I. Purpose

A. Executive Orders 02-05 and 14-08 establish policies relating to antidiscrimination in contracts with the City of Philadelphia (the “City”) for the purpose of providing equal opportunity in contracting and employment and assuring that City funds and resources are not used directly or indirectly, to promote, reinforce or perpetuate discriminatory practices. In accord with these policies, Chapter 17-1600 of The Philadelphia Code requires the development and implementation of “Economic Opportunity Plan(s)” for contracts that are subject to approval by City Council. Economic Opportunity Plans are intended to memorialize the applicable contracting party’s commitment to make “good faith efforts” to provide meaningful contracting opportunities for businesses owned by minority persons, women and disabled persons (“M/W/DSBEs”) and identifies the applicable contracting party’s efforts towards employing a diverse workforce in connection with the contract.

Verizon Pennsylvania Inc. (“Verizon”) is a telecommunications provider currently providing voice and data services to residents and business in the City over its existing wireline telecommunications facilities. Verizon is currently in the process of upgrading its existing wireline telecommunications facilities to install a Fiber to the Premise Telecommunications Network (the “FTTP Network”) which will allow Verizon to enhance its current voice and data service offerings to residents and businesses in the City. Additionally, Verizon has entered into a Cable Franchise Agreement with the City, which authorizes Verizon to provide cable television service to residents in the City (the “Franchise Agreement”).

Verizon and the City desire to promote and increase economic opportunities for local residents and businesses, which may be derived from Verizon’s continued provision of telecommunications services, its installation of the FTTP Network, implementation of the Franchise Agreement, and any other business Verizon may conduct in the City (collectively, “Verizon Business Operations”). In furtherance of Verizon’s and the City’s shared goals with respect to such economic opportunities as they relate to Verizon Business Operations, Verizon hereby submits this Economic Opportunity Plan, effective as of this____ date of ________ 2008 (the “Plan”), pursuant to which Verizon commits to exercise “good faith efforts” (as hereinafter defined) throughout the term of this Plan, to provide meaningful contracting opportunities for M/W/DSBEs and to employ an appropriately diverse workforce which includes Philadelphia residents, minority,
women and disabled persons in all appropriate aspects of Verizon’s Business Operations in the City as described herein. This Plan, and all of the commitments and obligations set forth herein, shall expire on the earlier of the expiration or the termination of the Franchise Agreement (the “Term”).

B. For the purposes of this Plan, MBE, WBE and DSBE (collectively, “M/W/DSBEs”) shall refer to businesses so certified by the City’s Office of Economic Opportunity (“OEO”) in addition to the agencies recognized by the Verizon Supplier Diversity Program, which include the Association for Service Disabled Veterans (ASDV) Clearing House, National Minority Supplier Development Council, US PAN Asian American Chamber of Commerce (USPAACC), and Women’s Business Enterprise National Council. The term “minority person” shall refer to the following federal Equal Employment Opportunity reporting categories: Blacks (Black African racial groups), American Indians (including Alaskan Natives), Asians (including Pacific Islanders), Hispanic (including persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish origin or culture regardless of race). The term “disabled person” shall mean a person who has a physical or mental impairment that substantially limits one or more of his or her major life activities.

C. For purposes of this Plan, the term “good faith efforts” shall be defined as any of the following activities (or combination thereof, as may be determined in Verizon’s sole discretion):

- Verizon adheres to a published policy of nondiscrimination in contracting and in the hiring, retention and promotion of employees.
- Verizon solicits, through all reasonable and available means, the interest of certified local businesses which have the capability to perform the work of the project. Such efforts include the use of lists of Certified Firms from the City’s Directory as well as other agencies.
- Verizon establishes and maintains relationships with the “Diversity Organizations” (as hereinafter defined) and through such relationships, Verizon and the Diversity Organizations engage in the following joint initiatives: i) provide information to M/W/DSBEs regarding RFP’s; ii) recruit M/W/DSBEs to respond to RFP’s; iii) hold workshops for M/W/DSBEs on vendor topics of interests; and iv) hold annual meetings between Verizon and the Diversity Organizations to evaluate the success of the foregoing joint initiatives and to discuss strategies for any enhancements thereto.
- Verizon and Diversity Organizations assist certified M/W/DSBEs with Verizon Office of Supplier Diversity Registration, and maintaining records of solicitations, applications and follow up to determine with reasonable certainty if the M/W/DSBEs are interested.
- Verizon and Diversity Organizations provide interested MBEs, WBEs and DSBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- Verizon provides arms length business assistance to interested M/W/DSBEs which may include facilitating introductions to prime manufacturers/suppliers.
- Verizon establishes a single point of contact within Verizon for communication with the City and Diversity Organizations regarding the implementation of this Plan and other issues relating to M/W/DSBEs.
- Verizon negotiates in good faith with interested M/W/DSBEs by using good business judgment which includes consideration of price and capabilities as well as the objectives of the Plan.

