

UT-091460-AF
om-10/15/09
No Action
verizon

Verizon Northwest Inc.

P.O. Box 1003
Everett, WA 98206-1003
Fax: 425-261-5262

September 10, 2009

Washington Utilities and
Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504-7250

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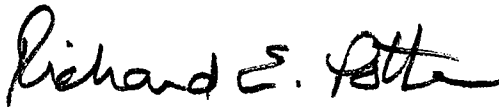
Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 409

To whom it may concern:

Enclosed for the Commission's file is a verified copy of a new contract titled Definitive Services Agreement between Verizon Corporate Services Group, Inc., on behalf of Verizon companies, including Verizon Northwest Inc., and Verizon Wireless. Under this contract, several complaint and escalation systems will be consolidated into a single system based on Verizon Wireless' system.

Please call me at 425-261-5006 if you have any questions.

Very truly yours,

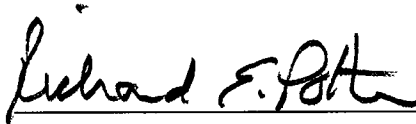


Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of a new contract titled Definitive Services Agreement between Verizon Corporate Services Group, Inc., on behalf of Verizon companies, including Verizon Northwest Inc., and Verizon Wireless.

 Date: 9.10.09

Richard E. Potter
Director
Verizon Northwest Inc.

DEFINITIVE SERVICES AGREEMENT

THIS DEFINITIVE SERVICES AGREEMENT (this "Agreement") by and between Verizon Corporate Services Group, Inc., a New York Corporation, with offices at One Verizon Way, Basking Ridge, New Jersey 07920 ("VCSG"); and Celco Partnership d/b/a Verizon Wireless, a Delaware general partnership, with offices at One Verizon Way, Basking Ridge, New Jersey 07920 ("VzW") on behalf of itself and its Affiliates (as defined below).

WHEREAS, VzW has been requested to procure certain Application Services (as defined below) for the Verizon Corporate Services Group, Inc., Verizon Telecom and Verizon Business ;

NOW THEREFORE, in consideration of the mutual benefits accruing to each party, the parties hereby agree as follows:

ARTICLE I

General

1.1 Term. This Agreement shall become effective on and as of the date of execution by the last signing Party hereto (the "Effective Date") and shall continue in effect for a period of three (3) years from the Effective Date (the "Initial Term") unless terminated in accordance with other provisions of this Agreement. After the Initial Term, this Agreement will automatically renew for consecutive one (1) year intervals on the anniversary of the Effective Date (each a "Renewal Term") unless a party provides notice of its intent not to renew at least one hundred twenty (120) days prior to the expiration of the then current Term or as otherwise terminated in accordance with this Agreement. The Initial Term and each Renewal Term (if any) shall collectively be referred to as the "Term".

1.2 Termination. Either party may terminate this Agreement at the end of the Initial Term or any renewal thereof by written notice given not less than one hundred twenty (120) days prior to the end of the Initial Term or any renewal period.

1.3 Affiliate. References to "Affiliate" in this Agreement shall mean with respect to a party to this Agreement, any entity, including natural person, corporation, partnership, joint venture, or other entity, that is controlled by, under common control with, or controlling such party. "Control," including the correlative terms "controlled by," under "common control with" or "controlling" means the possession, directly or indirectly, of the power in fact or law to direct or cause the direction of management of such entity, whether through ownership or voting securities, by contract or otherwise. For purposes of this Definitive Agreement, VzW shall not be considered an Affiliate of VCSG.

ARTICLE II

Services To Be Provided

2.1 VzW has agreed to provide services that will permit certain business units within VzT, VzB, VzW, and VCSG to utilize the Centralized Escalation Reporting System (herein after "CERS") operated by VzW, with enhancements and improvements, for the purposes of managing their escalations and complaints, all as more fully described in the attached SOW .

2.2 In order to prepare the CERS to accommodate VzB, VzT, VCSG employee users, VzW is making certain modifications in the application, as more fully described in the SOW.

ARTICLE III

Compensation for Services

3.1 For any Services rendered by VzW under this Definitive Agreement, including the certain preparations to CERS required to accommodate VzT, VzB, and VCSG users, VzW shall receive the compensation set forth in the SOW.

ARTICLE IV

Confidentiality and CPNI

4.1 In performing Services under this Agreement, each party shall protect any proprietary and confidential information of VzT, VCSG, VzB and VzW, as well as any other information of Verizon Communications Inc. and its Affiliates, in accordance with the Verizon Code of Business Conduct, or in the case of VzW the Verizon Wireless Code of Conduct.

4.2 Each party shall abide by the requirements of the Communications Act of 1934, as amended, and the Federal Communications Commission in accessing, safeguarding, disclosing and utilizing Customer Proprietary Network Information (as defined in 47 U.S.C. Section 222(f)(1)) and any information that, either alone or in combination with other data, identifies or uniquely relates to an individual, such as an individual's name, social security number, financial account numbers (e.g., credit or debit card number or bank account information), account passwords and pass codes, driver's license and/or government-issued identification number, mother's maiden name, and healthcare records

ARTICLE V

General Covenants

5.1 In performing Services, VzW shall comply with the descriptions and representations as to the Services (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) which appear herein and in the SOW.

5.2 All Services furnished by VzW shall be performed in a diligent, efficient and skillful manner, to the VCSG sponsor's reasonable satisfaction.

5.3 No activity performed pursuant to or in connection with this Agreement shall be provided, directed, controlled, supervised, or managed, and no data or customer communication (voice or data) relating to any Service shall be stored or transmitted, at, in, or through, a site located outside of the United States, except as may be otherwise approved by VZW, as the case may be.

ARTICLE VI

Indemnification

6.1 Each party agrees to indemnify, defend and hold the other party and its directors, officers, partners, employees, agents, successors and assigns ("Indemnified Parties") harmless from any claims, demands, suits, actions, judgments or liabilities (including reasonable costs,

expenses and attorney's fees on account thereof) (hereinafter "Claims") that may be made: (a) by anyone for injuries (including death) to persons or damage to property, including theft, resulting in whole or in part from the negligent acts or omissions of a party or those persons furnished by such party, including subcontractors; (b) by third parties to the extent directly caused by a party's breach of this Agreement; (c) by anyone as a result of any violation of any law, ordinance, regulation or code by a party's directors, officers, employees, agents, representatives or subcontractors; or (d) by persons furnished by either one of the parties and its subcontractors (if any) under Worker's Compensation or similar acts. In the case of Indemnities benefitting VCSG, VzT, and VzB for the purposes of those indemnities, VzW shall be an Indemnified Party to the same extent as those entities. The parties acknowledge that the Definitive Agreement will address, in a commercially reasonable manner, indemnification for infringement or misappropriation of any intellectual property right of any third party.

6.2 This indemnity does not extend to any portion of Claims caused by either the sole or contributing negligence, misconduct or other fault of the Indemnified Parties.

6.3 The Indemnified Parties shall provide the Indemnifying Party with prompt, written notice of any Claim covered by this indemnification and will cooperate fully with the Indemnifying Party in connection with its evaluation and defense of such Claim. The Indemnifying Party shall have sole control of the defense of the Claim and all negotiations for its settlement or compromise. Notwithstanding the foregoing sentence, the Indemnifying Party shall not settle or compromise any such Claim or consent to the entry of any judgment without the prior written consent of each Indemnified Party and without an unconditional release of all claims by each claimant or plaintiff in favor of each Indemnified Party.

