

Amendment 15  
Om 1-15-09  
No Action  
**verizon**

Verizon Northwest Inc.

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

December 12, 2008

Washington Utilities and  
Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive SW  
Olympia, Washington 98504-7250

2008 DEC 16 AM 8:57  
RECEIVED  
WASHINGTON UTILITIES  
AND TRANSPORTATION  
COMMISSION

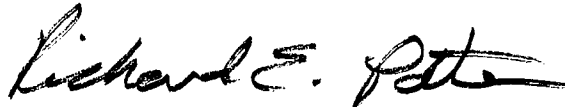
Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 378  
Ref. Docket UT-021473

To whom it may concern:

Enclosed for the Commission's file is a verified copy of Amendment 15 to a sales and marketing agreement between Verizon companies, including and Verizon Northwest Inc., and Verizon LD companies.

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 Amendment 15 to a sales and marketing agreement between Verizon companies, including and Verizon Northwest Inc., and Verizon LD companies.



Date: 12/12/08

Richard E. Potter  
Director  
Verizon Northwest Inc.

## SALES AND MARKETING AGREEMENT

### AMENDMENT NO. 15

This Amendment No. 15 to the Sales and Marketing Agreement ("Amendment") is hereby made on this 18<sup>th</sup> day of Novenmer, 2008, by and among the Verizon Telephone Operating Companies ("Verizon") listed in Attachment A, with an address for this Agreement at 600 Hidden Ridge, Irving, Texas 75038, Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance, a Delaware corporation with offices at 1320 N. Courthouse Road, 6<sup>th</sup> Floor, Arlington, Virginia, 22201 ("VLD"), NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions, a Delaware corporation with offices at 1320 N. Courthouse Road, 6<sup>th</sup> Floor, Arlington, Virginia, 22201 ("VES") and Verizon Business Network Services Inc. ("VBNS"), a Delaware corporation, with offices at 22001 Loudoun County Parkway, Ashburn, Virginia 20147 on behalf of itself and its affiliates identified on Attachment B (hereinafter the Affiliated Companies of VLD, VES and VBNS together or separately are referred to as "VZ LD Companies"). Verizon and the VZ LD Companies are hereinafter referred to collectively as the "Parties" or individually as a "Party".

**WHEREAS**, the Parties, with the exception of VBNS, who was made a Party to Amendment 14, entered into the Sales and Marketing Agreement on June 1, 2001, which has been amended by Amendments 1 through 14 (the "Agreement"); and

**WHEREAS**, the Parties desire to amend the Agreement to revise the terms of the descriptions of the Services offered by Verizon; and

**WHEREAS**, the Parties desire to amend the Agreement further to revise and add compensation terms related to the marketing and sale of VZ LD Companies' services; and

**NOW THEREFORE**, in consideration of the mutual promises set forth below, the Parties, intending to be legally bound hereby, agree to amend the Agreement as follows:

1. The Parties hereby delete APPENDIX A: DESCRIPTION OF SERVICES AND OTHER FUNCTIONS and replace it with the attached APPENDIX A: DESCRIPTION OF SERVICES AND OTHER FUNCTIONS.
2. The Parties hereby delete APPENDIX B: COMPENSATION SALES AND MARKETING SERVICES and replace it with the attached APPENDIX B: COMPENSATION SALES AND MARKETING SERVICES.
3. To the extent that any state statute, order, rule or regulation or any state regulatory agency having competent jurisdiction over one or more parties to this Amendment requires that the Agreement or subsequent amendment be filed with or approved by such regulatory agency before the Agreement or amendment may be effective, this Amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.
4. Except as set forth in this Amendment, the Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, the Parties have caused this Amendment No. 15 to the Sales and Marketing Agreement to be signed by their duly authorized representatives to be effective as of the date first written above.