D. The organizations set forth below constitute examples of Diversity Organizations. This list is not intended to be exhaustive and Verizon reserves the right to add additional organizations that shall constitute Diversity Organizations.

- Mayor’s Advisory Commission on Construction Industry Diversity
- Pan Asian Chamber of Commerce
- African-American Chamber of Com of PA, NJ, DE
- Asian-American Chambers of Commerce of Philadelphia
- US Women’s Chamber of Commerce of Greater Philadelphia
- Greater Philadelphia Hispanic Chamber of Commerce
- GPCC Supplier Network
- Greater Philadelphia Minority Business Strategic Alliance

II. Economic Opportunities

A. M/W/DSBE Participation

1. Participation Goal

As a benchmark for Verizon’s expression of its good faith efforts to provide meaningful and representative opportunities for M/W/DSBEs, consistent with the terms of this Plan, Verizon shall use good faith efforts to meet the goals set forth below over the Term of this Plan (the “Participation Goal”). The Participation Goal shall reflect the annual increase from the “Baseline Standard” (as described below) to the Participation Goal during the Term of the Plan.
Baseline Standard (2007)

<table>
<thead>
<tr>
<th>Category</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified M/W/DSBE suppliers</td>
<td>30</td>
</tr>
<tr>
<td>Verizon M/W/DSBE spend</td>
<td>$114M</td>
</tr>
<tr>
<td>Verizon M/W/DSBE spend percentage of Total spend</td>
<td>14%</td>
</tr>
</tbody>
</table>

Participation Goals for EOP Period

<table>
<thead>
<tr>
<th>Category of Opportunity</th>
<th>Percent of Total Spend Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of 5 years M/W/DSBE spend</td>
<td>20%</td>
</tr>
<tr>
<td>End of 10 years M/W/DSBE spend</td>
<td>25%</td>
</tr>
<tr>
<td>End of 15 years M/W/DSBE spend</td>
<td>30%</td>
</tr>
</tbody>
</table>

a. Reporting/Documentation of Good Faith Efforts and Evaluation of Responsiveness and Responsibility

1. Subject to the confidentiality provisions of the Franchise Agreement, within forty-five (45) days of the close of each calendar quarter during the Term of this Plan, Verizon shall provide the Director of OEO (or the appropriate designee thereof) with a written report setting forth, in reasonable detail, Verizon’s exercise of “good faith efforts” as defined in Section I.C hereof, and Verizon’s satisfaction of the Participation Goal as described in Section II.A.1.a hereof (the “Quarterly Report”). Such Quarterly Report shall include the following information:

   (i) the name of each M/W/DSBE providing goods and/or services to Verizon;

   (ii) a description of the goods or services provided by each M/W/DSBE;

   (iii) the amount of the contract or procurement with each M/W/DSBE;

   (iv) the amount actually paid by Verizon to each M/W/DSBE for the applicable portion of the calendar year and to date from the commencement of this EOP; and

   (v) the total amount of Verizon expenditures for the applicable portion of the calendar year and to date from the commencement of this EOP for all procurement of goods and contracts for services.
2. OEO reserves the right to reasonably request further documentation and/or further clarifying information from Verizon at any time during the term of this Plan in order to confirm Verizon's compliance with the terms hereof. Verizon agrees that it will cooperate in good faith with any such reasonable request from OEO.

