

Statement of Understanding

Between

The American National

Red Cross and AT&T

Wireless Services, Inc.



**American
Red Cross**

Statement of Understanding Between The American National Red Cross and AT&T Wireless Services, Inc.

I. Purpose

The purpose of this Statement of Understanding (SOU) is to define the working relationship between The American National Red Cross (hereinafter referred to as the Red Cross) and AT&T Wireless Services, Inc. (also hereinafter referred to as AWS). This agreement provides the broad framework for cooperation between the two organizations in rendering assistance and service to victims of disaster, in Health and Safety Services training and education courses, and in other services for which cooperation may be mutually beneficial.

II. Concept of Operations

Each party to this SOU is a separate and independent organization. As such, each organization retains its own identity in providing service, and each organization is responsible for establishing its own policies and financing its own activities.

III. Mission of The American National Red Cross and Definitions

The American National Red Cross is a humanitarian organization, led by volunteers, that provides relief to victims of disasters and helps people prevent, prepare for, and respond to emergencies. It does this through services that are consistent with its congressional charter and the Fundamental Principles of the International Red Cross and Red Crescent Movement.

DISASTER: An occurrence such as a hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, volcanic eruption, drought, blizzard, famine, fire, explosion, building collapse, transportation accident, or other situation that causes human suffering or creates human needs that the victims cannot alleviate without assistance.

HEALTH AND SAFETY: A Red Cross line of service that provides outreach, education, training, and support to all people to promote and sustain healthier, safer lives; to prevent, prepare for and respond to emergencies; and, to demonstrate, teach, and encourage compassionate concern and care for others. This may include first aid, CPR, lifeguard training, swimming, HIV/AIDS education, other community health and safety courses, and other programs developed in

collaboration with leading medical, scientific, and educational authorities and reflecting up-to-date information and techniques.

IV. Authority of The American National Red Cross

In providing disaster relief, the Red Cross has both a legal and a moral mandate that it has neither the authority nor the right to surrender. The Red Cross has both the capability and the duty to act in disaster, and our prompt action is clearly expected and supported by the public.

The Red Cross authority to perform disaster services was formalized when the organization was chartered by the Congress of the United States in 1905. Among other provisions, this charter charged the Red Cross—

to continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry on measures for preventing the same.

—*U.S. Congress, act of January 5, 1905, as amended, 36 U.S.C.*

The authority of the Red Cross to provide disaster services was reaffirmed by federal law in the 1974 Disaster Relief Act (Public Law 93-288) and in the 1988 Robert T. Stafford Disaster Relief and Emergency Assistance Act.

V. Organization of The American National Red Cross

The national headquarters of the Red Cross is located in Washington, D.C. National headquarters is responsible for implementing policies and regulations that govern Red Cross activities, and for giving administrative and technical supervision and guidance to the chartered units. Chartered units include chapters and Blood Services regions. The Board of Governors has delegated to the duly-constituted volunteer governing board of each chartered unit the authority and responsibility for: (a) governance of the chartered unit, (b) delivery of authorized services in the territorial jurisdiction of the chartered unit, and (c) meeting

Statement of Understanding Between The American National Red Cross and AT&T Wireless Services, Inc.

corporate obligations, in conformance with and subject to the limitations stated in corporate regulations.

The Red Cross provides the following five (5) services: Armed Forces Emergency Services, Biomedical Services, Disaster Services, Health and Safety Services, and International Services.

Each chartered unit has the authority and responsibility for carrying out the purposes of the Red Cross, for delivering local Red Cross services, and for meeting corporate obligations within the territorial jurisdiction assigned in conformity with corporate regulations. The chartered units ("chapters") coordinate their work through voluntary state councils. There are more than 1,300 chapters across the United States.

Each chapter is responsible for providing disaster planning, preparedness, education, mitigation, and response. Each chapter has a disaster leadership team or committee. This team or committee studies the hazards of the locality and surveys local resources for personnel, equipment, supplies, transportation, emergency communications, and facilities available for disaster relief. The chapter disaster leadership also formulates cooperative plans and procedures with local government agencies and private organizations for carrying on relief operations should a disaster occur. Through its nationwide organization, the Red Cross coordinates its total resources for use in large disasters. Services will be provided to those in need regardless of citizenship, race, religion, age, sex, or political affiliation.

