



4951 Lake Brook Drive
Suite 200
Glen Allen, VA 23060

June 18, 2010

Dear Chairman Cline and Members of Wireless Services Board,

Given the extended discussions that have transpired during the past two Wireless Service Board ("WSB") meetings and the current status of negotiations for a new statewide wireless services contract, Verizon would like to take the opportunity to provide our input and clarify our position with respect to the previous contract and our proposal for a new contract.

For some time, Verizon has had a tariffed service in Virginia to provide *wireline* trunks, ANI/ALI database, and selective routing services. With the proliferation of *wireless* calls during the 1990s, Verizon was prepared to file a similar tariff for wireless services. However, after discussions with VITA, both parties agreed to forego the tariff process and enter into a statewide contract, thereby affording various local jurisdictions throughout the Commonwealth a discount from the wireless services by through bulk purchasing, and at the same time providing Verizon with administrative efficiencies by collapsing all the individual PSAP contracts into a single contract.

In July, 2005, Verizon and VITA signed the contract for wireless services, including trunks and ANI/ALI database and selective routing services, to PSAPs in Virginia served by Verizon franchise areas. The contract term was three years with the option for the Commonwealth to renew for an additional year. The contract allowed for services to be adjusted based on wireless call volumes and trunks counts.

In early 2009, Verizon and VITA started negotiating the terms of a new contract, but were unable to agree on new rates before the old contract expired in July, 2009. Verizon continued to negotiate with VITA throughout the remainder of 2009 and into 2010 and operated with the understanding that Verizon would continue to provide services under the terms and conditions of the original agreement and that once an agreement on new rates was reached, Verizon would be paid for the services rendered. During this time period, the PSAPs



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continued to request additional services pursuant to the original contract. At no time was Verizon asked to terminate any services during these negotiations.

During the previous WSB meetings in March and May, the focus appeared to be entirely on the new contract that would take effect in July, 2010. While Verizon recognizes the importance of completing those negotiations, it is also imperative that Verizon be paid for services rendered in July 2009 – July 2010 (FY2010). As each county's fiscal year is coming to a close, we feel it is important to reach an agreement immediately to ensure the current fiscal year is addressed. With respect to FY2010, Verizon is submitting an invoice to VITA on behalf of the WSB for services rendered in FY2010 and requests payment pursuant to Section 25 of the contract in the amount of \$3,762,954. Given the unique situation, Verizon is willing to consider as an alternative, an option that would add the payment for FY2010 into the new contract due at time of invoice for FY2011. If neither option is acceptable, Verizon will render invoices to each PSAP.

With respect to the new contract that has been discussed during the last two WSB meetings and is on the agenda for the upcoming meeting scheduled in July, Verizon would like to ensure that the events of the past are not replicated for FY2011. Verizon therefore proposes to take the following actions:

- (1) If the WSB agrees to enter into a new contract with Verizon and such contract is signed within seven days of the board meeting, Verizon will take no further action.
- (2) If the WSB does not agree to a new contract or the contract has not been signed within seven days of the board meeting, Verizon will file a tariff by the end of July. All PSAPs who have not provided written notification to disconnect services with Verizon will be billed the tariff rate effective retroactively to July 1, 2010.

In summary, Verizon values our long term relationship with both the Wireless Services Board and the PSAP community. We believe the single contract for all PSAPs is advantageous to all parties, and our belief in this model is supported by



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the flexibility we have extended over the past year continuing to provide service while we've worked through the contract issues. However, as responsible representatives of a corporate entity with shareholders to answer to, we need to seek resolution to these issues immediately. We ask that you consider our position and we stand ready to work with you to resolve all matters to our mutual satisfaction.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene Scott", written in a cursive style.

Eugene Scott
Area Vice President
Government & Education