

May 19, 2010

Stephen J. Muscat
Director U.S Workforce Relations

Ralph V. Maly
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Re: Alcatel-Lucent 2010 General Wage Increase

Dear Ralph,

This letter is to notify the CWA of the 2010 Escalation Adjustment and General Wage Increase (GWI) effective May 23, 2010.

In accordance with paragraph 3 of the Escalation Adjustment National Memorandum of Understanding, 70% of the net positive difference between the CPI-W and the May 2010 GWI will be added to the GWI.

For 2010 the General Wage Increase is computed as follows:

The CPI-W increase from March 2009 to March 2010 is 3.0% as published by the U.S. Department of Labor's Bureau of Labor Statistics. I have attached the CPI-W table for reference.

Using the formula in the collective bargaining agreement of [70% of (CPI-W minus GWI) + GWI] or $[0.7 \times (3.0\% - 2.0\%) + 2.0\%]$, we get a total GWI of 2.7% for May 2010.

If you have any questions on this matter please contact me at 908-582-6772.

Sincerely,



Stephen Muscat
U.S. Workforce Relations

Copy to:

W. L. Schechter

Table 6. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U.S. city average, by expenditure category and commodity and service group

(1982-84=100, unless otherwise noted)

Item and group	Relative importance, December 2009	Unadjusted indexes		Unadjusted percent change to Mar. 2010 from—		Seasonally adjusted percent change from—		
		Feb. 2010	Mar. 2010	Mar. 2009	Feb. 2010	Dec. to Jan.	Jan. to Feb.	Feb. to Mar.
Expenditure category								
All items	100.000	212.544	213.525	3.0	0.5	0.3	0.0	0.1
All items (1967=100)	-	633.105	636.025	-	-	-	-	-
Food and beverages	16.425	218.299	218.502	.2	.1	.2	.1	.2
Food	15.333	217.837	218.066	.1	.1	.2	.1	.2
Food at home	8.900	213.839	214.291	-.8	.2	.4	.1	.4
Cereals and bakery products	1.257	251.757	251.493	-1.1	-1	-6	-1	-1
Meats, poultry, fish, and eggs	2.144	202.139	202.540	-1.7	.2	.4	.6	.1
Dairy and related products ¹ .....	.898	197.583	197.370	-.3	-1	2.1	.0	-1
Fruits and vegetables	1.223	271.974	277.347	2.1	2.0	1.2	-1	3.4
Nonalcoholic beverages and beverage materials	1.123	162.524	162.499	-1.8	.0	.2	-3	.1
Other food at home	2.254	190.831	190.232	-.7	-.3	-.2	.1	-.3
Sugar and sweets .....	.321	200.880	198.720	1.4	-1.1	-.2	1.4	-1.1
Fats and oils .....	.259	201.356	198.808	-3.3	-1.3	.2	.0	-1.0
Other foods	1.674	205.117	205.081	-.7	.0	-.3	-1	.0
Other miscellaneous foods ^{1 2} .....	.472	121.482	122.543	-.2	.9	-.6	-.5	.9
Food away from home ¹	6.433	225.168	225.072	1.2	.0	.0	.1	.0
Other food away from home ^{1 2} .....	.321	158.826	159.023	3.2	.1	.5	.7	.1
Alcoholic beverages	1.092	223.621	223.452	1.3	-.1	-.1	-.3	-.2
Housing	39.753	212.401	212.604	-.3	.1	-.1	.0	.1
Shelter	30.171	242.002	242.019	-.2	.0	-.3	.0	.0
Rent of primary residence ³	8.476	247.448	247.555	.1	.0	.0	.0	.1
Lodging away from home ² .....	.432	130.571	134.632	-2.4	3.1	-2.0	.5	.4
Owners' equivalent rent of residences ^{3 4}	20.959	232.354	232.179	.0	-.1	-.1	.0	-.1
Owners' equivalent rent of primary residence ^{3 4}	20.218	232.353	232.180	.0	-.1	-.1	.0	-.1
Tenants' and household insurance ^{1 2} .....	.303	125.367	125.374	3.5	.0	.7	.1	.0
Fuels and utilities	5.632	209.171	210.775	.7	.8	.6	.2	1.1
Household energy	4.517	183.918	185.557	-.7	.9	.6	.1	1.3
Fuel oil and other fuels ¹ .....	.271	281.157	279.384	18.3	-.6	7.1	-1.0	-.6
Gas (piped) and electricity ³	4.246	187.730	189.595	-1.7	1.0	.2	.2	1.4
Water and sewer and trash collection services ²	1.114	168.774	169.229	6.8	.3	.8	.8	.5
Household furnishings and operations	3.950	123.097	122.859	-2.0	-.2	-.1	-.4	-.5
Household operations ^{1 2} .....	.369	151.535	152.065	-.8	.3	-.6	.0	.3
Apparel	3.788	118.607	121.347	-.7	2.3	.0	-.5	-.7
Men's and boys' apparel .....	.945	111.575	113.032	-4.8	1.3	.0	-.4	-1.1
Women's and girls' apparel	1.568	106.496	110.885	.5	4.1	.1	-.5	-.8
Infants' and toddlers' apparel .....	.285	117.789	119.644	1.4	1.6	1.6	-1.2	.5
Footwear .....	.781	127.843	128.172	1.0	.3	.1	-.4	-1.2
Transportation	18.647	188.406	191.294	15.3	1.5	1.7	-.1	-.1
Private transportation	17.881	185.268	188.146	15.7	1.6	1.8	-.1	-.1
New and used motor vehicles ²	6.952	95.819	95.900	7.2	.1	.3	.4	.2
New vehicles	3.385	139.905	139.653	2.9	-.2	-.5	.1	.1
Used cars and trucks	2.944	141.079	141.657	16.4	.4	1.5	.7	.4
Motor fuel	5.774	228.569	238.769	41.2	4.5	4.9	-1.2	-1.0
Gasoline (all types)	5.530	228.207	238.583	41.5	4.5	4.4	-1.5	-.8
Motor vehicle parts and equipment ¹ .....	.472	135.694	135.573	.8	-.1	.4	.2	-.1
Motor vehicle maintenance and repair ¹	1.180	248.479	249.127	1.8	.3	.1	.2	.3
Public transportation .....	.766	240.418	242.942	6.1	1.0	-1.8	-.2	.5
Medical care	5.261	386.919	388.330	4.0	.4	.5	.6	.4
Medical care commodities ¹	1.301	304.320	305.532	3.7	.4	.7	.8	.4
Medical care services	3.961	411.114	412.568	4.1	.4	.5	.5	.4
Professional services	2.195	329.020	329.294	2.8	.1	.6	.1	.0

See footnotes at end of table.