VI. Organization of AT&T Wireless Services, Inc.

AT&T Wireless Services, Inc. (AWS) is the leading provider of wireless communications services in the United States. Headquartered in Kirkland, Washington, the company employs more than 12,000 people and consists of five business groups: cellular, messaging (paging), international operations, wireless data and aviation communications, and the recently announced fixed wireless technology.

The Cellular group provides cellular service to more than 7.3 million customers in 70 cellular markets throughout the United States. Additionally, the company's network is connected to more than 5,700 cities throughout North America and in many countries around the world through the Global Cellular Network.

AWS also has a partnership interest in cellular systems in Hong Kong, Colombia, India, Brazil and Taiwan. In March of 1995, AT&T spent \$1.7 billion for 21 broadband licenses for wireless services in markets across the U.S. in an auction conducted by the FCC. In November of 1996, AWS and Rogers Cantel Mobile Inc. announced a strategic alliance to sell wireless services to AWS customers throughout Canada under the Cantel AT&T name. This agreement added 30 million POPs (potential customers) to AWS's North American coverage. In September 1996, AWS acquired two more PCS licenses to provide service in Memphis and Little Rock. In January of 1997, AT&T spent \$406.8 million for 221 new broadband licenses for wireless services in an auction conducted by the Federal Communications Commission (FCC). With the addition of the new licenses, AWS footprint will cover 25 of the top 27 U.S. markets (or 80% of the U.S.) with more than 351 million POPs.

The Messaging (Paging) Division is a leading provider of messaging services in the United States covering sixteen states. In August of 1994, AT&T spent \$160 million to acquire two nationwide PCS narrowband licenses for advanced messaging services. The Messaging Division currently has more than 1.2 million customers nationwide.

The International Development and Operations group has successfully launched operations in Hong Kong, Colombia, and India and is currently implementing a new system in Taiwan. AT&T owns 30 percent interest in SmarTone's GSM digital cellular system in Hong Kong, 10.25 percent interest in Celumovil's digital cellular system in Colombia, 49 percent interest in Birla Communications Ltd. digital cellular network in Maharashtra, Gujarat and Goa, India and a 12 percent interest in FarEastone Communications Ltd.'s digital cellular network in Taiwan. In addition, AT&T's SmarTone operation, in one of the most competitive wireless markets, has 26 percent of all cellular subscribers.

The Wireless Data Division is a recognized leader in the development of wireless data communications, offering solutions designed to meet the entire spectrum of business data communications requirements. These include short transactions such as messaging, data entry and dispatch, and longer sessions typical of file transfers and interactive computing. Currently, AT&T Wireless

Statement of Understanding Between The American National Red Cross and AT&T Wireless Services, Inc.

Services offers commercial wireless data service in more than 70 major metropolitan markets serving nearly 115 million customers in the U.S. Markets where service is available include: New York, Chicago, Philadelphia, Detroit, Boston, Dallas, San Francisco, Washington D.C., Houston, Miami and Seattle. Nationally, AirData is currently available in more than 50 percent of AT&T Wireless Services' footprint. Wireless Data customers include American Airlines, Federal Express, Price Waterhouse and the Insurance Value Added Network.

AWS' Aviation Communications Group is a world leader in aviation communications providing air-to-ground and ground-to-air voice and data communications for commercial and corporate aircraft. The group currently has fleet-wide contracts with Air France, Alaska, American, Austrian, Canadian, Delta, Iberian, KLM, Kuwait, Lauda, Lufthansa, Northwest, SAS, Southwest, and Swiss Airlines. AWS aviation communications systems have been installed on nearly 2,000 aircraft to date

VII. Methods of Cooperation

A. Health and Safety Services

AWS and Red Cross Health & Safety Services will cooperate in areas of mutual interest and enter into separate contracts for the provision of services.

B. Disaster Services

In order that the resources of the Red Cross and AWS may be coordinated and used to the fullest advantage in rendering disaster relief, both organizations agree to the following:

1. Close liaison will be maintained between Red Cross national headquarters and AWS by conferences, meetings, telephone, facsimile, and other means. Each organization will share current data regarding disasters, disaster declarations, and changes in legislation. The same interaction and liaison will be encouraged at all levels of both organizations.
2. Chapters, local affiliates, and other administrative units of each organization, with general guidance and assistance from

their national units, will be encouraged to cooperate in exploring opportunities for disaster training, disaster preparedness, and community disaster education, as well as providing disaster relief services.

