

Despite the perils of the bankruptcy process and the risk the process usually creates for workers, we have successfully preserved our collective bargaining agreement as well as retiree benefits and pensions. This is thanks to careful work and coordination among our bankruptcy professionals and your Local and National union leadership. To our knowledge we may be the only Avaya Unit largely unaffected by the bankruptcy.

Also, unusual but accomplished here, in addition to keeping the Collective Bargaining Agreement and pensions, early in the cases, CWA was also able to have Avaya pay pre-bankruptcy severance for employees terminated months before the bankruptcy which is usually treated as general unsecured creditors.

The plan changes the rights of the holders of secured lien debt and provides them with stock and warrants in the reorganized company. Further, general unsecured creditors such as vendors and non-union retirees will receive only a percentage of their allowed claims from a fixed pool of \$57.5 million in cash.

Finally, the government's pension insurer, the Pension Benefit Guaranty Corp, will receive \$340 million in cash and 5.5 percent of shares. During its bankruptcy, Avaya terminated its salaried pension plan (not the CWA members plan), which includes about 1,000 active employees and 7,000 retirees. The PBGC took over the plan which the agency claimed was underfunded by \$1.2 billion.

We are glad to be close to putting this process behind us – and look forward to Avaya's future as a strong unionized company.

In Solidarity