ARTICLE VII

Miscellaneous

7.1 Assignment. Neither party may assign this Agreement without the other party's prior written consent, except that either party may assign this Agreement to an Affiliate. Either party may subcontract work under this Agreement to an Affiliate.

7.2 Records and Reports. VzW shall maintain complete records of all charges payable by VCSG under the terms of this Agreement for three (3) years after termination of the Agreement and, in the case of records that support capitalizable labor expense, for a period of seven (7) years after such expense is incurred. All such records shall be maintained in accordance with recognized accounting practices and in conformance with all requirements of law. VCSG shall have the right, through its authorized representatives, to examine and audit such records at reasonable times. The correctness of VzW billing shall be determined by such audits.

7.3 Effective Date of Agreement. Although this Agreement is executed by both parties, to the extent that any law, order, or regulation (including that of any regulatory agency of competent jurisdiction) shall require that this Agreement be filed with or approved by such regulatory agency before this Agreement may be effective, this Agreement shall not be effective in such jurisdiction until the first business day after such approval or filing shall have been obtained or accomplished, or on such other date approved by said regulatory agency.

7.4 Compliance with Law. VzW shall strictly comply with applicable laws, codes, ordinances, orders, rules and regulations of federal, state and local governments and agencies and instrumentalities, including but not limited to, environmental laws, all standards and

regulations of appropriate regulatory commissions and similar agencies, and any laws pertaining to employment of labor, hours of labor, health and safety, payment of wages, payment of taxes, and the safeguarding, protection, and disposal of personal or similar information used, maintained, and/or accessed on behalf of VzT, VzB, or VCSG. In the event of an unauthorized disclosure of personal or similar information in violation of the foregoing, VzW shall provide notice of same by e-mail to security.issues@verizon.com within forty-eight (48) hours, and to the contract notice addressee set forth in Section 7.8 (NOTICES) by the means set forth therein. VzT, VCSG, and VzB shall also procure and maintain for the Term any required permits, licenses, consents, approvals and authorizations necessary for VzW, its employees, agents and contractors to perform the obligations under this Agreement.

7.5 Regulatory or Judicial Changes. This Agreement shall at all times be subject to such modifications as are required by regulatory or judicial action. If any provision of this Agreement is declared invalid or any modifications are required by regulatory or judicial action and any such invalid provision or such mandated modification substantially affects any material right or obligation of a party hereto, the remaining provisions of this Agreement shall remain in effect and the parties shall mutually agree upon a course of action with respect to such invalid provision or mandated modification that will, as much as possible, preserve the purposes of this Agreement.

7.6 Force Majeure. If performance of this Agreement or any obligation hereunder is prevented or interfered with by reason of fire, flood, explosion, war, civil commotion, strike, slowdown, picketing, acts of God or any other circumstance beyond the reasonable control of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention or interference, and the other party shall likewise be excused of performance of its obligations on a day-to-day basis until the prevention or interference has ceased; provided, however, that the party so affected shall use reasonable efforts to avoid or remove such causes of nonperformance and both parties shall proceed when such causes are removed.

7.7 Relationship of the Parties. Persons furnished by VzW in performance of the Services shall be solely the employees or agents of VzW and shall be under the sole and exclusive direction and control of such party. They shall not be considered employees of VzT, VCSG, and VzB for any purpose. VzW shall be responsible for compliance with all laws, rules and regulations involving its respective employees or agents, including (but not limited to) employment of labor, hours of labor, health and safety, working conditions and payment of wages. VzW shall also be responsible, respectively, for payment of taxes, including federal, state, and municipal taxes, chargeable or assessed with respect to its employees or agents, such as social security, unemployment, worker's compensation, disability insurance and federal and state income tax withholding. Neither party undertakes by this Agreement or otherwise to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Nothing contained in this Agreement is intended to give rise to a partnership or joint venture between the parties or to impose upon the parties any of the duties or responsibilities of partners or joint venturers.

7.8 Notices. Any notice to the parties required or permitted under this Agreement shall be deemed to have been received on the date of actual delivery, if delivered personally to the recipient, on the date receipt is acknowledged in writing by the recipient if delivered by regular mail, or on the date stated on the receipt if delivered by certified or registered mail or by an overnight courier service that obtains a written receipt. For purposes of this Agreement, notices to the parties shall be directed to the addresses indicated below unless a written notice of change of address, given in accordance with the requirements of this Section 7.8, is provided to the other party by the party whose address has changed.

Notices to VzW shall be sent to:

Steven E. Zipperstein
Vice President, Legal & External Affairs
and General Counsel
Verizon Wireless
One Verizon Way
Basking Ridge, New Jersey 07920

Notices to VCSG shall be sent to:

Jack M. Farris
Vice President & Deputy General
Counsel
One Verizon Way (VC54S402)
Basking Ridge, NJ 07920-1097
(908) 559-6355

7.9 Modification; Waiver; Exclusivity. This Agreement may be modified only by a written instrument duly signed by persons authorized to sign agreements on behalf of each party and shall not be modified or supplemented by any course of dealing between the parties. No waiver by either party of any breach or default of any of the covenants or agreements herein contained shall be deemed a waiver of any subsequent breach or default. No right or remedy herein conferred upon either party is exclusive of any other right or remedy herein or by law or in equity provided or permitted.

7.10 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (except that no effect shall be given to any conflicts of law principles of such state that would require the application of the laws of any other jurisdiction).

7.11 Dispute Resolution. In the event of a dispute between the parties arising out of or relating to this Agreement or the interpretation of the terms and conditions hereof, the parties shall submit the dispute in accordance with the following:

(a) At the written request of a party, each party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives, as shall the representatives' decision to utilize other alternative dispute resolution procedures, such as mediation, to assist in the negotiations. Discussion and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which shall not be admissible in any lawsuit without concurrence of both parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted, and may, if otherwise admissible, be admitted in evidence in the lawsuit.

(b) If the negotiations do not resolve the dispute within thirty (30) calendar days of the initial written request, the dispute may be referred by either party to senior executive officers of each party at a vice presidential level or higher to review the claims and attempt to reach a resolution. The same procedures and rights outlined in subsection (a) above with respect to the process for discussion and the treatment of documents shall also apply during the executive discussions.

7.12 Limitation of Liability. In no event shall either party be liable for any incidental, indirect, or consequential damages, even if advised of the possibility of same.

7.13 Intellectual Property. It is expressly acknowledged that Section 1.10.3 of the Statement of Work addresses the treatment of intellectual property developed in the course of providing the Services, including without limitation, the ownership of intellectual property and the terms under which such intellectual property may be licensed to a party.

7.14 Severance. In the event that any provision of this Agreement is held to be in violation of applicable laws, rules, regulations, ordinances, orders, and decisions or is held to be unenforceable, such holding shall not invalidate the entire Agreement. The provision affected by such holding shall be of no further force and effect, shall be severed from the Agreement, and the remaining terms in the Agreement shall continue in effect as though the provision affected by such holding was never in effect. In the event of such severance, the parties shall negotiate in good faith enforceable substitute provisions that carry out the intended effect of the severed provisions.

7.15 Survival of Obligations. The respective obligations of the parties which by their nature would continue beyond the termination of this Agreement shall survive such termination.

7.16 Entire Agreement. This Agreement constitutes the entire understanding of the parties on the subject matter hereof and supersedes all prior or contemporaneous understandings, agreements, or representations on the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written. Each party represents and warrants that its respective representative whose signature appears below has been and is on the date of signature duly authorized to execute this Agreement and that each party has the authority to enter into this Agreement.

