



July 21, 2004

The Honorable James C. Greenwood
U.S. House of Representatives
2436 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Greenwood,

As you are aware, I have been requested to present testimony before the Oversight and Investigations Subcommittee this Thursday on NEC Business Solutions' (BNS) involvement in the Universal Service Fund for Schools and Libraries program commonly known as "E-Rate".

For the past two years BNS has been fully cooperating with the United States Justice Department in their federal investigation into the E-Rate program in the state of California. This cooperation, which has provided important insight and assistance to the Department of Justice, has recently resulted in a settlement agreement. Regretfully at this time, because the Department of Justice investigation is still underway, and on the advice of counsel, I respectfully will not be able to respond to questions at Thursday's hearing. It is my intention to state on the record, in my opening remarks, that I remain committed to assist the subcommittee in the coming months in your quest to make the E-Rate program run more efficiently and effectively in the future.

As we approach Thursday's E-Rate hearing in the Subcommittee, I want to personally assure you that once the Justice Department completes their investigation and I am free to discuss these issues openly, I would be pleased to testify. Until that time, BNS will continue to work with the Subcommittee staff and counsel by providing documents and materials that they deem necessary to aide in your oversight efforts. Please know that all of us at BNS remain committed to assisting the federal government to ensure that the E-Rate program can better serve our country's neediest schools, students and libraries.

Sincerely yours,

Thomas J. Burger



For More Information Call:
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**Business Network Solutions Statement Regarding Appearance Before the
Committee on Energy and Commerce Subcommittee on Oversight and Investigations**

WASHINGTON -- July 22, 2004 -- Due to the continuing cooperation of NEC Business Network Solutions, Inc. (BNS) with an ongoing Department of Justice investigation, and on the advice of counsel, the former president and chief executive officer of the company was unable to respond to questions posed during his appearance before the House Committee on Energy and Commerce Subcommittee, Thursday.

Given the seriousness of the matters addressed before the subcommittee, Thomas J. Burger, currently president and chief executive officer of NEC Unified Solutions, Inc., would have liked to provide relevant testimony today, related to the company's involvement in the E-Rate Program. Circumstances may change in the near future which may allow the executive to participate substantively at a future subcommittee hearing. For that reason, he requested that the subcommittee postpone his appearance until after the August recess. That did not happen and, as a result, he appeared at today's hearing.

In October 2002, BNS was informed that a grand jury investigation had been commenced concerning matters related to BNS' involvement in the E-Rate Program. From day one, it was management's directive to have BNS cooperate with the government's investigation and, in the event of unlawful activity, right any wrongs that were a result of its conduct. Management believes that it has accomplished these goals by acknowledging the company's mistakes, paying restitution and continuing to cooperate with the Department of Justice in the on-going grand jury investigation. In addition, BNS has been cooperating with this subcommittee's investigation.

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BNS' intent and desire is to continue to assist the subcommittee with its investigation into E-Rate. As evidence of its cooperation, company representatives have met with Majority and Minority staff to answer questions and discuss the results of BNS' own internal investigation. In addition, the company voluntarily provided documents and other information to the subcommittee, while making employees available to the staff for their review and inquiry. Since BNS' CEO could not respond to questions today, testimony was provided at the subcommittee hearing by Timothy M. Donovan, a 20-year veteran of the company who was senior vice president, general counsel and corporate secretary of NEC USA, Inc., and corporate secretary of BNS, during the time period relevant to the matters before the subcommittee.

The events leading to BNS' appearance before the subcommittee are a very disappointing chapter in the history of a company that has a long and proud record of technological innovation and customer service. Management believes that the E-Rate Program serves an important purpose of providing technology to school children, many of whom come from backgrounds where the technology offered by the E-Rate Program is not otherwise available. To this end, BNS will continue to ensure that the networks and communications systems that BNS installed at school districts with the funding provided by E-Rate will continue to be maintained.

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