

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE: §
§ **CASE NO. 09-31828 (BJH)**
IDEARC INC., et al., §
§ **(Chapter 11)**
Debtors. § **(Jointly Administered)**

**DECLARATION OF MIKE WOOD IN SUPPORT OF DISTRIBUTION
CONTRACTS RELATED TO DEBTORS' MOTION TO ASSUME CERTAIN
OPERATING AGREEMENTS PURSUANT TO 11 U.S.C. § 365 AND FEDERAL
RULE OF BANKRUPTCY PROCEDURE 6006**

I, MIKE WOOD, declare under penalty of perjury as follows:

1. My name is Mike Wood. I am over the age of 18, am of sound mind and am fully competent to make this affidavit. I am familiar with and have personal knowledge of each and every statement of fact set forth in this declaration. Each and every statement of fact contained herein is true and correct.
2. This declaration is provided in support of the Debtors' Motion to Assume Certain Operating Agreements Pursuant to 11 U.S.C. §365 and Federal Rule of Bankruptcy Procedure 6006 to explain why Idearc Media LLC ("Idearc") seeks assumption of its distribution and distribution-related contracts as set forth below.
3. I am a Senior Staff Consultant for Contract and Vendor Management and Category Manager of Print and Distribution for Idearc. Since 1999, my duties have included the responsibility of negotiating the prices and drafting the terms and conditions of Idearc's distribution and related agreements.
4. Idearc has six contracts for door-to-door delivery of Idearc's telephone directories as follows:
 - Alternate Postal Direct Inc. ("Alternate Postal Direct") dated January 1, 2007 and expires on December 31, 2011.
 - CIPS Marketing dated September 7, 2006 and expires on December 31, 2009.
 - Premier Delivery Services dated October 30, 2006 and expires on December 31, 2011.

These suppliers are regional delivery companies with limited geographic expertise.

- ADS Direct Media, Inc.- dated February 15, 2008 and continues until terminated by written notice of Idearc.

- Directory Distributing Associates Inc. dated January 1, 2007 and expires on December 31, 2011.
- Product Development Corporation dated January 1, 2007 and expires on December 31, 2012.

These suppliers handle large deliveries on a nationwide basis.

5. The prices specified in Idearc's contracts with these delivery suppliers are considered to be at or below market prices for like services under like terms and conditions. Idearc issues a Request for Proposals approximately 9 months prior to the expiration of a contract in order to competitively bid all deliveries. Once Idearc receives proposals, prices are further negotiated to achieve the best possible price for the required service levels. Supplier selection is based on price, capability and quality.
6. Interruption of delivery services would cause late delivery of Idearc's telephone deliveries. This could mean that Idearc would miss contractually and statutorily required publication dates. Other methods of delivery, such as U.S. Postal, UPS or other door-to-door carriers, would substantially increase the cost per delivered directory.
7. Idearc has three contracts that provide for distribution-related goods and services as follows:
 - Petoskey Plastics, Inc. – The contract between Petoskey Plastics and Idearc is dated January 1, 2008, expires on March 31, 2011 and provides for the manufacture of plastic bags used by Idearc's delivery suppliers when directories are delivered to the door of residences and businesses to prevent damage due to weather and to allow for delivery of multiple books to an address. Without this contract, Idearc's directories could be damaged due to weather and other factors.
 - Augmentation Inc. – Idearc's contract with Augmentation is dated October 1, 1998, expires on March 31, 2011 and provides for Augmentation's provision of labor for the Martinsburg, West Virginia warehouse where Idearc's telephone directories are stored in order to fulfill requests for additional directories or secondary delivery to new residents or new installs of telephone service. The staffing of the warehouse requires approximately 65 to 85 persons to handle day to day operations. Without this contract, there would be an interruption of labor which would delay shipment of Idearc's directories and require retraining personnel leading to further delays and additional costs.
 - Kewill Solutions – The contract between Kewill Solutions and Idearc is dated April 4, 2005, and renews each year on April 4, unless either party gives 30 days notice of termination prior to April 4, and provides for Kewill to supply the software license and maintenance of the manifesting system used in the Martinsburg, West Virginia and Fullerton, California warehouses. The manifesting system is required by common carriers and

