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Brian G. Keating
Vice President - Administration & Human Resources

November 25, 2009

Mr. Bryon Capper
CWA Staff Representative
2780 Waterfront Pkwy East Dr., Ste. 155
Indianapolis, Indiana 46214

Dear Bryon:

Due to market and economic factors, the Company has determined the need to implement a program of significant expense reduction in 2010. The business has implemented many expense reduction measures this year in an effort to meet 2009 financial objectives and budget planning for 2010 indicates that next year will be even more challenging.

To address this need for expense reduction, the Company intends to take the following administrative steps, among others, which will impact the CBT bargaining unit:

1. Anticipated overtime hours in 2010 will continue to be managed very tightly and hopefully will be reduced from original estimates.
2. Effective immediately, management has imposed a moratorium on hiring activity in bargaining unit positions to maximize the impact of attrition in reducing 2010 force levels and expense.
3. Management also intends to reduce the number of available Company provided vehicles for use by bargaining unit employees in central office operations and engineering. Employees who currently make use of these available vehicles will be asked to use personal vehicles and will be reimbursed for their vehicle use as provided for in Part D-4 Work Time, Travel Time and Associated Expense, paragraph D-4.52. At this time, it is estimated that this change in practice will impact about 70 bargaining unit employees who periodically may have access to Company provided vehicles.
4. Management is willing to consider offering bargaining unit employees part-time work opportunities, expanded excused time availability and other alternative schedule options but I want to discuss those matters with departmental management and the Union prior to any definitive decision.

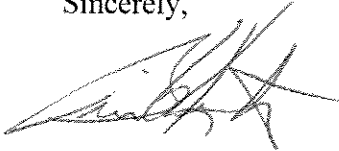
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Even with these administrative efforts at expense control, current budget projections indicate that additional measures will be necessary.

5. Accordingly, the Company intends to implement a program of significant force adjustment layoffs effective in late January 2010. Departmental budgets are being finalized this week and we will provide the Union with more detail regarding impacted departments and job titles in the next few weeks. At this time, there is no department or work group which employs bargaining unit employees that is known to be exempt from this required force reduction. This notice of the potential for involuntary layoffs is being provided pursuant to the provisions of the Employment Security Letter Agreement.

Management will also reduce salaried workforce headcount, current management use of Company provided vehicles and budgeted expense in other areas as well, in an effort to reduce overall expenses at CBT and avoid the necessity of additional involuntary force reductions later in 2010. My staff and I will make ourselves available to discuss these matters with the Union as may be requested between now and the expiration of the 60 day notice period referenced in the Employment Security Letter Agreement.

Sincerely,



Brian G. Keating
Vice President, Human Resources & Administration

Cc:

Paul Hubbard
CWA Local 4400

Altha Hunter
CWA Local 4401