

UT-030483 (AF)
5-9-07



Verizon Northwest Inc.

P.O. Box 1003
Everett, WA 98206-1003
Fax: 425-261-5262

April 12, 2007

Ms. Carole J. Washburn,
Executive Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Subject: **AFFILIATED INTEREST AGREEMENT – ADVICE NO. 315**
Ref. UT-030483

Dear Ms. Washburn:

Enclosed for the Commission's file is a verified copy of the thirty-second addendum to the national Agent Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Wireless.

Please call me at 425-261-5006 if you have any questions.

Very truly yours,

Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of the thirty-second addendum to the National Agent Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Wireless.

Richard E. Potter Date: 4-12-07

Richard E. Potter
Director
Verizon Northwest Inc.

Verizon Services Contract No. CO405201
Verizon Wireless Contract No. 740-00-0065

THIRTY-SECOND ADDENDUM
TO
NATIONAL AGENT AGREEMENT

This Addendum Number 32 (the "Addendum") is made and entered into between Cellco Partnership, a Delaware General Partnership, doing business as Verizon Wireless, (hereinafter "Verizon Wireless" or "VZW") and Verizon Services Corporation (hereinafter "Agent") in order to amend the National Agent Agreement, dated March 1, 1996, (the "Agreement") as amended. Verizon Wireless and Agent may be referred to collectively as the "Parties" and singularly as a "Party."

1. Exhibit D of the Agreement is deleted and replaced by a new Exhibit D attached to this Addendum as Attachment 1.
2. To the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both Parties to the Agreement requires that the Agreement, this Addendum or any subsequent addendum filed with or approved by such regulatory agency before the Agreement or this Addendum may be effective, the Agreement or this Addendum shall not be effective in such state until the first business day after such approval or filing shall have occurred.
3. All other terms and conditions contained in the Agreement not specifically modified herein shall remain in full force and effect.
4. This Addendum shall be effective when executed by the Parties.

IN WITNESS WHEREOF, the Parties have executed and delivered this Thirty-Second Addendum to the Agreement.

CELLCO PARTNERSHIP
dba Verizon Wireless

By: [Signature]
 Name: TREK PLATING
 Title: Chief Exec + Verizon Wireless
 Date: 2/6/07

VERIZON SERVICES CORPORATION

By: [Signature]
 Name: TANYA PERRY
 Title: Vice President
 Date: 1/8/06

**Exhibit D
To Addendum #32
AGENT COMMISSION PLAN**

The defined terms used in this Addendum shall include the definitions set forth in Exhibit C to this Agreement

I. Conditions

Verizon Wireless shall pay Agent Commissions for Activations in any of Agent's Locations within the Territory, subject to the terms and conditions set forth in Section 4.3 of the Agreement and the terms and conditions set forth below.

- A. Commissions shall be paid for new Activations during a Commission Period within thirty (30) days after that Commission Period ends.
- B. Commissions shall be paid only with respect to Service Forms submitted by Agent as prescribed and approved by Verizon Wireless. No Commission shall be paid unless Agent has, on a timely basis, submitted all deposits and appropriate documentation. All documentation must be accurately completed to the reasonable satisfaction of Verizon Wireless and signed by the Subscriber in accordance with Verizon Wireless' procedures.
- C. Commissions shall be charged back to Agent for any Subscriber that (i) Disconnects from the Verizon Wireless' Facilities or generates no airtime, for the first ninety (90) consecutive days of Service; or (ii) is disconnected from Service for failure to pay for Service provided during the first ninety (90) days, even if such failure to pay and/or disconnection occurs after the first ninety (90) days of Service.
- D. No Commissions shall be paid to Agent for an Activation if Verizon Wireless notifies Agent that the Subscriber either deactivated VZW Service within one hundred and eighty days (180) days prior to the then-current Activation, provided that Agent is notified at the later of (i) five (5) business days following any such Activation; or (ii) upon credit approval.
- E. If Agent disputes Commissions that have been paid by Verizon Wireless, Agent has one hundred and twenty (120) days from Agent's receipt of Commission payments and documentation of activity from the disputed item's transaction period to notify Verizon Wireless in writing together with supporting documentation and request review of such dispute. After that time, payment will be deemed correct. Verizon Wireless will not pay Commissions on any discrepancies not identified within the time allocated.
- F. In the event Commissions are paid by Verizon Wireless that were not due or payable to Agent as set forth above, Verizon Wireless will deduct such improperly paid Commissions from future Commission payments. Agent shall be responsible for reimbursing Verizon Wireless for any improperly paid Commissions should this Agreement expire or is otherwise terminated or should the next payable Commission payment not be sufficient to cover the deficiency.
- G. Verizon Wireless shall not be liable to Agent in any manner if any order for VZW Service is obtained by Verizon Wireless or by any VZW Agent, retailer or Reseller or other third parties, even though Agent may have previously solicited the Subscriber who placed the order or made the purchase.