BELL ATLANTIC COMMUNICATIONS, INC.  
D/B/A VERIZON LONG DISTANCE AND  
NYNEX LONG DISTANCE COMPANY D/B/A  
VERIZON ENTERPRISE SOLUTIONS

VERIZON TELEPHONE OPERATING  
COMPANIES LISTED ON  
ATTACHMENT A

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Vincent J. Woodbury  
Title: President -  
Bell Atlantic Communications, Inc.  
d/b/a Verizon Long Distance and  
NYNEX Long Distance Company  
d/b/a Verizon Enterprise Solutions

Name: Jeanmarie Milla  
Title: Vice President -  
Retail Markets Sales Assurance Support

VERIZON BUSINESS NETWORK SERVICES, INC.  
ON BEHALF OF ITSELF AND THE FORMER MCI AFFILIATES  
LISTED ON ATTACHMENT B

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties have caused this Amendment No. 14 to the Sales and Marketing Agreement to be signed by their duly authorized representatives to be effective as of the date first written above.

BELL ATLANTIC COMMUNICATIONS, INC.  
D/B/A VERIZON LONG DISTANCE AND  
NYNEX LONG DISTANCE COMPANY D/B/A  
VERIZON ENTERPRISE SOLUTIONS

By:                     *Vincent J Woodbury*                    

Name: Vincent J. Woodbury  
Title: President -  
Bell Atlantic Communications, Inc.  
d/b/a Verizon Long Distance and  
NYNEX Long Distance Company  
d/b/a Verizon Enterprise Solutions

VERIZON TELEPHONE OPERATING  
COMPANIES LISTED ON  
ATTACHMENT A

By: \_\_\_\_\_

Name: Jeanmarie Milla  
Title: Vice President -  
Retail Markets Sales Assurance Support

VERIZON BUSINESS NETWORK SERVICES, INC.  
ON BEHALF OF ITSELF AND THE FORMER MCI AFFILIATES  
LISTED ON ATTACHMENT B

By: \_\_\_\_\_

Name: \_\_\_\_\_

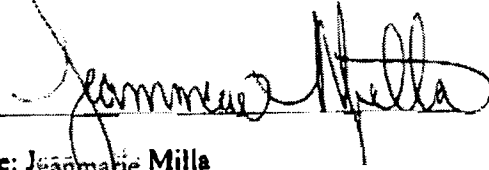
Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties have caused this Amendment No. 14 to the Sales and Marketing Agreement to be signed by their duly authorized representatives to be effective as of the date first written above.

**BELL ATLANTIC COMMUNICATIONS, INC.  
D/B/A VERIZON LONG DISTANCE AND  
NYNEX LONG DISTANCE COMPANY D/B/A  
VERIZON ENTERPRISE SOLUTIONS**

**VERIZON TELEPHONE OPERATING  
COMPANIES LISTED ON  
ATTACHMENT A**

By: \_\_\_\_\_

By: 

**Name: Vincent J. Woodbury  
Title: President -  
Bell Atlantic Communications, Inc.  
d/b/a Verizon Long Distance and  
NYNEX Long Distance Company  
d/b/a Verizon Enterprise Solutions**

**Name: Jeanmarie Milla  
Title: Vice President -  
Retail Markets Sales Assurance Support**

**VERIZON BUSINESS NETWORK SERVICES, INC.  
ON BEHALF OF ITSELF AND THE FORMER MCI AFFILIATES  
LISTED ON ATTACHMENT B**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 14 to the Sales and Marketing Agreement to be signed by their duly authorized representatives to be effective as of the date first written above.

BELL ATLANTIC COMMUNICATIONS, INC.  
D/B/A VERIZON LONG DISTANCE AND  
NYNEX LONG DISTANCE COMPANY D/B/A  
VERIZON ENTERPRISE SOLUTIONS

VERIZON TELEPHONE OPERATING  
COMPANIES LISTED ON  
ATTACHMENT A

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Vincent J. Woodbury  
Title: President -  
Bell Atlantic Communications, Inc.  
d/b/a Verizon Long Distance and  
NYNEX Long Distance Company  
d/b/a Verizon Enterprise Solutions

Name: Jeanmarie Milla  
Title: Vice President -  
Retail Markets Sales Assurance Support

