased members since April 19, 2007. We all stood for a moment of silence.

ELECTION OF OFFICERS: John Malone is stepping down and Howard Clark is coming back onto the E-Board. Anyone else interested there are three openings. The secretary would like to take a break and give someone else a chance to do this job.

Others that signed back up for another two years are: Lyle Nicholson, President, Dan Kovar, Vice President, Andy Barges, Treasurer, Jim Filipiak, John Barnes, Bill Love, Bev Opfer, Everett Peterson, John Pinkerton, Mary Jo Pinkerton, Edie Riester, Martha Ross, Ray Sempek, Cheryl Todd and Pauline Lieth.

MINUTES: A summary of the minutes were read by Pauline Lieth. A motion was made to accept the minutes as read, seconded and carried.

EEOC: Dan Kovar reported from the National Retiree Legislative Network News Release – June 11, 2007.

Retiree Leader Says Appeals Court's Decision Marks Dark Day for America's Older Retirees.

Third Circuit Court of Appeals Supports EEOC's Rule Allowing Employers to Reduce Health Benefits for Retirees When They Go on Medicare.

Washington (June 11, 2007) – The leader of the National Retirees Legislative Network (NRLN) said Monday that the decision by a federal appeals court allowing employers to reduce benefits for retirees when they become eligible for Medicare marks a dark day for America's older citizens.

“It was indeed a dark day for older retirees when three judges on the Third Circuit Court of Appeals decided that it is permissible for companies to discriminate against their retirees because they have become eligible for Medicare,” said A.J. (Jim) Norby, NRLN president. “Furthermore, retirees are being punished by the Equal Employment Opportunity Commission (EEOC), the federal agency created to prevent discrimination, including age discrimination.”

The unanimous decision by the Philadelphia-based court ruled on June 4 that the EEOC has the legal authority to create a regulation that would exempt employer coordination of retirement benefits with Medicare benefits from the federal Age Discrimination in Employment Act (ADEA). The EEOC had issued the early retiree health benefits exemption regulation in 2004. The AARP had filed a lawsuit challenging the EEOC's rule.

Based in Washington, D.C., the NRLN is dedicated to securing federal legislation that will guarantee the fair and equitable treatment of retirees in the private and public sector. The NRLN represents a non-partisan, grass roots coalition of retiree associations with a combined membership of some two million men and women who are seeking to protect their pension and healthcare benefits. For more information, visit the NRLN Web site at

<http://www.nrln.org>.

TREASURER'S REPORT: Andy Barges reported the beginning balance as of July 1st was \$1970.50, it was an expensive month: Rental Hall for three meetings was \$596.20, Office supplies \$225.33, and deaf interpreter \$310.00; deposit of \$1081.00, ending balance is \$1728.33.

AVAYA REPORT: Flyers were handed out: An e-mail was received from Bobby K (Robert Karolewski) stating as of June 30, 2007 he will be retired from Avaya and as such, he will no longer be the IBEW Healthcare Coordinator for Avaya. He will be answering calls/emails until then.

Both his phone and Company email will probably be 'disconnected' effective July 1, 2007.

At this time it is unknown who will take over for him in July and beyond, but if assistance is needed, and he is not available, you can call the IBEW Employee Resource Center Coordinator, Mike Tolomeo at 1-800-525-1247. Mike will be able to direct you to his replacement when one is appointed by the IBEW T-3 Council.

It has been his pleasure to work with, or assist you through the years. It has been his pleasure to serve the IBEW, its membership and many retirees. He is leaving with a heavy heart and a bit of trepidation. BUT...He also is leaving with the knowledge that he has always tried to do his best when asked to do something for others.

Jim Filipiak told the Avaya retirees to go to CWA-Comtech.org on the internet, up in the right hand corner type in Avaya and you will find everything about Avaya there.

The Unions were notified today that Avaya has been purchased by two investment firms, Silver Lake and TPG. In discussions with Labor Relations the company indicated that the contract and the represented employees will continue intact. Discussions with the Senior Leadership will take place in the very near future. We will keep the membership informed. If this purchase is approved by the Shareholders, it means Avaya will be a privately owned corporation and will not trade stock in the future.

