



1025 Connecticut Ave NW
Suite 510
Washington, DC 20036

September 30, 2010

Ms. Melissa Gould
Contract Manager
Department of General Services
State of California
P.O. Box 989052
West Sacramento, California 95798

Dear Ms. Gould,

Over the past 18 years, U.S. Bank has been proud to serve the State of California as its purchasing and fleet card provider. We remain committed to our partnership and look forward to many more years of working together.

Recently, reports in the press have indicated that the lack of confirmed State budget might be a cause for suspension of our card programs. We want to assure the State of California that any current suspension activity that has taken place by U.S. Bank was solely associated with the suspension provisions relating to delinquent unpaid balances as stated in our contract. Our current practice is suspending accounts when they become 90 days delinquent. The State's current budgetary situation is not a factor in suspensions.

In fact, we are serving the State of California under a "business as usual" model, providing credit to accounts so long as they remain current. Your purchasing and fleet card programs will continue to function in this manner despite the current lack of a confirmed State budget. Additionally, as a courtesy to the State, U.S. Bank will allow those cards supporting emergency services to remain active regardless of payment status.

Again, thank you for the privilege of serving the State of California. Please feel free to contact me if you have any questions regarding our policies.

Sincerely,

Douglas Ichiuji
Senior Vice President
U.S. Bank Corporate Payment Systems

Cc: Robert T. Abele
Jeffrey Rankin