H. Fulfillment of Equipment shall be made by Agent. Equipment provided must be digital, authenticatable and compatible with Verizon Wireless' Facilities and must be programmed with Verizon Wireless' then current preferred roaming. All Equipment Activated on the Verizon Wireless Facilities shall be E911 Compliant. All requests to Activate Equipment by Agent will be screened by the Verizon Wireless automated system that prevents Equipment that is not E911 Compliant from being Activated. Failure to provide correct phones will result in chargeback of Commission.

II. Commissions/Compensation

A. (1) Post Paid Activations

Verizon Wireless shall pay and Agent shall accept a one-time Commission payment for each Number Activated on a minimum one year authorized published Post Paid calling plan, excluding Numbers assigned by Verizon Wireless for demonstration purposes, ("Activation Commission") as set forth in Table 1 below.

TABLE 1

Plan Type	New Subscriber Commission for One Year Contracts	New Subscriber Commission for Two Year Contracts
Level I	\$156.00	\$156.00
Level II	\$230.00	\$260.00
Level III	\$150.00	\$175.00
Level IV	\$260.00	\$310.00
Level V	\$275.00	\$325.00

The calling plan categories for VZW Service within the Territory of the Agreement are as follows:

Level I-Published DIGITAL consumer and business calling plans, excluding Specialty plans, with monthly access rates less than or equal to \$20.00.

Level II-Published DIGITAL consumer and business calling plans with monthly access rates from \$20.01 to \$59.98.

Level III-all DIGITAL Specialty calling plans (including, but not limited to Share-A-Minute plans (or similar family type plans), Safety plans, Additional Lines, Employee and Association plans. Specialty Plans vary from market to market.

Level IV-Published DIGITAL consumer and business rate plans with monthly access rates from \$59.99 to \$99.98.

Level V-Published DIGITAL consumer and business rate plans with monthly access greater than or equal to \$99.99.

Digital calling plans may only be made available to Subscribers with digital Service and Equipment of the type required by the calling plan that has been approved for use on the VZW Facilities.

(2) EasyPay Activations/Compensation

Verizon Wireless shall pay and Agent shall accept a one-time Activation Commission for each new Number activated on an EasyPay Calling Plan (excluding Numbers assigned by Verizon Wireless for demonstration purposes) as set forth in Table 2 below.

TABLE 2

EasyPay Plan Monthly Access Fee	New Subscriber Commission
\$50.00	\$80.00
\$70.00	\$100.00

Agent may charge Subscribers up to a thirty-five dollar (\$35.00) administrative fee for new Activations on an EasyPay calling plan.

Compensation for replenishment EasyPay sales will be four percent (4%) of the value of EasyPay sales made by Agent. Replenishment sales may only be made in \$50.00 and \$70.00 increments. In addition, Agent may charge, collect and keep up to, but no more than a \$3.00 convenience fee for each replenishment transaction. Prepaid replenishment cards/PINs cannot be used to make payments to an EasyPay account.

Commissions shall be charged back to Agent for any Subscriber that Disconnects off of the Verizon Wireless' Facilities during the first ninety (90) consecutive days of Service. The administrative fee is not subject to chargeback.