VERIZON BUSINESS NETWORK SERVICES, INC.  
ON BEHALF OF ITSELF AND THE FORMER MCI AFFILIATES  
LISTED ON ATTACHMENT B

By: Caren Forsten

Name: Caren Forsten

Title: Director, Mass Markets Product

**VERIZON TELEPHONE OPERATING COMPANIES**

Verizon California Inc. ("V-CA")  
Verizon Florida LLC ("V-FL")  
Verizon North Inc. ("V-NO")  
Verizon Northwest Inc. ("V-NW")  
Verizon South Inc. ("V-SO")  
Verizon West Coast Inc. ("V-WC")  
GTE Southwest Inc. d/b/a Verizon Southwest ("V-SW")  
Contel of the South, Inc. d/b/a Verizon Mid-States ("V-MS")



**VERIZON BUSINESS NETWORK SERVICES INC.AFFILIATES**

MCI Communications Services, Inc.  
MCI International Services, Inc.  
MCI International, Inc.  
MCI Network Services of Virginia, Inc.  
MCImetro Access Transmission Services LLC.  
MCImetro Access Transmission Services of Virginia, Inc.  
MCImetro Access Transmission Services of Massachusetts, Inc.  
Metropolitan Fiber Systems of NY, Inc.  
Teleconnect Long Distance Services & Systems Co.  
TTI National Inc.  
Telecom\*USA, Inc.

## DESCRIPTION OF SERVICES AND OTHER FUNCTIONS

Subject to the following terms and conditions, Verizon agrees to provide sales and marketing services for the VZ LD Companies.

### 1. GENERAL

A.) Verizon shall provide sales, marketing, and customer support services to the VZ LD Companies through a variety of channels and organizations, including Verizon Plus™ stores, Consumer Sales and Solutions Centers, Business Sales Centers, Business Partnership Centers, Verizon Live Source® and Verizon Public Communications, E-Center/E-Biz, Bill Media, Telemarketing Support for Campaign Services, and Network Services employees. Verizon shall ensure that it has adequate personnel, equipment, and systems to support the VZ LD Companies' sales and marketing functions.

B.) The VZ LD Companies shall provide Verizon with any information (including forecasts) that is reasonably necessary for Verizon to meet its obligations under this Sales and Marketing Agreement ("SMA").

### 2. DEFINITIONS

**BSC** – Business Sales Center (serving small business customers)

**CSSC** – Consumer Sales and Solutions Center

**E-CENTER/E-BIZ** – Verizon e-Mail Correspondance Center

**NETWORK SERVICES EMPLOYEES** - Verizon's outside plant engineers, repair associates, voice associates and NOREC employees

**NOCV** - National Order Collection Vehicle

**NOREC** - Verizon's National Order Record Entry Center

**PaRT** - Provisioning and Retrieval Tool

**PIC** – Primary Interexchange Carrier

**SMCS** – Strategic Markets Customer Service

**SPOC** – Single Point of Contact

**SRC** - Support and Response Centers for Retail Markets

**VERIZON** – Verizon Telephone Operating Companies as listed in Attachment A

**VERIZON BUSINESS NETWORK SERVICES INC. AFFILIATES** - the Affiliated companies of Verizon Business Network Services, Inc. as listed in Attachment B

**VERIZON PLUS™** - retail Verizon locations

**VZ LD Companies** – Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance ("VLD"), NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions ("VES") and Verizon Business Network Services Inc. on behalf of its Affiliates ("VBNS"). VLD, VES and VBNS are referred to collectively or individually as the VZ LD Companies

**3. VERIZON PLUS™**

**A) DESCRIPTION:**

Verizon Plus™ is a retail Verizon location that a customer can visit in order to discuss a bill, purchase new products or sign up for services provided by Verizon and Verizon affiliates, including long distance service.