As the unions have expressed to the company, they will evaluate this potential sale and the impact it could or could not have on our members, and they will take action if necessary accordingly. Their only interest is that all members and retiree's wages, pensions, benefits and jobs are protected.

They will keep everyone updated.

Jim said if this means that the stock will be taken off of Wall Street, we don't know, but Jim thinks that is what's going to happen.

Jim went into Nortel NT and found out that Avaya agreed to be taken private for 8.2 billion dollars in cash. Avaya incorporated has agreed to be acquired by two investment firms for a 8.2 billion dollar deal that will take the developer of corporate phone services private. Late Monday private equity firms such as Silver Lake and TPG Capital said they will pay \$17.50 in cash for each share of Avaya stock. Both firms are technology companies. If they are going to give Avaya \$17.50 and Avaya employees have stock; will they give them the same amount? This has to be negotiated. Jim isn't going to gamble again, those days are gone. He got it stuck to him once, it's not going to happen the second time. In 2006 Avaya posted a net income of 200million out of 5% growth in sales to 5.15 billion. (That's a lot of money). Most recent quarter Avaya was also holding a cash pile of 829 million and had no debt. Just like Lucent had, they don't have no debt, but they need help paying their health costs. Jim doesn't know what having no debt means anymore. If all this goes through and Nortel insist getting into the act, we

just don't know yet. It is a private take over and it should happen sometime this fall. We'll have to take it month by month and see what happens.

For the last two years now we have heard about Lucent woes, well now we don't know about Avaya down the line. We are all in this together. Jim understands the Lucent retiree's hardships, he hopes he can understand his coming up. He hopes there isn't any, but he has his doubts.

We go to federal legislation, all our politicians that say they are going to help us. Our politicians are the ones that can help us. We can help each other by talking this out, working together throughout the system, sending letters to our representatives, hoping that it is going to do some good. As long as he believes that he is doing well with us, that is as far as he can go. He is not going to say that anybody is making any deals, he don't want to say that because they are not here. Maybe if they were here, he might say it. He doesn't understand everything that is written. He does understand everything he hears. This is the big one, Avaya being sold; Lucent merging with some French outfit, Ma Bell gone, AT&T break up, we have a long road ahead of us. It will be worth it he guesses. That's the only bargaining power that retirees have any more because the IBEW lost all of their manufacturing. Once that plant shut down for Avaya, there was no more American manufactories. Avaya still has got patents, Lucent has patents, but he wonders what those patents were bought for, it was a sweet buck. That's why the plants still up here, they didn't buy the plant, they bought the patents and we all should know that because we helped introduce several patents, we helped protect some of those patents. We ran lines, we ran twisters, we made those cabinets and everything else, engineering – they were patents. The products we made lasted to long, they had quality. You go to a store now and it only lasts a year, then you go out and buy it again, but the products we made is still in the ground. It's still working!

PRESENTATION: Martha Ross gave a presentation.

One of her favorite quotes, she is reminded of the familiar proverb, "When spider webs unite – they can tie up a lion". A true testament to the strength of a unified force: The Lion in this case is Lucent. We need to accept reality, the Lucent now, is not the Lucent – AT&T that we once use to know.

We may be frustrated and in denial even, yet, there is hope. It will depend on US, and how we can communicate, stay informed, stay vigilant and communicate to our Senators and to Alcatel/Lucent. Our pensioners association will be stronger as a whole if we form and maintain strong ties.

As have been mentioned and you all know, our healthcare benefits was up for grabs, or came under attack commencing about 2003 and even more so on last year. We felt the blow of it when we got our pension checks in January, 2007.

I am thankful to have been asked to join the great E-Board team. I must tell you that our president, Lyle, vice president, Dan, Everett, Pauline and the entire team is dedicated and committed to doing what they can do to address our many concerns. It was an honor to have been asked to join the team. Possibly, it was felt that due to my many years of experience in Fundraising, community service and the fact that one year alone, raised approximately one million dollars for various worthy causes, my entrepreneurial background, working with the political grass root organization, 32 years with AT&T, and a tour as Media Sales Manager responsible for 300 Graybar Electric Employees...that my commitment to support this cause would be enhanced from these experiences. Glad to be aboard, yet, sorry that due to past years of experience did not get more involved. Certainly, this cause, our pension well-being deserves our full attention.