Participation in the EasyPay plan requires Subscribers to utilize a Verizon Wireless approved E-911 Compliant, tri-mode, dual-mode, or all digital handset. All EasyPay new Subscribers must sign and receive a copy of the Verizon Wireless Prepay Wireless Activation form. Verizon Wireless reserves the right to modify the terms and conditions of the EasyPay calling plan and the compensation paid for such plan.

Agent will use the Datascape Services as agreed to in Addendum Twenty-Eight in conjunction with new and replenishment EasyPay sales, and all the terms and conditions relating to the use of the Datascape Services and the withdrawal of funds from Agent's account shall apply to EasyPay sales, except as follows: Agent's bank account will be debited ninety-six percent (96%) of the value of EasyPay sales less applicable, point of sale taxes and the convenience fee collected by Agent.

The withdrawal of funds from Agent's bank account shall be made in conjunction with the funds due to Verizon Wireless for Prepay replenishment sales.

Datascape shall provide a daily data report to Verizon Services on or before 6:00 am CST, which shall detail the total amount of Prepaid and EasyPay sales by Agent by Location for the previous day and for the month to date, less applicable Compensation. The report shall indicate which type of sales transaction occurred either EasyPay or Prepaid.

B. Enhanced Service Features

Verizon Wireless will pay Agent for each Subscriber enrolled onto an enhanced service feature by Agent according to the schedule below if the Subscriber pays an additional monthly fee for such enhanced service features and provided these features are neither bundled in the calling plan at the time of Activation nor are being offered at no additional charge as part of a Verizon Wireless promotion. Verizon Wireless, in its sole discretion may add, delete, suspend or modify

the enhanced features and/or the amount of the enhanced features Commission at any time, upon thirty (30) days prior written notice to Agent.

Enhanced features Commissions are subject to chargeback if the Subscriber does not meet the conditions set forth in Paragraph C, Section 1 of Exhibit D to the Agreement. If a Subscriber is Disconnected from Verizon Wireless enhanced service feature(s) for any reason within ninety (90) consecutive days or less after the Subscriber's Activation date or enrollment onto the enhanced service feature(s), amounts owed Agent by Verizon Wireless will be reduced by the amount of the enhanced service feature(s) Commissions already paid by Verizon Wireless to Agent for that Subscriber. If there are insufficient amounts owed Agent by Verizon Wireless to effect such reductions, Agent shall pay any remaining sums to Verizon Wireless immediately upon demand.

The Enhanced Service Features Commission amounts are set forth in Table 3 below:

TABLE 3

Enhanced Feature Monthly Access Fee	Features Commission
\$0.01 - \$2.98	\$2.00
\$2.99 - \$4.98	\$6.00
\$4.99 - \$9.98	\$10.00
\$9.99 - \$14.98	\$20.00
\$14.99 - \$24.98	\$25.00
\$24.99 - \$44.98	\$45.00
\$44.99 +	\$60.00

No Enhanced Service Features Commissions will be paid to Agent for sales of enhanced service features provided by or billed on behalf of third party providers, including but not limited to, Equipment insurance.

C. Upgrade Commissions

(1) Agent may be eligible to receive a Commission as set forth in Table 4, for each existing Subscriber for whom Agent performs an Upgrade, subject to the eligibility requirements in this Section II.C(1), regardless of: (i) whether the Subscriber was originally Activated by Agent, or (ii) whether the Subscriber keeps his existing calling plan or changes to a different calling plan. "Upgrade" means an existing Subscriber who (a) renews his Postpay Service for a minimum of twelve (12) months, and (b) upgrades his Equipment through Agent.

In addition, the following requirements, which are subject to change without notice, apply:

- a. Not more than two (2) months remain before the scheduled expiration of the Subscriber's existing VZW customer agreement, or that agreement has expired (or has become a month-to-month agreement);
- b. Subscriber's account must be in good standing (no more than thirty (30) days past due or otherwise approved by VZW); and
- c. The new VZW customer agreement (or the extension of the existing customer agreement) must be for a period that satisfies the requirements of the selected calling plan.