[SIGNATURE PAGE TO FOLLOW]

JUL-09-2009 16:13 From:

JUL-09-2009 12:53 From:UC34W513-MMULTI

2604592176

9086302670

To:19086077724

To:2604592176

P.2/2

P.1/2

(SIGNATURE PAGE TO DEFINITIVE SERVICES AGREEMENT)

Calico Partnership d/b/a
Verizon Wireless

By: [Signature]
Name: JAY WASHIRAY
Title: CFO
Date: 8-26-09

Verizon Corporate Services Group Inc.

By: [Signature]
Name: LOUIS C Sigillo
Title: VP-VSO
Date: 7/9/09

By: _____
Name: _____
Title: _____
Date: _____



STATEMENT OF WORK
Between
Cellco Partnership d/b/a Verizon Wireless,
Verizon Corporate Services Group Inc.
for the
Centralized Escalation Reporting System
(Fixed Price)

Table of Contents

TABLE OF CONTENTS	2
1 VERIZON WIRELESS STATEMENT OF WORK	3
1.1 PROJECT SCOPE	5
1.2 SERVICES AND DELIVERABLES	6
1.3 KEY ASSUMPTIONS	9
1.4 VERIZON WIRELESS RESPONSIBILITIES	10
1.5 BUSINESS TEAMS RESPONSIBILITIES	12
1.6 USER ACCEPTANCE TESTING AND COMPLETION CRITERIA	13
1.7 ESTIMATED SCHEDULE	14
1.8 CHARGES AND PAYMENT TERMS	14
1.9 MAINTENANCE AND SUPPORT	15
1.10 ADDITIONAL TERMS AND CONDITIONS	17
1.11 SIGNATURES	18
APPENDIX A - DOCUMENTATION DELIVERABLES	19
APPENDIX B - PROJECT PROCEDURES	20
APPENDIX C - DEFINITIONS	21
APPENDIX D - SERVICE LEVEL AGREEMENT	23

1 Verizon Wireless Statement of Work

Verizon Telecom (also referred to herein as "VZT"), Verizon Business (also referred to herein as "VZB"), Verizon Corporate Services Group Inc. ("VCSG"), acting through Verizon Services Operations (also referred to herein as "VSO"), and Cellco Partnership d/b/a Verizon Wireless (also referred to herein as "VZW") have made a business decision to enhance the existing Verizon Wireless Centralized Escalation Reporting System (also referred to herein as "CERS") to create a uniform platform for all lines of business with regard to escalated concerns and complaints from regulatory bodies, and our respective business teams. This decision was initiated by Lou Sigillo - VP Operations, National Customer Service - VSO. In order to accomplish that objective Verizon Wireless must develop new and expand existing capabilities of the system. Once that development is completed and the enhanced system meets User Acceptance Testing ("UAT"), Verizon Wireless will provide ongoing hosting and maintenance for which Verizon Wireless will be paid an annual fee, as set forth in Section 1.8 of this SOW.

This Statement of Work (SOW) describes the work to be undertaken by Cellco Partnership d/b/a Verizon Wireless on behalf of VSO, Verizon Telecom and Verizon Business (collectively, "Lines of Business" or "LOBs"), and the use of CERS by the LOBs and by the VSO National Complaints Team (also referred to herein as the "NCT"), a discrete set of VSO employees.

This SOW is governed by, and incorporates by reference, the terms of, the Definitive Services Agreement between VCSG and VZW (the "Agreement") dated [____]. This SOW defines the tasks to be performed by VZW, establishes the project deliverables, establishes parameters of use, and sets forth the estimated project schedule. All functional requirements for the enhanced version of CERS detailed in this SOW have been formulated through meetings with the existing escalation teams from VZW, VZT, VZB, and VSO (collectively referred to as the "Business Teams").

Changes to this SOW will be processed in accordance with the procedure described in Appendix B-1 entitled "Project Change Control Procedure." Examples of changes in scope that could result in an equitable adjustment to this SOW which would be processed according to Appendix B-1 Project Change Control Procedure include:

- Additional requirements that do not fall within the Project Scope set forth in Section 1.1 of this SOW.
- Material changes in the project schedule.
- Changes in the project that result in a material change to the level of effort required to complete the project.
- VZT, VZB and VSO missed deliverables, including but not limited to, historical data to be provided to VZW.

The following are incorporated into, and made part of, this SOW:

- Appendix A - Documentation Deliverables
- Appendix B - Project Procedures
- Appendix C - Definitions
- Appendix D - Service Level Agreement

In respect to the services to be performed by VZW, the LOBs have not relied upon any representation made by or on behalf of Verizon Wireless that is not expressly set forth in the Agreement or this SOW, including, without limitation, the actual or estimated completion date, charges to be paid, or the results of any of the Services to be provided under this SOW. The Agreement, this SOW and its Appendices represent the entire agreement between the parties regarding the subject matter of this SOW and supersede any prior oral or written communications with respect thereto.

1.1 Project Scope & Usage

(A) **Purpose:** The purpose of this project is to consolidate the existing escalation systems from the LOBs into a single application to serve all parties. The following existing systems utilized by the LOBs, will be replaced by CERS:

- SMART, NCDB – VZB
- VECTR – VZT
- VSO Escalations – VSO
- EERS – VZW

(B) **Input to System:** The existing VZW EERS complaint system will be enhanced to include the functionality and inputs of the other LOBs' existing systems to create the new CERS system. All Verizon escalated complaints, public utility inquiries, and internal business relations performed by the users of the existing LOBs' complaint systems will become part of the new CERS system. The data feeds are set forth below. This consolidation will reduce system maintenance costs, reduce ongoing hardware costs, standardize processes and information across all LOBs, and improve reporting and business feedback analysis. The new CERS will allow functionality developed for one LOB to be leveraged across all LOBs where a given piece of improved functionality applies to multiple teams. Verizon Wireless will provide ongoing post-production support as set forth in Section 1.9.

(C) **Data Segregation & Reports:** Data will be segregated by LOB and each LOB will only have access to its own data. The exception to this is the NCT Team, which will be able to review, access, and analyze aggregate data associated with all complaints received into CERS (i.e., across LOBs) and be able to review individual complaints for any LOB, for reasons such as assisting the LOB Complaint Team to resolution and to respond to requests from Legal or Regulatory for customer information.

System reports will be generated in line with the data segregation as well (e.g., VZT users will only have VZT reporting, etc.). However, the NCT will have access to data for all LOBs and will have the capability to generate aggregate reports across LOBs.

(D) **Data Feeds:** CERS will receive inputs of complaints and related information from the following sources:

- NCT – NCT members will input customer complaints into CERS.
- Individual LOB Complaint Teams (VZB, fMCI, VZW, VZT) - These are the employees of the Complaint organizations within each LOB. They will have access only into their LOB segregated data in CERS. Individual LOB Complaint Teams will input and work complaints in their segregated silo in CERS. Other than using a different system, and the possible involvement of the NCT, this is the process in use today.
- PUC Feeds - NY, NJ, PA public utility board feeds for VZT and fMCI. There are feeds from three states, for 2 different LOBs, totaling six individual feeds. This data will be "siloed" by the LOB, worked initially by the fMCI and VZT Complaint Teams, and, if necessary, worked or reviewed by the NCT. Other than feeding into a different system and the possible involvement of the NCT, this is the process in use today.

