

**Collective Bargaining Agreement Extension
Memorandum of Agreement**

WHEREAS, Alcatel-Lucent USA Inc. ("Alcatel-Lucent" or the "Company") and the Communications Workers of America ("CWA" or the "Union") are parties to certain collective bargaining agreements effective November 1, 2004 named in paragraph 1 herein (the "2004 Agreements"); and

WHEREAS, Alcatel-Lucent and the CWA are parties to the 2004 CWA/IBEW/Lucent National Memorandum of Understanding (the "2004 NMOU"); and

WHEREAS, the parties wish to amend and extend the 2004 Agreements and to extend the 2004 NMOU as between the CWA and Alcatel-Lucent as set forth herein;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto hereby agree as follows:

1. The 2004 Agreements: The 2004 Agreements are as follows:

Installation Contract CWA-24
Cockeysville, CWA-24 Appendix 5
Network Operations and Reliability Center, CWA-24 Appendix 6
Installation CARA, CWA-24 Appendix 7
Consolidated Workers General Agreement

2. Extension of the 2004 Agreements: The duration article of each of the 2004 Agreements shall be amended to read as follows, by substituting the date May 25, 2013 for the date May 26, 2012:

This Agreement shall become effective at 12:01 a.m. on November 1, 2004, but only if it is ratified by the Union membership and the Company is so notified on or before December 17, 2004. When so effective, this Agreement shall continue in effect in accordance with its own terms until 11:59 p.m. on May 25, 2013, notwithstanding that certain provisions may terminate prior to the expiration of this Agreement.

3. Extension of the 2004 NMOU:

- (a) The parties agree to extend the 2004 NMOU for the CWA bargaining units covered under the 2004 Agreements, but not as to units represented by the International Brotherhood of Electrical Workers ("IBEW") and/or its locals. To that end, the third paragraph of the preamble the 2004 NMOU shall be amended to read as follows by substituting the date May 25, 2013 for the date May 26, 2012:

This Memorandum shall become effective at 12:01 a.m. on November 1, 2004, but only if it is ratified by the Unions' membership and the Company is so notified on or before December 17, 2004. When so effective, it shall continue in effect in accordance with its own terms until 11:59 p.m. on May 25, 2013, even if certain provisions terminate prior to the expiration of this Memorandum. Upon the termination of this Memorandum, the Company shall have no obligations under any of the terms of this Memorandum beyond the expiration date, except as required by law.

- (b) Nothing in this Collective Bargaining Agreement Extension Memorandum of Agreement shall affect the IBEW or be deemed to give any rights or benefits to the IBEW, its locals, and/or its members.

4. Legislation: The parties agree to work cooperatively to secure passage of legislation consisting of:

- (a) an amendment to section 420(b)(5) of the Internal Revenue Code of 1986, as amended (the "Tax Code") such that pension asset transfers as defined by the statute made after December 31, 2013 shall continue to be deemed qualified transfers as defined by the statute; and
- (b) an amendment to section 420 of the Tax Code that will provide for the use of excess pension assets to fund retirement life insurance in addition to postretirement healthcare.
- (c) Nothing in this paragraph 4 shall constitute or be construed as a commitment by the Company to continue to provide postretirement medical or dental benefits or retiree life insurance beyond existing obligations under the 2004 National Memorandum of Understanding.
- (d) Notwithstanding any provision to the contrary in the 2004 Agreements, the 2004 NMOU, or this Collective Bargaining Agreement Extension Memorandum of Agreement, this paragraph 4 and the obligations hereunder shall expire on May 23, 2013 regardless of whether any amendment of the Tax Code as set forth in paragraphs (a) and (b) has been enacted by that date or not.

5. General Wage Increase: The Wages section of the 2004 NMOU will be amended by the addition of a new paragraph 1(j) which will provide as follows:

Effective May 27, 2012, the wage schedules shall be increased by 2% on the Minimum Rates and by 2% on the Maximum Rates in effect on May 26, 2012.

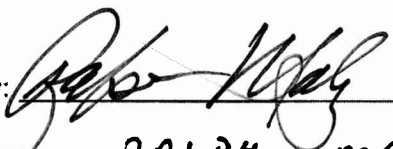
6. Subcontracting: Paragraph 7 of the December 18, 2009 Special Voluntary Termination Program ("SVTP") Agreement between the parties shall be amended to read as follows by substituting the date March 9, 2011 for the date May 24, 2012 such that after February 28, 2011 paragraph 7 of the SVTP Agreement shall expire and have no further force or effect:

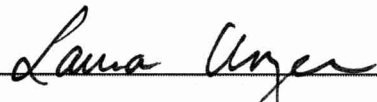
Following the implementation of the SVTP, through March 9, 2011, the Company will utilize its existing Installation workforce and/or newly hired regular installers or CSI's to perform Installation Contract CWA-24 work associated with Alcatel-Lucent USA Inc. products. However, where there is no Alcatel-Lucent installer available who would satisfy the legal or contractual compliance or skill requirements of the job, the Company may subcontract that work. At the request of the National Union, the Company will, subject to appropriate nondisclosure agreements, provide all pertinent documentation relevant to any subcontracting of this work including, but not restricted to, customer and/or vendor contracts, applicable legal or skill requirements, etc., that the Company used to determine the need for a subcontractor to be utilized to fill a particular order.

7. Short Timing: There will be no subcontracting within 90 miles of base locations in which qualified installers are short timed.


This Collective Bargaining Agreement Extension Memorandum of Agreement shall become effective on March 14, 2011.

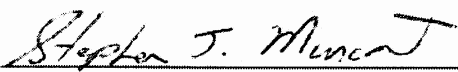
**Communications Workers of
America**

By: 
Name: RALPH MALY
Title: VP Telecommunications +
Technologies
Date: MARCH 10, 2011

By: 
Name: LAURA UNGER
Title: CWA STAFF, TET
Date: MARCH 10, 2011

Alcatel-Lucent USA Inc.

By: 
Name: WILLIAM L. SCHECTER
Title: LAW AND WORKFORCE RELATIONS VP
Date: MARCH 10, 2011

By: 
Name: STEPHEN J. MUSCAT
Title: Sr. Director U.S. Workforce Relations
Date: MARCH 10, 2011