Upgrade Commissions shall be charged back to Agent for any Subscriber who Disconnects VZW Service within ninety (90) days after the Upgrade.

(2) In addition to the Upgrade Commission described above, Agent may be eligible to receive a NE2 Commission as set forth in Table 4 below, for each existing Subscriber who is eligible for a NE2 redemption as indicated in the System and for whom Agent performs an Upgrade, subject to the eligibility requirements in this Section II.C(2), and further subject to the following requirements: (i) the new VZW customer agreement (or the extension of the existing customer agreement must be for a period of at least two (2) years; (ii) Agent must disclose to the Subscriber its current, regular 2-year Equipment upgrade price; and (iii) Agent shall immediately apply a credit of no less than the amount that is indicated below in the VZW system used for processing Activations (e"ROES) as applicable to the specific Subscriber (the "NE2 Credit") to reduce the price charged by Agent for the selected unit of Equipment.

Table 4 – NE2 Upgrade Commission

Calling Plan Access/Month/Number	1-yr. Cust. Agr. Commission	2-yr. Cust. Agr. Commission	NE2 Commission	Co-op
\$0.01 - \$34.98	\$150.00	\$175.00	\$0.00	\$0.00
\$34.99 - \$69.98	\$150.00	\$175.00	\$50.00	\$0.00
\$69.99 - \$99.98	\$150.00	\$175.00	\$50.00	\$0.00
\$99.99 +	\$150.00	\$175.00	\$50.00	\$0.00

III. Advertising support

In order to support Verizon Wireless branding efforts, Verizon Wireless will provide advertising support to Agent as set forth below:

- A. Verizon Wireless will provide notification to Agent of all Verizon Wireless promotions.
- B. Verizon Wireless will identify Agent's Locations in the Territory in Verizon Wireless advertising, where appropriate.

IV. Business Development Fund

During the term of this Agreement, Verizon Wireless shall accrue an allowance of ten dollars (\$10.00) for each new Activation by Agent on a minimum one year digital authorized calling plan (excluding Prepaid and EasyPay calling plans). ("Business Development Fund" or "BDF"). Said Business Development Funds shall specifically be used to market Verizon Wireless Service in conjunction with the sale of Agent's Equipment.

- A. Business Development Funds may not be used as set-offs against debts owed to Verizon Wireless or used in any other manner.
- B. Accrual of Business Development Funds shall cease upon termination of this Agreement by either party.

- C. Agent agrees to adhere to all guidelines pertaining to the use of Verizon Wireless' Marks when including the Marks in advertising. Agent shall allow Verizon Wireless to examine and approve advertising, collateral materials, and related documents that utilize Verizon Wireless' Marks or identify Verizon Wireless Service prior to production and/or publication.
- D. Prior to publication or production of any materials for which Agent plans to seek reimbursement from the Business Development Fund, Agent must submit a written request for pre-approval to Verizon Wireless according to the terms and conditions mutually agreed upon by the parties. Claims submitted without Verizon Wireless' prior written approval will not be paid, and any associated damages or retractions may be subtracted from future accruals of Business Development Funds.
- E. In order to receive reimbursement from the Business Development Fund, Agent must submit a written claim to Verizon Wireless according to the terms and conditions mutually agreed upon by the parties. Claims will be paid within thirty (30) days of receipt by Verizon Wireless if adequate Business Development Funds have accrued. If the balance of Business Development Funds is not sufficient to cover the full claim at the time of submission, the claim may be resubmitted by Agent when additional BDF has accrued.
- F. Business Development Funds accrued in a calendar year must be used by May 31 of the following calendar year. All claims for payment must be submitted to Verizon Wireless no later than May 31 of the calendar year following the year in which they were accrued. Claims submitted for payment in accordance with the terms and conditions of the program as mutually agreed upon will be paid notwithstanding the expiration or termination of the Agreement.