- Individual LOB points of contact ("POCs") for escalation resolution - These employees will resolve customer issues relating to complaints originating from their Individual LOBs. They only work issues arising from complaints within their LOBs, and are communicated with by the LOB Complaint Team (or the NCT) through CERS as a POC. By virtue of their specialization within their LOB, they will not be communicating with escalation teams across LOBs. There is a workflow process included in CERS to notify the POCs to work on a case, and responses on resolution are through CERS, with the resolution details housed in the complaint record in CERS for that LOB. The POC can not change any field in CERS or view information other than the complaint the POC is working in CERS. Other than using a different system, and the possible involvement of the NCT, this is the process in use today.

There will be no forwarding of any such feeds or the customer data contained therein to any other system or application. Any implementation of feeds of data either "upstream" (i.e., feeds into CERS) or "downstream" (i.e., feeds of data from CERS to another system) will require an amendment to this SOW following appropriate business and legal review.

This project shall operate in accordance with, although not limited to, the following legal requirements:

1. Use and Sharing of CPNI. To comply with 47 USC sec. 222 (CPNI statute) and the FCC's implementing rules, any individual with access to CERS, that has access to CPNI of complaining customers, must use the CPNI only to resolve billing concerns or service concerns relating solely to the service that is the subject of the complaint. CPNI shall not be used to market a service. If personnel accessing CERS have access to CPNI and, in order to resolve the customer complaint, use such CPNI to market a service outside of one of the categories of service to which the complaining customer then subscribes ("upsell"), then customer consent will generally be required under the CPNI statute. CERS must be able to provide information about the customer's CPNI consent status (where such information is maintained in the existing systems being consolidated into CERS) so personnel know whether they may upsell (yes, if they have consent; no, if they don't) and personnel will have to be trained about proper use of CPNI and when customer consent is required in upsell situations. There will be no cross-LOB upselling engaged in by any personnel with access to CERS.

2. Access to Systems or Customer Data by Personnel Located Outside of the US. No VZW customer data or VZW customer communication (voice or data) shall be stored or accessed by an individual who is located outside the United States without the advance written consent of VZW. In addition, to the extent that non-US personnel seek access to CERS or the data resident therein (other than VZW customer data), then such request must be reviewed and approved pursuant to the established clearance process prior to the commencement of such activity.

1.2 Services and Deliverables

1.2.1 Services

Verizon Wireless will design, develop, code, implement, host and maintain an application, in accordance with the terms of this SOW, for a Centralized Escalation Reporting System for the VZB, VZW, VZT, and VCSG employees (the "CERS Application Services" or

"Services"). CERS will allow the enterprise to manage complaints online using one entry point, and one user experience. Building on the services provided by the existing systems, Verizon Wireless will design, develop, code, test, implement, host and maintain the code to support the Project Scope set forth in Section 1.1. VZW will migrate the mutually agreed upon reference data, and historical transactional data from the systems listed in Section 1.1, interface with external source inputs, and provide additional functionality for the CERS system in accordance with the terms of this SOW.

1.2.2 Deliverables

Verizon Wireless will provide a series of deliverables as specified in this SOW. Projected deliverables are:

- **Documentation** – Verizon Wireless will create project documentation as described in Appendix A – Documentation Deliverables.
 - A-1 - Project Approach Document
 - A-2 - Project Approvals
 - A-3 - High-Level Testing Strategy

1.2.3 High Level Requirements

Consolidated Features and Enhancements List

All Existing Systems (EERS, VeCTR, NCDB, SMART, VSO Escalations) below.

All complaint data that is active in each of the systems below will be imported to CERS. In addition the following features from each of the systems below will be incorporated into CERS as enhancements. Lastly, CERS will provide an interface by which historical or archived data that is currently accessible from any of the systems below is accessible from CERS.

NCDB

QM - Escalations received through Quality Monitoring System/Feed

Inventory - Various escalations bucket lists

Special Escalation - NEC specific escalations

Complaint Properties - Work Status, Target user, complaints history, complaints notes

Previous Complaint History

Previous Escalation History

Integration with ERS system - Escalations handled through ERS system-external system to

NCDB

Journaling, History - Tracking field level updates through complaint life cycle

VeCTR

Multiple POC Assign

Compliment - New record/Case type

- Add Compliment
- Search Compliment
- Edit/Update Compliment

Inquiry - New record/Case type

- Add Inquiry
- Search Inquiry

- Edit/Update Inquiry
 - Convert Complaint to Inquiry
 - Convert Inquiry to Complaint
 - Lock-Unlock Complaints/Inquiry - multiple user record edit resolution
- Message Board - Email and Broadcast functionality
- Message Board Send - distribution lists
 - Message Board Receive - distribution lists

Search

- POC Users' Search
- Regular Users
- Customer Relations Users search
- Report Users' Search - non customer relations searches

Misdirect to other LOBs - New Case Type

Online Help

Data Warehouse

- Adhoc
- Advance Search
- Monthly Reports
- Standard Report
- Keyword Tagging of Complaints

PUC Feeds

- NJ
- NY
- PA
- Feed Response

Reports

- Audit Report
- Feed Reports
- Track Misdirect

SMART

Credit Log - Case detail within a Case/Complaint

- New Credit Log
- All Open
- Pending Credit Log
- Potential Credit Log
- Completed
- Canceled

Activities - complaint actions - Billing, Training, Invoice, Parts/Tagging etc

- New
- Closed

Reports

- Executive Report

EERS

Quality Review

Coaching

User hierarchy

HQ and Region wise complaint routing

Line of Portability

EERS specific reports (i.e. Feedback-coaching, case detail report)

EERS specific workflow status (i.e. 'Unable to contact')
EERS specific fields (i.e. Wireless rate plan, Average minutes usage)

CERS

Leverage existing VZFax, EDMS infrastructure components

- Fax
- Email
- Scanner

Archiving the complaints in to electronic documents/Document storage

Automatic Graphical Workflow with Rules Engine

Automatic Graphical Workflow allows creating business rules to automatically route and, if desired, assigning new cases to the right person or group. Complaints can be assigned based on any criteria you choose – for example, customer type/value, issue type, product group or location. You can also manage workloads by changing these rules on the fly.

Escalation rules ensure nothing falls through the cracks.

Advance Reports and Charts - role based

Generate advanced reports and trend charts with the click of a button. Select chart formats and role based drill down for more detail. Ability to apply custom filters.

Advance Search capabilities

- Archive Search
- Keyword search
- Saved Searches

Advance Attachments

- Transfer attachments across complaints
- Email attachments

Collaboration with internal Vz tools like myNetwork etc

Coordinate complaint-management system with others in the distribution chain for products or services by providing a direct line of communication with them.

User Work History - users will be able to see his work history in past month, quarter and year.

Better UI with advanced web technologies.

Role based complaint calendar - at user inbox

Daily/Weekly/Monthly automated email reports

Disaster Recovery - Active Clustering - then full offsite DR

System monitoring - WPAS Team

- Server monitoring
- Transactional Monitoring

Live Chat integration to collect complaints

Single Sign-On

360 customer view

- Customer past history (7-15yrs) - Search screens
- Cross-LOB Customer information - Search Screens

Security requirements (center, team, user level)

Change or extend the service level on a complaint

1.3 Key Assumptions

This SOW and costs estimates set forth in Section 1.8 are based on the following key assumptions, and the Services and High Level Requirements listed in Section 1.2.3 of this SOW. Any deviations from such assumptions that arise during the project will be managed through the procedure described in Appendix B-1 Project Change Control Procedure, and

may result in adjustments to the Project Scope, Estimated Schedule, Charges and other terms.