3. Notwithstanding anything to the contrary set forth herein, Verizon shall not be required to disclose information or materials that it reasonably deems (and so designates in writing) to be proprietary or confidential in nature, nor disclose any information or materials that are not necessary to assess Verizon's compliance with the terms of this Plan; provided, however, that Verizon shall not designate information or materials as proprietary or confidential for the purpose of evading compliance or disclosure of noncompliance with Verizon's obligations under this Plan.

B. Employment of a Diverse Workforce

1. Employment Goals

a. General Commitment: To the extent that there are no conflicts with any pre-existing contracts to which Verizon is a party, Verizon agrees to exercise its good faith efforts to employ Philadelphia residents, minority, female and disabled persons in its workforce; provided, however, that the requirements of this Section II.B.1 shall not apply to any employment opportunities afforded to existing Verizon employees, consistent with applicable federal, State or local anti-discrimination laws. As evidence of its good faith efforts, Verizon shall establish and maintain a current list of minority and female recruitment sources, provide written notification to these recruitment sources and to community organizations when Verizon has employment opportunities available, and maintain a record of the organizations' responses. Verizon agrees to work with local area jobs placement resources such as Philadelphia Careerlink to locate job applicants.

Verizon shall provide equal employment opportunity to all qualified and qualifiable individuals without regard to race, religion, creed, national origin, gender, age, marital status, or non-disqualifying physical or mental handicap, in each and every personnel action, including but not limited to all promotions, transfers, demotions, and layoffs. All employees within each employment category shall be treated equally in pay, fringe benefits and opportunities for overtime. Verizon shall conduct periodic reviews of each job category to determine whether a racial or sexual imbalance in that category exists.

b. Employment Opportunity Goals: Consistent with the terms of Section II.B.1.a hereof, Verizon agrees that it shall: (i) use good faith efforts to
create in the city not less than a total of one hundred (100) new Additional Employment Opportunities during the first six (6) years of the Term hereof in its own workforce and/or through its FiOS-related contractors and subcontractors; and (ii) use good faith efforts to make such Additional Employment Opportunities available to Philadelphia residents, minority, female and disabled persons.

(i) Not later than sixty (60) days following the close of each calendar year during the first six (6) years of the Term hereof, Verizon shall provide the City with a brief summary setting forth: (a) its estimate of the number of Additional Employment Opportunities created by Verizon during the immediately preceding calendar year; (b) a summary description of the Additional Employment Opportunities; and (c) its estimate of the total number Philadelphia residents, minority, female and disabled persons hired for such Additional Employment Opportunities (the "Annual Employment Opportunity Report").

(ii) Not more than once during any calendar year, Verizon agrees that it will meet with the Director of OEO (or appropriate City designee thereof) upon request to discuss the creation of Additional Employment Opportunities and appropriate and acceptable strategies to attempt to increase Additional Employment Opportunities in the future.

2. Training

Verizon intends to provide training and educational opportunities in various aspects of the telecommunications field. Verizon shall use good faith efforts to provide training and educational opportunities to minorities, women, handicapped, veterans on a non-discriminatory basis.

III. Compliance and Monitoring of Good Faith Efforts

A. Satisfaction of Good Faith Efforts

With respect to each calendar year during the term of this Plan, if Verizon has used good faith efforts to achieve the Participation Goal and Employment Goals consistent with the requirements of Article II of this Plan, Verizon shall be deemed to have satisfied all obligations and commitments of this Plan.

B. Compliance Review Session

In the event the City or OEO believes that Verizon has not satisfied the terms of this Plan, upon thirty (30) days prior written notice to Verizon, the City may require Verizon to participate in a review session with the Director of OEO, or an appropriate designee thereof, to discuss Verizon’s performance and potential improvements thereto ("Compliance Review Session"); provided, however, that
Verizon shall not be required to participate in any Compliance Review Session more than twice in any calendar year during the Term of this Plan.

C. Primary Contact

The Director of OEO, or the appropriate designee thereof, shall be Verizon’s primary point of contact for the purposes of collecting or providing information or carrying out any of the activities under this Plan. The primary contact for Verizon for purposes of this Plan shall be the Director of State Government Relations, Public Affairs, Policy and Communications, located at 1717 Arch Street, Philadelphia PA, 19103.

The City of Philadelphia:

By: ________________________________

Verizon Pennsylvania Inc.

By: ________________________________
James V. O’Rourke, Senior Vice President & General Manager, Verizon