3. AWS may provide volunteers to assist the Red Cross in disaster relief roles, such as disaster communications, logistics, and other functions where their interests and talents may lie, as mutually agreed upon. Except as set forth below, all such personnel shall be at all times considered an AWS volunteer. Red Cross and AWS personnel may serve on each other's local disaster committees, as mutually agreed upon.
4. Upon successful completion of training as a Red Cross volunteer, and when under the direct supervision and control of the Red Cross, personnel from AWS as mutually agreed upon, shall be treated as a Red Cross volunteer for a mutually agreed-upon task or function, and shall have all the responsibilities and be entitled to all the privileges of a Red Cross volunteer for the designated period in accordance with, and subject to, all Red Cross standards and regulations.
5. Within its capability, AWS will release its employees to serve as Red Cross volunteers for a specific disaster event, as provided in 4. above, upon receipt of a request from the Red Cross. Any request for a volunteer assignment outside the locality where an employee is working will be transmitted from Red Cross Disaster Services, NHQ, to the national headquarters of AWS Telecommunications Disaster Response Team in Pittsburgh, Pennsylvania.
6. When disaster events are of a Red Cross Level III or larger, requests for AWS equipment will be transmitted from Red Cross Disaster Services NHQ, to the AWS Telecommunications Disaster Response Team in Pittsburgh, Pennsylvania. AWS is reachable via national pager 24 hours a day, seven days a week.

Statement of Understanding Between The American National Red Cross and AT&T Wireless Services, Inc.

7. When assisting the Red Cross in its disaster relief activities, AWS will make available to the Red Cross the use of the most reliable telephone and messaging equipment suitable for the disaster event that the company has available at that time. Such equipment and services will be provided free of charge. AT&T will provide free long distance service on the wireless telephones being provided by AT&T and AWS, in disasters of a Red Cross Level III or above.

8. When requesting assistance, Red Cross Disaster Services NHQ will provide the location of the disaster, disaster level, address, contact name and phone number, type of assistance, and the amount and type of equipment required.

9. Phones and messaging equipment deployed to the Red Cross by AWS will be battery equipped and activated prior to shipment, if the time frame allows.

10. If AWS marks each item (for identification purposes) and receives confirmation from the Red Cross receiving unit of exact descriptions and model numbers shipped, the Red Cross will then be responsible for the cost of replacement of any loaned AWS equipment not returned to AWS at the close of a relief operation. AWS is responsible for all equipment until it is received and accepted by the Red Cross.

11. AWS will determine if the geographic location of the disaster is within an AWS cellular area. If it is not, AWS will try to provide available information about the cellular company in that area and make arrangement to ship phones to the area, if requested by ARC. Activation of service from the carrier will be the responsibility of Red Cross.

12. If the area is an AWS coverage area, the AWS Telecommunications Disaster Response Team will coordinate the programming, activation, and shipping of the equipment requested. A local (to the

disaster) AWS contact person will be notified for confirmation of equipment availability. If local equipment can be obtained for use, the AWS contact person will handle the distribution of the equipment. If a larger amount is necessary, the AWS Pittsburgh District will coordinate, program, activate, mark (for identification purposes), record exact descriptions and model numbers, and ship equipment to the designated area. The local AWS contact person will act as a liaison to the Red Cross Disaster Relief Operation headquarters.

13. When the Disaster Relief Operation headquarters receives equipment from the AWS local office, Red Cross field personnel will verify the packing list and record equipment received. Red Cross Communications personnel will track the equipment according to standard operating procedures on relief operations. At the conclusion of the relief operation, all equipment should be inventoried and returned to the AWS local office in a timely manner.

The AWS local office will report any missing or damaged equipment to the AWS Pittsburgh District Office. Any shortage will be reported by the AWS Pittsburgh District Office to Red Cross Disaster Services NHQ. Red Cross has the option of paying for the equipment for which it is responsible and which AWS has noted as missing or replacing the exact equipment from other sources.

14. When the AWS local office receives any equipment from AWS Pittsburgh, it will record the inventory of the shipment and note discrepancies. AWS will immediately advise AWS Pittsburgh and the Red Cross NHQ Disaster Communications staff of any noted inventory discrepancies. AWS will establish procedures to ensure that Red Cross receives the full complement of

Statement of Understanding Between The American National Red Cross and AT&T Wireless Services, Inc.

equipment requested during the process of responding to a relief operation.