If an assumption deviation is not resolved through Appendix B-1 Project Change Control Procedure within two (2) days, then the issue will be resolved in accordance with Appendix B-2 Project Procedures - Escalation Procedure.

1.3.1 Assumptions – General

- Work under this SOW will be performed at various Verizon Wireless facilities **which are all onshore facilities.**
- Verizon Wireless reserves the right to assign or reassign individuals on the basis of qualifications, provided that all individuals assigned (or reassigned) by Verizon Wireless shall be qualified to perform the services hereunder to which they are assigned.
- Verizon Wireless will have access as needed to all relevant internal applications for purposes of design, software development, and testing, including maintaining current read access to VSO active directory for validating user single sign on login and passwords.
- Members of the Business Teams will have the ability and authority to make timely decisions and commitments.
- Business Teams shall ensure participation of all cross-functional teams as required for successful completion of project.
- Business Teams will make system data available to Verizon Wireless in a timely manner.

1.3.2 Assumptions – Project Management

- A weekly status meeting will be held on a fixed day of the week for the project team and management to review accomplishments to date, project schedule, staffing and status, discuss project issues, make key decisions, and set expectations for the deliverables. The day of the week will be agreed to at the start of the Project. Frequency may increase during certain portions of the project.
- Project scope decisions and issue resolution will be made in a reasonable and timely manner to maintain schedule and cost estimates.

1.3.3 Assumptions – Business Teams

- Business Teams shall make appropriate staff readily available to participate in working sessions and interviews for validation of current business goals and processes on an as-needed basis. All efforts will be made to provide reasonable advance notice of interviews, meetings and workshops; however, due to the short timeframe of this project, it is understood that some Business Team resources may be required to be available on short notice.

1.4 Verizon Wireless Responsibilities

Verizon Wireless' responsibilities with respect to the Project are set forth in this Section 1.4 and in Sections 1.2, 1.3 and 1.9 hereof. Verizon Wireless is required to perform its obligations as set forth in this SOW in a timely manner or project milestone dates may be delayed:

1.4.1 Documentation

Verizon Wireless will prepare and deliver the documents identified in Appendix A - Documentation Deliverables in accordance with the terms and delivery milestones set forth in this SOW.

1.4.2 Development and Implementation

Verizon Wireless will design, develop, code and implement in accordance with the specifications, requirements and performance standards set forth in Appendix A - Documentation Deliverables, and pursuant to the terms of this SOW.

1.4.3 Third Party Materials

Except with respect to third party licenses and agreements for hardware and software which are the responsibility of Business Teams as expressly set forth below in Section 1.5 (Business Teams Responsibilities), Verizon Wireless will be solely responsible for procuring all hardware and software components and communications equipment, and for having all associated licenses and/or agreements in place with third parties (at no additional charge to LOBs) to enable Verizon Wireless to perform the Services under this SOW. Unless specifically agreed to otherwise by Business Teams in writing, Verizon Wireless will be responsible for the management of such third parties and the quality of their input and work, including without limitation the responsibilities set forth in Section 1.4.4

1.4.4 Project Management

The Verizon Wireless Project Manager will also perform the following tasks:

- Create/maintain project documentation that tracks high level milestones for VZW, VZT, VZB and VSO. This plan will also include important tasks that multiple teams need to perform.
- Create/maintain central list of issues that pertain to the overall project and multiple teams. Verizon Wireless and the Business Teams will maintain separate issues lists for internal issues.
- Facilitate meetings between LOBs when needed to resolve issues; will work with VZT, VZB and VSO project managers to assist in participant availability.

1.4.5 Hosting and Maintenance

Verizon Wireless will host and maintain the CERS application in accordance with the terms of this SOW, including without limitation the Service Levels set forth in Appendix D hereto.

1.5 Business Teams Responsibilities

The successful completion of the proposed scope of work depends on the full commitment and participation of the Business Teams' management and personnel. The responsibilities listed in this section are to be provided at no charge to Verizon Wireless. Business Teams are required to perform their obligations as set forth in this SOW in a timely manner or project milestone dates may be delayed. Certain Verizon Wireless obligations are predicated upon the following responsibilities being managed and fulfilled by Business Teams, as scheduled in the Project Plan. Delays in performance of these responsibilities attributable to Business Teams may result in additional cost and/or delay of the completion of the project, and will be handled in accordance with Appendix B-1 Project Change Control Procedure.

Business Teams will provide sufficient resources to perform the following tasks:

1. Participate and help resolve open items in status meetings for Development, Integration Test and User Acceptance Testing phases.
2. Provide a report of open defects produced during User Acceptance Testing.
3. Adhere to Appendix C definitions and turn around time for tickets during User Acceptance Testing.
4. Provide sufficient information to Verizon Wireless to enable resolution of all Show Stoppers and High tickets on the VZT, VZB and VSO side by implementation in accordance with Appendix C.
5. Train existing VZW, VZT, VZB and VSO staff prior to production implementation.
6. Create, review and gain approval from Verizon Wireless on VZT, VZB and VSO test cases and test plan.
7. Coordinate and provide business feedback to development team on design issues as needed.
8. Conduct UAT in accordance with the UAT Test Plan (as defined in Section 1.6 below).
9. Provide signoff to approach in a timely manner.
10. Support and approve, as reasonably requested, all Verizon Wireless approach, development, testing and implementation activities.
11. Provide and maintain test data to support those test scenarios.
12. Provide answers to questions regarding warranty items; train VZT, VZB and VSO personnel on platform and enhancements; and communicate business tasks to VZT, VZB and VSO personnel, when needed.
13. Ensure that its staff is reasonably available to provide such assistance as Verizon Wireless reasonably requires and that Verizon Wireless is given reasonable access to Business Teams' senior management, as well as any members of its staff as necessary to enable Verizon Wireless to provide the CERS Application Services. Business Teams will ensure that its staff has the appropriate skills and experience. If any staff fails to perform as required, Business Teams will make suitable additional or alternative staff available.
14. Business Teams will be responsible for the review and evaluation of the Verizon Wireless recommendations as well as all final decisions and implementations relating to, or resulting from, the Verizon Wireless recommendations contained in the deliverables.
15. If and to the extent that Business Teams use or provide Verizon Wireless with third party information, support or materials for use in a project (including but not limited to where Business Teams are employing third party suppliers whose work may affect Verizon Wireless' ability to provide the CERS Application Services), Business Teams have, or

will have, appropriate agreements in place with third parties to enable Verizon Wireless to perform the Services under this SOW. Unless specifically agreed to otherwise in writing, Business Teams will be responsible for the management of such third parties and the quality of their input and work. In the event that such third party is based outside the United States, an on-shore contact must be designated to enable communications between Verizon Wireless and such third party during normal business hours in the United States. Except to the extent Verizon Wireless specifically agrees otherwise in this SOW, Business Teams are solely responsible for any (including bearing the cost related to) third party hardware, software or communications equipment that Business Teams provide to Verizon Wireless and/or that Business Teams expressly require in writing that Verizon Wireless use (and that Verizon Wireless is not independently using apart from the Business Teams' express written requirements) in connection with the Services.

16. Provide (at Business Teams' expense) necessary details for obtaining and setting up reporting licenses as set forth in Section 1.8 (Cognos Reporter & viewer licenses) (i.e. named licensees' for tracking, number of licenses by business unit, etc.).
17. Business Teams are responsible for the actual content and timely delivery of any data file to VZW and the selection and implementation of controls for the secure transfer of the files.
18. Business Teams are responsible for any enhancements to be made to the VZT, VZB and VSO infrastructure. Business Teams must notify Verizon Wireless team of any enhancements or changes for development, QA, UAT or production environment with respect to the VZT, VZB and VSO infrastructure, including hardware or software or any related system changes, to the extent such changes may impact the CERS system. Verizon Wireless team will perform due diligence on each change and if any change will cause the delay of Verizon Wireless delivery of the project, Verizon Wireless project manager will notify Business Teams of the impact to the project.