The opportunity to work with Senator Hagel's office and Congressman Lee Terry's office on our healthcare concern has been fruitful. Yet we have a long ways to go. To have set up a Board meeting with Senator Hagel's office...really got the ball to truly roll and we must not waiver.

I wished that I could have been involved with the language correction. It was great that we were able to get it into the War Bill finally. Yet, the language did not fully correct the January 2007 debacle of 'ripping off' the pensioners. Is there no shame to Alcatel/Lucent? It was so confusing, even Senator Kennedy's office and my contact at Senator Hagel's office thought the language included retroactive back to January to correct the increase since it was clear that they were wrong to do this prematurely and before a meeting of the minds and fair resolution, Lucent's word meant nothing.

The most sobering and anger-filled reality, Lucent have not spent one dime of operating expenses toward the pensioners. It is clear that they do not have the pensioner's best interest at heart.

The company took a multi year plan out and they took an additional 50 million from the trust fund. Instead of putting the entire 50 million in the trust fund, they only put the minimum 25 million and kept the other 25 million in another fund to be used for next year. They did not want the unions to be able to transfer any of that money to the retirees to pay for healthcare costs.

According to Maly, the company have been reluctant to give them all the data they were requesting at one time. The company used unfair tactics, illogical reasoning to begird their way over the union. Maly noted at an earlier meeting that the company reminded them that retiree benefits are not something that you can strike over. That's just the law they noted. Exactly, you should not have to strike over it...Lucent. **JUST LIVE UP TO DECENCY AND WHAT IS FAIR AND RIGHT. DISMISS YOUR SICK GREED!!!! THIS SHOULD BE A DONE DEAL AGREED AND ACCEPTED...USE THE FUNDS THAT IS FOR THE PENSIONERS...FOR THE PENSIONERS!!!!**

Lucent got away with too much playing on the Union's sympathy. Etc. Etc. Etc. Alcatel/Lucent should be sanctioned and brought up on charges for their socialistic domination. It is imperative that we stay abreast and unite in our efforts to make calls and write letters to our Senators, the Union leaders and to Lucent. This 420 Rule after all that we went through did not with the change do us justice to how it could have...if we would have had tougher representation to make it crystal clear.

Hagel's office wants to call Alcatel/Lucent and afterwards follow up with a letter and we need to stay on top of this. We need to do an outpouring of letters after this effort for sure.

We need to fight the fact that falling CEO's being given 12 million dollar bonuses, using tax credits and the prescription plans to fatten their pockets.

WE NEED TO WAKE UP AND STAY UP! WE NEED TO STAY UNITED ON THIS! Lyle announced that Troy Johnson is on the hot seat down in Oklahoma City, OK.

THE LOST DISC: Pauline reported on the lost disc!

Alcatel – Lucent's lost or stolen disc:

Every U.S. paid employee of Lucent Technologies, or as a lucent retiree, dependent of an employee or retiree, or a COBRA participant should have received a letter from the company informing you of the credit monitoring service that Alcatel –Lucent is making available to you free of charge.

The disk contained personal information about you and any dependent under age 18 including name, address, Social Security number, date of birth and salary information.

This disk did not include any credit card numbers, bank account numbers, password information or information about employee savings plan accounts, stock option accounts or pensions.

The disk was prepared by Hewitt Associates for delivery by UPS to another of the company's vendors, Aon Corporation. They are still investigating this matter, but they believe the disk was lost or stolen between April 5 and May 3. They are not aware of any instance where the information on the disk has been used inappropriately at this point. They initiated an internal investigation. They asked the U.S. Secret Service to investigate after every vendor did their own investigations for the disk. They reported the loss to state and local law enforcement officials and continue to work with law enforcement to investigate this matter.

They have contracted with Experian Consumer Direct to provide you and your affected dependents over the age of 18 with the most comprehensive identity theft protection and credit monitoring product available. Experian's Triple Advantage Premium credit monitoring will be offered for one year, free of charge.