15. AWS will provide an estimate of the in-kind value of the services provided to the Red Cross disaster relief operation to Red Cross Disaster Services NHQ as soon as possible after the operation is complete.

16. Red Cross NHQ Disaster Services Communications will advise internal Red Cross departments of the in-kind value amount of the services provided for each operation.

17. In order to ensure timely disaster communications capability, AWS will store wireless equipment at the Pittsburgh District office. This equipment will be replaced as Red Cross and AWS mutually agree.

18. AT&T will establish and man mobile calling centers with wired equipment adjacent to Red Cross disaster relief facilities and with the full cooperation of Red Cross disaster relief operation management for use by disaster victims to notify loved ones of their condition and whereabouts. Wireless equipment will be provided by AWS for mobile calling centers when requested by ARC based on availability. Damage or other loss at the mobile calling centers (including the related equipment therein) will be the responsibility of AWS and AT&T.

19. AWS will be given escorted access by Red Cross to appropriate Red Cross locations during a disaster to deliver and set up communication equipment for the Red Cross.

20. The Red Cross will provide AWS and AT&T reasonable access to photograph AWS/AT&T personnel serving as Red Cross disaster volunteers in providing support to Red Cross disaster personnel and/or victims, providing the photographer receives written permission from the individuals to be photographed at the time the photograph is to be taken. This material will be for internal use only within AWS.

21. AWS recognizes that the Red Cross is dependent primarily upon voluntary public financial support to carry out its programs. AWS will be sympathetic with the position of the Red Cross in conducting special appeals and campaigns for funds during times of disaster relief operations, and will help interpret the need for such to its employees.

C. General

1. Recognizing the need for advising the public of the work of both organizations, the Red Cross will assist AWS in obtaining suitable recognition and making efforts, through their public information offices, to keep the public informed of their cooperative efforts, especially as related to health and safety programs and in times of disaster relief operations.

2. The Red Cross and AWS will inform their chapters, other units or departments, and administrative offices of, and otherwise widely distribute notice of this agreement, and encourage participation and coordination of services and full cooperation with each other for mutual service to the community.

3. The Red Cross and AWS will actively seek to determine other areas/services within their respective organizations where cooperation and support will be mutually beneficial and to amend this Statement of Understanding accordingly to include such agreements.

4. The two organizations agree that any expenses incurred as a result of cooperation or collaboration under the terms of this Statement of Understanding will be apportioned as agreed to in writing by both parties prior to incurring such expenses.

5. The use of the name and emblem of the Red Cross by AWS shall be allowed only in the case of particular projects undertaken pursuant to the prior express written consent of the Red Cross and when such projects are in conformity with Red Cross

Statement of Understanding Between
The American National Red Cross
and AT&T Wireless Services, Inc.

regulations. The Red Cross and AWS each will provide the other an opportunity to review and approve specific written or graphic material intended for public or media distribution to assure that content is correct and graphic standards are met.

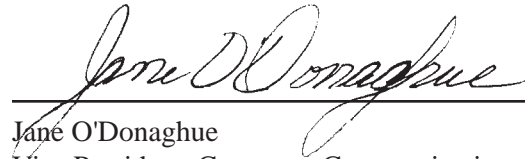


Donald W. Jones
Senior Vice President, Chapter Services
The American National Red Cross

VIII. Periodic Review

The Red Cross will develop, with AWS' assistance, a system with which to track, measure, and report all AWS/Red Cross projects. AWS offices will submit a quarterly form to the AWS Pittsburgh office detailing in-kind, cash, and voluntary grants made to the Red Cross. A quarterly national roll-up will be provided by AWS to both organizations.

Representatives of Red Cross Disaster Services and AWS will establish measures of success and meet on at least an annual basis, on or around the anniversary date of this agreement, to jointly report on and evaluate progress in the implementation of this Statement of Understanding and to revise and develop new plans or goals as appropriate.



Jane O'Donaghue
Vice President, Corporate Communications
AT&T Wireless Services, Inc.

IX. Term of Statement of Understanding

This SOU shall be effective on February 1, 1998 and terminate on January 31, 2003. Six months prior to termination, the parties shall meet to review the progress and success of the SOU and determine whether it shall be extended for an additional five years. In no event shall any extension of this SOU be for a period exceeding five years.

It is understood by both parties that at any time this Statement of Understanding may be terminated by written notification from either party to the other.

X. Miscellaneous

This Statement of Understanding does not create a partnership or a joint venture, and neither party has the authority to bind the other.