

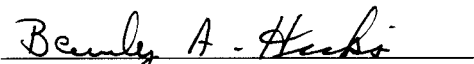
**MEMORANDUM OF AGREEMENT**  
BellSouth Short Term Disability Plan

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 the current collective bargaining agreements (collectively referred to as the “Company”) regarding a revision to the BellSouth Short Term Disability Plan as follows:

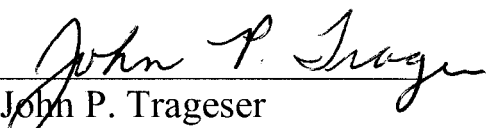
The BellSouth Short Term Disability Plan as in effect on May 1, 2007 shall remain in effect for the life of the applicable collective bargaining agreements for all bargaining units currently participating in the Plan with the following revision:

Effective for new disability claims starting after the AT&T payroll system conversion in December, 2007, the Rate of Pay used to calculate the benefit amount will be “as of” the first day of disability which begins on the eighth calendar day of absence. However, for a subsequent absence that does not require a waiting period, the “as of date” will be the first day of the subsequent absence.

For the Union

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

For the Company

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

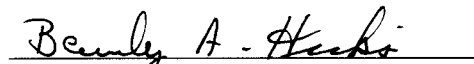
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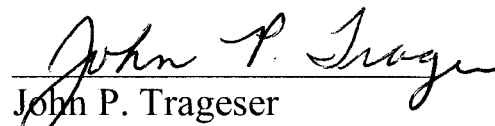
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