

Dear Committee Members:

I have received a couple of documents during July that I would like to share with you. The first is a letter from John Carter to Rick Nyhus of Verizon Wireless on Port of Bellingham Letterhead. I've reproduced it below for you.

July 15, 2005

Mark Nyhus
Pacific Northwest Real Estate Manager
Verizon Wireless
1800 41st St. WA0101RA
Everett, WA 98201

Dear Mr. Nyhus:

The Port of Bellingham has been assisting the Mt Baker Foothills in eastern Whatcom County to address access to wireless communication. As you are aware there is only one tower on the Mt Baker Ski Area, installed by Verizon. Throughout the Nooksack River Corridor along SR-542 and north along SR-547 through the Columbia Valley cell phone coverage is spotty or non-existent.

The Port recently hired Strategies 360, a Seattle-based public policy firm to analyze the issue for the Mt Baker Foothills Economic Development Association. One recommendation was to further engage the wireless providers. The Port and representatives of the community met with Andy King of the Meridian Group, representing Verizon, on June 3. We believe some compelling information was provided to Mr. King and he stated that he was impressed with the level of commitment from the community. In fact, he felt it was refreshing considering the opposition that can arise when towers are proposed in cities.

Generally the barriers to service in the are topography and convincing the wireless providers there is suitable demand. The next steps require engineering feasibility and we believe that Verizon has either completed internal analysis or could easily provide it through its experts.

Mr. King reported back to us the other day that Verizon is not convinced it will invest in service for the area and that the company is more committed to building capacity in its current service area. We don't know what evidence drove this decision. While the capacity issue is understandable, we are also aware that Verizon is moving closer to installing a tower at Point Roberts, which has some of the same challenges that the east county is facing. We applaud expanding coverage service at the Point. But we believe you are greatly underestimating the market base in the Mt Baker Foothills.

The resident population of the affected area is 7,000-10,000 conservatively, but growing rapidly. A proposed development for us to 700 new homes and a commercial district in the Kendall area is currently before the county planning and zoning commission for action. The significant population us tourism and business travel. Interceptor research by Western Washington University estimates there are 500,000 travelers annually through the area. These numbers are expected to increase with the 2010 Winter Olympics in Vancouver, B.C. In addition, there are serious implications for emergency services and first responders who are hampered by poor telecommunications to serve both residents and travelers.

We ask that you reconsider supporting the Foothills effort by providing feasibility and marketing analysis on potential siting. Strategies 360 identified several possible sites that could be accessible. Property owners have expressed willingness to provide or even donate sites for towers. But without the benefit of telecommunicating engineering we can't assume costs or potential for service.

The Port of Bellingham is the countywide local government charged with economic development. We have tools and access to funding programs to provide infrastructure for the community in partnership with the private sector. Wireless communication towers and service in the Foothills is included on Whatcom County's current economic development list. This enlists support from the county government and draws the attention of state agencies. There is broad support from community members and businesses.

I look forward to discussing the issue further with you and see how we can partner to help solve the telecommunications problem in the Mt Baker Foothills.

Sincerely Yours,

John C. Carter
Chief Financial Officer.

Cc: David Valdez, VP of Public Relations, Verizon

Enclosed was an article from the All Points Bulletin, a Newspaper of Point Roberts and Delta, BC announcing the addition of a Verizon Wireless cell phone tower in the near future.

After we returned from our trip east, Lou and Dodd Snodgrass had a conversation about Andy Nenninger from T-Mobile and his sense that he would know something about the T-Mobile budget sometime in July. Early the next week, I received the following communication.

Subject: T-Mobile Update
Date: Tue, 26 Jul 2005 10:16:13 -0700

From: "Snodgrass, Dodd" <dodds@PortofBellingham.com>

I got hold of Andrew Nenninger today. He informed me that the corporate budgeting schedule will be completed in August and he is "working hard" to get funds secured for a build-out in the area over the next few years. He said he's enthusiastic but couldn't make commitments. He didn't ask for any additional information and I offered to help, but sounds like he just has to pitch it. We need to check back with him at end of Aug. Unless you have other strategic ideas?

Dodd

Dodd and John have been working hard to help us move forward and I very much appreciate their assistance. If any of you have a response to Dodd's last point regarding another strategic idea to pursue, please contact me.

Otherwise, we'll see everyone at the September meeting and by then we should have further information from Andy Nenninger and perhaps a response from Verizon.

Carole