1.5.1 Business Teams Responsibilities for Maintenance and Support

In addition to the Business Teams Responsibilities set forth above, Business Teams shall also be responsible for the following responsibilities for maintenance and support. Business Teams shall:

1. File trouble tickets in a timely manner.
2. Provide prompt access to interfacing Business systems when necessary to resolve trouble tickets.
3. Resolve internal trouble tickets promptly.
4. Keep VZW apprised of changes to maintenance windows with respect to business systems that interface with the Verizon Wireless CERS platform, if any, which could affect operations of such Verizon Wireless platform.
5. Keep VZW apprised in a timely manner of changes to business environment or architecture which could affect operations of the Verizon Wireless platform.
6. Comply with corporate desktop security and use policies of Verizon.

1.6 User Acceptance Testing and Completion Criteria

1.6.1 - User Acceptance Testing

Upon written notification from Verizon Wireless that development of the CERS has been completed, Business Teams will conduct User Acceptance Testing (UAT) of CERS to

determine whether it meets all specifications and standards set forth in the applicable documentation identified in Appendix A and in this SOW hereto (collectively, the "Specifications"). UAT shall be conducted in accordance with the High Level Testing Strategy Document referenced in A-3 within Appendix A hereto. A mailbox to accept all UAT issues from any LOB will be set up, and the VZW CAM will track all UAT issues submitted. Daily UAT calls will be used to discuss, resolve and track all issues to completion.

1.6.2 - Completion and Acceptance Criteria

In order to qualify for acceptance, any deliverables subject to UAT must fully conform to the applicable Specifications (the "Acceptance Criteria"), as reasonably determined by Business Teams and written notice of acceptance must be delivered by Business Teams to Verizon Wireless ("Acceptance"). No sign off will occur if Level 1 or 2 severity issues exist at the completion of UAT. All Level 3 priority issues should have solutions outlined and target follow up implementation dates assigned for completion of any level 3 issue found during UAT.

1.7 Estimated Schedule

Timeline	Days	Completion Date
Finish Requirements	7	7/30/2009
Design	7	7/30/2009
Code	90	10/30/09
SIT/UAT	20	11/27/2009
Production	2	12/1/2009

The Estimated Schedule above is based upon signing and execution of the definitive agreement by July 30, 2009. Delay in the execution of the Definitive Agreement may alter dates for task completion and production availability of CERS.

1.8 Charges and Payment Terms

1.8.1 Payment Terms

Business Teams agree to pay Verizon Wireless on or before the dates set forth below or, if no date is specified, within thirty (30) days of receipt of invoice.

The Services will be provided on a cost plus basis at the rate of \$700 per day, (\$87.50 per hour), and invoiced in accordance with the schedules set forth in this section 1.8

1.8.2 Business Teams shall pay the following fees for services:

Tasks to be Completed	Cost
Finish Requirements/Design	\$ 4,900.00
Routing Reference table Modifications	\$ 10,500.00
Security modifications -by source/state + additional SSO	\$ 3,500.00
PUC Automation Feeds	\$ 7,000.00

Local Agency Feeds (3 days @) 3 feeds ?	\$	6,300.00
Modify/Demo and gain approval of GUI look and feel	\$	10,500.00
Interface to other LOB billing/dw applications to autopop customer data	\$	7,000.00
Enhance reporting based on new reports requirements	\$	7,000.00
Add compliment screens + turn on chat	\$	3,500.00
SL specific requirements	\$	7,000.00
Vector/SMART/NCDB Database History Migration	\$	10,500.00
SIT/UAT	\$	10,500.00
Hardware/Software		
Current history + new complaints based on storage requirements	\$	80,000.00
Cognos Report Creator Capability (20 @ 500)		\$10,000.00
Report viewing via Cognos (50 @ 300) estimated high		\$15,000.00
Total Estimated Cost to deliver and UAT Test	\$	193,200.00

1.8.3 Annual Support for CERS

Annual hosting and support fees for the CERS application, including all applications, functionality and enhancements comprising the application, shall be paid to Verizon Wireless, in advance, on or before each December 31st preceding the year in which hosting and support services are actually provided (e.g., support for 2010 should be paid by 12/31/09.) while this SOW is in effect, as follows:

2009	\$ 50,000
2010	\$ 100,000
2011	\$ 100,000
2012	\$ 100,000
2013	\$ 100,000

** 2009 has been prorated because due to the implementation date.

If the parties agree to continue the Services beyond 2013, the parties shall negotiate in good faith to establish support fees for services rendered after 2013.

1.9 Maintenance and Support

Verizon Wireless will provide the following post production support for this project:

1.9.1 Help Desk Support

24x7 telephone support on-call rotation. Verizon Wireless SSA is to respond in accordance with the Service Level Agreement attached hereto as Appendix D.

Tickets are assigned a priority by the user or Verizon Data Services LLC Information Technology Support Desk ("ITSD").

If multiple tickets are submitted, they are worked in priority order.

1.9.2 Problem Resolution, Preventive Maintenance, Minor Enhancements

Ticket resolution and minor enhancements (not subject to Change Control) are scheduled in one of the following release types:

- 1) Emergency and remedial maintenance workarounds and permanent fixes to correct errors and defects in the CERS application, in accordance with the service levels and requirements set forth in Appendix D (Service Level Agreement).
- 2) Data Fixes - to be provided in accordance with the service levels and requirements set forth in Appendix D (Service Level Agreement)
- 3) Preventive Maintenance, including provision of updates, upgrades, patches, fixes, corrections, code changes improvements and enhancements to proactively resolve potential errors or defects in the CERS application.
- 4) Enterprise Release - As scheduled by Verizon Wireless on an annual basis

The schedule for releases and downtime shall be:

Release Type	Downtime Window*	Day of Week*
Standard Hours of Availability	Available 24 X 7 - No Downtime	No Downtime
Emergency -	12:01 AM EST to 05:00 AM EST.	As needed to meet SLA
Maintenance - ticket fixes, technical service changes	12:01 AM EST to 05:00 AM EST	Tuesdays - generally once or twice/month.
Enterprise - major enhancements	11:00 PM EST to 07:00 AM EST	Saturday into Sunday - generally 8 times per year

*Days and times may vary depending on release content, provided Verizon Wireless shall provide advance notice of any changes in the days and times of such releases and downtime. Scheduled downtime is calculated by an independent system availability group within the Verizon Communications IT organization. An example of how availability of the platform will be calculated is set forth in Appendix D.

**Subject to the terms of Appendix D with respect to System Uptime.

Each release type has a unique SDLC (System Development Life Cycle) that may include:

- Requirements
- Analysis (aka Level of Effort (LOE))
- Design
- Code & Unit Test
- Implementation
- Training

1. Support Maintenance shall be provided in accordance with the SDLC (scope, requirements, analysis, design, design reviews, code & unit test, code reviews implementation, warranty) and performed in accordance with Appendix D (Service Level Agreement).
2. Complete analysis (aka LOEs) of Change Requests
3. Work with interfacing applications for problem resolution
4. Articulate in various forms of communication problems, resolutions, ideas (via emails, conference calls, documentation)

1.9.3 System Down Time Notification

Prior to any scheduled production CERS downtime, an email communication will be sent by Verizon Wireless to the CERS distribution list with details of the anticipated downtime.