You must enroll no later than Sept. 15, 2007, to take advantage of this offer. To do so, visit <http://partner.sonsumerinfo.com/lucent>, you must enter the activation code that appears at the bottom of the letter you received to avail yourself of this free membership. If you experience problems with the Web Site, or do not have Internet access, call 1-866-274-4371. Any questions you may call 1-866-795-8756. Each person must call that number for themselves. You may not sign up for a dependent in other words, they must register themselves.

Experian Consumer Direct is different than the three Fraud Alert companies. The Fraud Alert companies only cover for 90 days free of charge and it is a complete different way of checking for fraud with your credit.

JRHC REPORT: Everett reported the main changes to our healthcare!

Bryan said on the conference call that they didn't get into serious bargaining until the last couple of weeks and Oklahoma City was going to rally on June 28th. They actually had everything wrapped up by May 17th. When Oklahoma City found this out they are going to rally in Washington D.C. on August 1st.

Al Mumm was not aware of them being finished with their bargaining either because he asked them when they were going to start bargaining in an email sent on June 30th.

We are not happy with communications at all from our Unions, or Troy Johnson.

Oklahoma City had several retirees mailing letters to Ed Hill, President of the IBEW, that they are not happy with the outcome of the JRHC and the communication with us retirees.

Bryan emailed back and said he saw the letter to Ed Hill and that was not a good idea to send that letter. Troy Johnson is the best thing we have working for us and a letter like this will not help the situation at all.

There are four things that they would have to agree upon if this legislation was passed. This legislation would only apply to companies like Lucent and meets all 3 criteria below

1. The company must sponsor define benefit pension plan which is greater than 125% of the current liabilities.
2. The company must provide health benefits to retired employees.
3. The company must negotiate with the union representing those retirees over retiree health benefits.

They came out with the 2004 contract, they stated that would be the last contract they would ever negotiate retiree healthcare. They got their legislation, they have their

commitment on this paper that Everett has that they must negotiate and we are waiting for an answer if they are going to honor this.

GOING OVER THE 1998 MEDICAL CAPS: They were negotiated by the negotiators with IBEW and CWA back in 1998: Prior to that they had caps in '89', '92', '95', the company always whatever the caps were for the retirees is what it was; there was always all this money in the pension fund for healthcare. They ignored the caps and paid whatever the costs were. But, in 1998, they said this will be the last caps; they were never going to raise these caps again. In 2003 bargaining they maintained the same thing. 2004 bargaining they maintained the same thing that they would stay at the 1998 caps. But, they have never yet held their amount of contribution to them. Now after 2004, after that bargaining, mainly last year, when they did not get the legislation; they instituted those 1998 medical caps, even though it didn't quite increase healthcare 87% since then. They have got it set up now so that any increases come to us. Reduced healthcare, higher co-pays, higher deductibles, and premiums. Everett doesn't know whether we'll get out of this until 2012, where we go back to bargaining again. The healthcare committee each year makes their decisions, CWA is on this committee, IBEW is on there, and there is company representatives on that JRHC committee too. 2008 now, things turn; the majority of retirees will be over age 65. With those caps up there, if you're under age 65 those caps are a lot larger then if you're over age 65 and on Medicare. Each year, 2008, on the contributions they take out of the pension fund for the healthcare will be less and less. The larger percentage are going to be over age 65 so that drops down to \$2000 dollars; also 122,000 plus retirees and dependents we have each year that number goes down – the number of retirees.

Lucent wants to protect that gold pot at the end. Whoever is left at the end in management (whatever to divide up); they are protecting that pretty strongly. If you don't ever increase the caps you'll never like what was stated by Martha, the company never paid one penny of the retiree healthcare. That's quite a business to have, you don't have the expenses and it's all given to you. Remember, Lucent doesn't pay premiums to any company through this, **THEY ARE SELF INSURED!** They just hire, do it through different companies to administer it. We are just going to have to go forward and try our best with our commitments. With Bryan coming up here we should hammer him because it is not true facts that he is giving us. Troy got Bryan into his position so they watch out for one another. We can't blame Troy and Bryan for everything because those caps are what is sticking us now, they were negotiated in 1998. Let Bryan know we're very upset with the way they are treating us.

MEETING ADJOURNED: Lennis Campbell made a motion to close the meeting, several seconded the motion. The meeting was adjourned!