

MEMORANDUM OF AGREEMENT
BellSouth Savings and Security Plan

This Memorandum of Agreement is entered into as of June 27, 2007 between the Communications Workers of America (“CWA” or the “Union”) and BellSouth Corporation, a wholly-owned subsidiary of AT&T Inc., and the BellSouth subsidiaries who are parties to current CWA collective bargaining agreements (collectively referred to as the “Company”) regarding a revision to the BellSouth Savings and Security Plan as follows:

The BellSouth Savings and Security Plan as in effect on May 1, 2007 shall remain in effect for the life of the applicable collective bargaining agreements for all bargaining units currently participating in the Plan with the following revision:

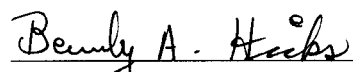
Effective January 1, 2008:

Matching contributions will be vested upon attaining three years of elapsed time service from date of hire (i.e., the 3rd year anniversary of the employee’s hire date), effective for employees hired on or after January 1, 2008.

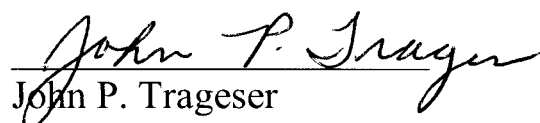
All non-vested, active employees on January 1, 2008 will be 100% vested in matching contributions, regardless of actual years of elapsed time service or vesting eligibility years.

For the Union

For the Company



Beverly A. Hicks
Assistant to the Vice President
CWA District 3



John P. Trageser
Senior Director – Labor Relations
AT&T Southeast