1.10 Additional Terms and Conditions

1.10.1 Required Consents

Business Teams are responsible for promptly obtaining and providing to Verizon Wireless all required consents necessary for Verizon Wireless to use any laptops, software, and/or images provided by Business Teams for this project (the "Required Consents").

Subject to the indemnity provisions and limitations of liability and remedies set forth in the Agreement, Business Teams agree to indemnify Verizon Wireless from and against any third party claims arising from Business Teams' failure to obtain any of the Required Consents, provided that Verizon Wireless gives Business Teams prompt written notice of any such third party claims.

1.10.2 Intellectual Property

Except as expressly provided in the Definitive License Agreement entered into between the parties, Verizon Corporate Services Group Inc. does not acquire any right or license in the Centralized Escalation Reporting System or in VzW's proprietary information and know-how used in the performance of the SOW including Intellectual Property Rights, technical information, designs, templates, software modules, processes, methodologies, systems used to create computer programs, or software, procedures, code books, computer programs, plans, or any other similar information including improvements, modifications or developments thereto.

VZW will comply with corporate desktop security and use policies of Verizon.

1.11 SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Statement of Work through their authorized representatives

Agreed to:	Agreed to:
Cellco Partnership d/b/a Verizon Wireless Warren, NJ 07059	Verizon Corporate Services Group Inc.
By: <i>AJAY WAGHRA</i> X <i>[Signature]</i>	By: Lou Sigillo X <i>Kathleen E. Romero</i> <i>for Lou Sigillo</i>
Authorized signature <i>8/24/09</i>	Authorized signature

1.11 SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Statement of Work through their authorized representatives

Agreed to:	Agreed to:
Cellco Partnership d/b/a Verizon Wireless Warren, NJ 07059	Verizon Corporate Services Group Inc.
By: <i>AJAY WAGHRAY</i> X <i>[Signature]</i>	By: Lou Sigillo X
Authorized signature <i>8/26/09</i>	Authorized signature

Appendix A – Documentation Deliverables

Microsoft Office products (Word, Excel, PowerPoint) will be the standard for project documentation unless otherwise noted herein. Most of documents will adhere to standard templates provided by Verizon Wireless.

A-1 Project Approach Document:

Purpose:

The Project Approach Document outlines the IT solution as a result of requirement analysis and design.

Content:

The Project Approach Document will be in MS-Word format and contain the details of CERS enhancements, sufficient to fulfill business needs.

Delivery:

An electronic version of the report will be provided prior to code development.

A-2 Project Approvals:

Purpose:

This deliverable documents the formal approval from stakeholder members for necessary deliverable documentation

Content:

This deliverable consists of email approvals for the Approach and UAT Acceptance documents.

Delivery:

Verizon Wireless will deliver an electronic copy of these documents at the end of each respective phase in electronic format checked in accordance with Verizon Wireless standard procedure.

A-3 High-Level Testing Strategy

Purpose:

This deliverable documents the testing dates for UAT and Implementation as well as list what Verizon Wireless is testing at a high level. VZT, VZB, and VCSG will need to add their sections to this document once Verizon Wireless completes the initial draft.

Content:

The document contains the UAT Test plan and test cases, along with dates, milestones, and final approvals.

Delivery:

Verizon Wireless will deliver an electronic copy of these documents prior to test phases in electronic format checked in accordance with Verizon Wireless standard procedure.

Appendix B – Project Procedures

B-1 – Project Change Control Procedure

The following process will be followed if a change to this SOW is required:

- The designated Project Manager of the requesting party will review the proposed change and determine whether to submit the request in writing to VZW.
- All stakeholders will review the proposed change and recommend it for further investigation or reject it. Verizon Wireless will invoice the LOBs for any charges related to the change to stated approach in this SOW. The investigation will determine the effect that the implementation of the changes will have on price, schedule and other terms and conditions of this SOW.
- A written change authorization must be signed by authorized representatives from all parties to authorize implementation of the investigated changes. Until a change is agreed in writing, both parties will continue to act in accordance with the latest agreed version of the SOW.

B-2 – Escalation Procedure

The following procedure will be followed if resolution is required to a conflict arising during the performance of this SOW.

- When a conflict arises between Verizon Wireless and other LOBs, the project team members will first strive to work out the problem internally.
- Level 1: If the project team cannot resolve the conflict within two (2) working days, the Verizon Wireless Project Manager and LOB IT project managers will meet to resolve the issue.
- Level 2: If the conflict is not resolved within three (3) working days after being escalated to Level 1, the Verizon Wireless Executive Sponsor will meet with the VZW Project management team to resolve the issue.
- If the conflict is resolved by either Level 1 or Level 2 intervention, the resolution will be addressed in accordance with the Project Change Control Procedure set forth in Appendix B-1.
- If the conflict remains unresolved for a period of thirty (30) or more days after Level 2 intervention, and the conflict materially affects, or could materially affect, the performance or receipt of the Services (as applicable) then either party may terminate this SOW upon written notice to the other party. If the conflict is addressed by termination, the LOBs agree to pay Verizon Wireless for a) all services Verizon Wireless provides in conformance with applicable specifications and any products and deliverables Verizon Wireless delivers in conformance with applicable specifications through termination, b) all expenses Verizon Wireless incurs through termination, to the extent reimbursable by LOBs pursuant to the terms of this SOW, and c) in the event that termination is initiated by LOBs without concurrence by VzW, any costs Verizon Wireless reasonably incurs in terminating the services.
- During any conflict resolution, Verizon Wireless agrees to provide services relating to items not in dispute, to the extent practicable pending resolution of the conflict. LOBs agree to pay invoices in a timely manner as set forth in this SOW.

Appendix C – Definitions

▪ Definition – Issue Severity Definitions

The following defect priority values and guidelines with respect to System Testing, UAT, and user reported incidents (IR) are as follows:

1 - Showstopper. A 'Showstopper priority 1 is assigned as follows:

1. When an Error causes one or more critical business transactions within CERS to be inoperable for a large number of users (e.g., all users in one geographical area or multiple users in numerous geographical areas), or
2. A violation of applicable legal or regulatory requirements.

A 'SHOWSTOPPER' issue severely impacts the ability for the Business Teams to conduct business in the CERS application. An isolated error affecting a single user would not be considered a Showstopper Priority 1 issue. A Showstopper should be worked immediately after VzW is notified, or otherwise becomes aware of, the Error.

2 - High. A 'HIGH' priority is assigned as follows:

1. When an Error causes one or more critical business transactions within CERS to be inoperable for a small to medium subset of users (e.g., a small number of users in one geographical area) or
2. A non-critical function (e.g., reports or support) within CERS is not working for a large number of users (e.g., all users in one geographical area or multiple users in numerous geographical areas).

For clarity, an isolated Error affecting a single user would not typically be considered a High Priority 2 issue except under exceptional circumstances (to be agreed between the parties). A high priority issue should be worked as soon as possible, after VzW is notified, or otherwise becomes aware of, the Error.

3 - Medium. A problem that does not result in data loss but is more than cosmetic. This should be worked after completion of 1- and 2-priority items.

4 - Low. Look-and-feel, cosmetic issue. This should be worked after completion of 1-, 2- and 3-priority items.

