UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, STATE OF ALABAMA, STATE OF CALIFORNIA, STATE OF IOWA, STATE OF KANSAS, STATE OF MINNESOTA, STATE OF NORTH DAKOTA, and STATE OF SOUTH DAKOTA, Plaintiffs,)))) Case No. 1:08-cv-01878 (EGS)
v. VERIZON COMMUNICATIONS INC. and ALLTEL CORPORATION,))))
Defendants.)))

DECLARATION OF RUDOLPH HERMOND

- I, Rudolph Hermond, declare as follows:
- 1. I am employed by AT&T Mobility Services LLC, a subsidiary of AT&T Inc.

 (AT&T), as Vice President-Alltel Integration. I am part of the management team responsible for overseeing the integration of the wireless businesses that were acquired by AT&T from Verizon Communications Inc. ("Verizon") on June 22, 2010. I have personal knowledge of the matters stated in this declaration.
- 2. Through this transaction, AT&T acquired approximately 1.6 million subscribers across portions of 18 states. To ensure that these subscribers continued to receive wireless service until AT&T is ready to support them on its own systems, AT&T entered into a transition services agreement ("TSA") with Verizon. Pursuant to this agreement, Verizon supplies network support, customer service and billing systems to support the acquired subscribers. The TSA will expire one year from the date AT&T acquired the assets, June 22, 2011.

- 3. AT&T has made, and is continuing to make, considerable efforts to migrate off of the TSA services provided by Verizon and integrate the acquired wireless businesses into its existing operations. By June 22, 2011, AT&T plans to complete the construction of a new network (based on GSM technology) that will be used to serve the subscribers formerly served by networks based on CDMA technology, to provide the approximately 1.6 million acquired subscribers with new GSM devices, and to transition these subscribers to the new network. Upon completion of this plan, AT&T will no longer need to rely on transition services from Verizon to support its retail operations.
- 4. Despite these efforts, AT&T will still need transition services from Verizon to support roaming services on the acquired CDMA wireless network after June 22, 2011. As part of the process to obtain approval to acquire the assets from the Federal Communications Commission, AT&T committed to provide, for a period of time, certain CDMA roaming services to subscribers of other wireless carriers who travel to areas where their carrier has no network. In the Matter of Applications of AT&T Inc. and Cellco Partnership d/b/a Verizon Wireless for Consent to Assign, or Transfer Control of Licenses and Authorizations and Modify a Spectrum Leasing Agreement, Memorandum Opinion and Order, 25 FCC Rcd. 8704, 8779 (2010). AT&T plans to use the Alltel CDMA network for this purpose, but needs to install new equipment and reconstruct aspects of this network to support roaming traffic. Although AT&T had planned to complete this work before the transition services agreement ended, the severe winter and difficulties in obtaining telecommunications transport lines slowed the process.
- 5. Failure to extend the transition period may not directly harm the acquired subscribers or AT&T's ability to compete for new retail customers in the acquired areas, but would put

AT&T at risk of violating its legal and contractual roaming commitments. An additional four month extension of the TSA is essential to ensure uninterrupted roaming service, so other wireless carriers' customers do not experience an interruption of wireless service when traveling in areas where their carrier does not own a network.

6. Verizon and AT&T have agreed to extend the TSA for a period of up to six additional months, through December 22, 2011, upon commercially reasonable terms.

I declare, pursuant to 18 U.S.C. § 1746, that the foregoing is true and correct.

Executed on Monday, MARU 28, 2011