



Jim Gerace
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The Hon. Barbara Miller-Williams
Erie County Legislature
427 William Street
Buffalo, New York 14204

Dear Legislator Miller-Williams:

I am responding to your letter regarding contract negotiations between Verizon and the Communications Workers of America and the International Brotherhood of Electrical Workers. There appears to be a great deal of misinformation regarding the negotiations, and I hope to provide you with our perspectives on where things stand.

Verizon and the unions are negotiating in an effort to reach new collective bargaining agreements (CBAs) before the current agreements expire on August 6th. Verizon is committed to negotiating in good faith and has put forth a highly competitive pay and benefits proposal for its wireline union workforce.

As you are no doubt aware, rising health care costs are a critical issue facing every employer, whether in the private or public sector, and Verizon is no exception. As a result, we are asking our union-represented employees to join other Verizon workers in sharing a reasonable portion of the cost of these ever-increasing expenses. Even with modifications to existing plans Verizon will continue to provide competitive benefits to its employees.

The negotiations between Verizon and the unions representing its wireline employees cannot be viewed in isolation; they must take into consideration the current business environment.

Changes in technology and changes in the competitive environment have dramatically changed our wireline business. In fact, over the last ten years, Verizon has lost more than half of its traditional landline telephone customers in New York State. Yet, many of our

operating costs in this business – where the union-represented associates are employed – remain the same. Work rules that were adopted decades ago, when Verizon's wireline business was a government created and regulated monopoly, simply cannot be sustained in a competitive environment. To that end, we have proposed new work rules to provide increased flexibility in order to improve our customers' experience and to provide new opportunities to succeed and grow Verizon's network.

We hope you can appreciate that a private sector employer like Verizon must make difficult decisions to improve its fiscal condition in order to remain competitive.

We look forward to reaching agreement with the unions soon and to continuing to invest and grow in Western New York.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gerace". The signature is fluid and cursive, with the first name "Jim" being more prominent than the last name "Gerace".