- Business Teams must first review all issues internally. In the event Verizon Wireless assistance is required to resolve, the Verizon Wireless Project Manager will consider issues assigned to Verizon Wireless by the LOBs to determine if the issue falls within Verizon Wireless' scope.
- Testing issues that Verizon Wireless accepts as its responsibility, will be corrected to work as described in the A-3 – Project Approach Document
- The Verizon Wireless Project Manager will review and must agree to the severity level of issues which Verizon Wireless accepts as its responsibility under this SOW.

Other than defect priority values which are to be remedied during production, as expressly set forth in the UAT Test Plan, the priority defect values and guidelines in this Appendix C (and as referenced in the UAT Test Plan) shall apply solely to UAT and system testing and not production. Priority levels and Service Level requirements during production shall be as set forth in Appendix D to the SOW.

APPENDIX D - Service Level Agreement

1. **Purpose and Scope:** This Service Level Agreement forms Appendix D to the Statement of Work between Celco Partnership d/b/a Verizon Wireless and Verizon Corporate Services Group Inc., Verizon Telecom, and Verizon Business for the CERS Project (the "SOW") and defines and sets forth the network performance and service level commitments to be met by Verizon Wireless in supporting the CERS application, including the software and network used to operate such system.

2. **Definition of Terms:** Capitalized terms used but not defined herein shall have the meanings as set forth in the SOW or the Agreement (as defined in the therein). In addition, the following definitions shall apply to this Service Level Agreement:

"Error" shall mean any failure or degradation of all or part of the CERS application that results in all or part of the application not conforming to or not performing in accordance with all or part of the Specifications and/or the terms and conditions (including the Service Levels) set forth in this Appendix D. All Errors shall be classified into one of the severity levels set forth above.

"Resolution" shall mean the correction or elimination of an Error.

"Workaround" means a temporary solution to a problem that allows the Product to function without material impairment.

3. **Application Performance Agreement:**

3.1 The CERS application will be available to LOBs 24x7 except during the scheduled Downtime Windows set forth section 1.9.2 of the SOW or as may be otherwise agreed to by the parties in writing. Reporting modules will be available at a minimum from 7am EST to 10pm EST Monday through Friday.

3.2 In addition to the Error correct and incident response requirements set forth herein, VZW shall maintain CERS in a manner that the System Uptime (including all software, systems, features and functionality related to the application) is 99.95% during each rolling thirty (30) day period during the term of the SOW (each a "Measurement Period"). "System Uptime" means the time in a Measurement Period in which the CERS system (including all software, systems, features and functionality related to the application) is fully operational (excluding such Downtime Windows set forth in section 1.9 of the SOW), divided by the total number of hours in such Measurement Period (excluding the Downtime Window). For purposes of measuring System Uptime, the duration of a System Outage and/or Priority incident/issue defined in Section 6 below will be included and measured from the time of initial incident report until full resolution of the incident as evidenced by closure of the problem management record (PMR). In addition, in calculating System Uptime, the following factors will also be used to determine whether CERS is performing effectively (i.e., when there is no actual outage, but instead there is a degradation in performance):

- Slowness Factor
- Functionality Factor

•Percent of users impacted

The above will provide a metric measured in "Effective Minutes." Following is an example of a 60 minute period during which the functionality of CERS was impaired by 50% and, during such same 60 minute period, the platform speed was diminished by 50%.

$$60 \text{ minutes} \times 50\% \times 50\% = 15 \text{ Effective Minutes}$$

Based on a 24-hour day, there are 1440 minutes; the calculation of availability for that day:
 $((1440-15)/1440) \times 100 = 98.95 \text{ Percent Available}$

3.3 Verizon Wireless will conduct daily monitoring of application availability and performance.

3.4 Since this is a mission critical application, in addition to corrective maintenance activities outlined below, preventive maintenance should be conducted to prevent potential problems or outages. Preventive maintenance shall include periodic upgrades, updates, patches and fixes, to software, middleware and operating system comprising the CERS application.

4. System Out of Service (Outage) Process:

If an incident is a Priority 1 or Priority 2 condition (as defined below), the VZW IT support team will initiate the Crisis Management Center Process. In addition to the Minimum Service Levels set forth in Section 7, the 24x7 WPAS Production Support team will respond to Crisis Management Bridge within 10 minutes from receipt of notice of a Priority 1 or Priority 2 issue, as defined in Section 6 hereof.

5. Problem Notification

If an Error occurs, Business Teams' users may call the Verizon Wireless Information Technology Support Desk ("ITSD"), and the resolution process shall commence as set forth under "Incident / Issues Management Process" below. If, however, after expending reasonable efforts VzW cannot isolate the Error, Business Teams may nonetheless call the VzW Help Desk, and VzW and Business Teams shall work cooperatively, expediently and at no additional charge to Business Teams, to isolate such anomaly/issue affecting the Service.

6. Incident / Issues Management Process:

The Incident / Issues in production environment are initiated and managed by the Verizon Wireless Issues Management Team (IMT) or by users of the CERS or the Business Teams. If the Verizon Wireless Issues Management Team determines that an Error that is the subject of an Incident Reported (IR) is systems-related, a priority will be assigned as follows, as mutually agreed to by the parties. The definitions of these conditions are defined above in Appendix C - Definitions.:

- #1 - SHOWSTOPPER
- #2 - HIGH
- #3 - MEDIUM
- #4 - LOW

7. Minimum Service Level Requirements

Each reported Error will be routed from the ITSD to the WPAS IT Support team and resolved in accordance with the service levels set forth in the Table 1 below ("Minimum Service Level(s)"). All Service Levels set forth below are measured from time of Business Teams notification of an Error pursuant to Section 5 hereof ("Notification") until IR resolution is confirmed through the Business Teams.

Table 1

Priority Level	Call Answer Rate	Confirmation Response Time	Identified Resolution Details	Resolution Delivered to Business Teams	Call Update Rate
Priority 1 (Showstopper)	Within 5 minutes	Within 15 minutes	Within 1 business day	Within 3 business days	Every 30 min. during initial 4 hours, then twice daily
Priority 2 (High)	Within 5 minutes	Within 15 minutes	Within 2 business days	Within 45 days	Daily
Severity 3** (Medium)	Within 5 minutes	Within 15 minutes	Within 30 days	Within 90 days	Weekly
Severity 4** (Low)	Within 5 minutes	Within 15 minutes	Within 30 days	Within 120 days	Weekly

* If Workaround is not available, Verizon Wireless shall provide next code drop to correct the Error within 48 hours following Notification.

** Service Level shall apply once timeframe for resolution of defects identified in UAT expire, pursuant to UAT Test Plan.

8. Escalation Process:

In the event that the Minimum Service Levels for Workarounds or Resolution are not met, Business Teams may contact the CERS Management team for issue Resolution in the following order:

- Production Support Associate Director (For Priority #1 and Priority #2 issues/incidents 4 (four) hours; For Priority #3 and Priority #4 issues/incidents, twenty four (24) hours, after expiration of the applicable Service Level set forth herein)

- Executive Director (For Priority #1 and Priority #2 issues/incidents 8 (eight) hours;
- Vice President (For Priority #1 and Priority #2 issues/incidents 12 (twelve) hours;

System outages (Severity 1 and 2 notifications) will prompt the ITSD to page the Infrastructure Team. If the ITSD deems a ticket to be critical, the ITSD will page the on-call developer. Valid critical outages will be reported by the on-call developer to the Analyst. This WPAS Team will communicate the issue to the distribution list. A Production Alert text notification will be sent to the Business Teams. These notifications statuses will be sent as new information and updated statuses become available.