**B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Pay Verizon for the marketing and sale of the VZ LD Companies' products and services;
2. Provide all pertinent sales collateral (e.g., sales brochures, promotional literature, training material, etc.);
3. Provide competitive information in a timely fashion in order to provide sales representatives with applicable market information;
4. Provide product support, including information on how a product works and how the product fits into the current portfolio of services;
5. Provide sales and pricing tools;
6. Provide sufficient support and information to resolve customer sales-related questions or needs;
7. Work in conjunction with Verizon to provide sales and process training, including procedures and materials for the VZ LD Companies' portion of Verizon Plus™ Training;
8. Provide prior notice to Verizon of any and all customer communications and/or notifications from the VZ LD Companies (excluding communications such as welcome letters, retention program material, etc.) to its customers as well as the lists of customers who will be receiving communication and/or notification. Customer lists will be broken down by region or area. Customer and product information will be presented no later than 30 days prior to mailing;
9. Provide at least thirty (30) days' prior written notice and formal plan of:
  - New product roll outs
  - Product enhancements
  - Process changes/enhancements
10. Provide billing credit procedures and adjustment guidelines;
11. Provide an annual sales forecast with monthly updates;
12. Provide funding for annual VZ LD Companies' Specialist Conference;
13. Pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

**C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Provide marketing and sales activity for the VZ LD Companies' products to the Verizon Plus™ stores;
2. Work in conjunction with the VZ LD Companies to coordinate and facilitate Verizon Plus™ Training.;
3. Provide a SPOC for Verizon Plus™ to act as a liaison between the VZ LD Companies and Verizon;

4. Provide quality analysis by performing observations, focus groups and other quality assurance activities. Verizon will share with the VZ LD Companies specific VZ LD Companies' sales data as mutually agreed upon;
5. Ensure that all applicable VZ LD Companies' orders are entered via NOCV or PaRT;
6. Provide the VZ LD Companies two weeks' notification of the opening and closing of Verizon Plus™ locations.

**D) INCENTIVES:**

1. Incentive Compensation:

The Parties may agree upon incentive programs under which the VZ LD Companies will provide additional compensation in kind or in US dollars to Verizon, which Verizon may use to encourage sales of VZ LD Companies' services by Verizon employees. Incentives may include, but will not be restricted to, paid for tickets for entertainment or sporting events and consumer electronics equipment.

2. Determination of Additional Compensation:

Verizon, and not the VZ LD Companies, will exclusively determine the compensation, including, but not limited to, such additional compensation, paid to its employees and Verizon, not the VZ LD Companies, will exclusively handle any necessary collective bargaining with labor unions representing Verizon employees with respect to such compensation. In no event shall Verizon employees be considered employees of the VZ LD Companies, including, but not limited to, Verizon employees receiving such additional compensation.

3. Tax Gross-Up:

The VZ LD Companies will compensate Verizon to offset taxes for the provision of paid for sporting event tickets, electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

#### **4. CONSUMER SALES AND SOLUTIONS CENTER**

##### **A) DESCRIPTION:**

1. The Verizon Consumer Sales and Solutions Centers ("CSSC") will handle sales, ordering and customer inquiries on behalf of the VZ LD Companies.
2. The CSSC will handle sales negotiations, service orders, verification of product availability, sales order status inquiries, sales retention attempts, sales quality control observations and post-sales support services including post-sales product support and customer account maintenance, sales complaints and escalations, referrals of misdirected calls and error processing support.

##### **B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Pay Verizon for the marketing and sale of the VZ LD Companies' products and services;
2. Provide all pertinent sales collateral (e.g., sales brochures, promotional literature, training material, etc.);
3. Provide competitive information in a timely fashion in order to provide sales representatives with applicable market information;
4. Provide product support, including information on how the product works and how the product fits into the current portfolio of services;
5. Provide sales and pricing tools;
6. Provide sufficient support and information to resolve customer sales-related questions or needs;
7. Work in conjunction with Verizon to provide sales and process training including procedures and materials for the VZ LD Companies' portion of CSSC Training;
8. Provide prior notice to Verizon of any and all customer communications and/or notifications from the VZ LD Companies (excluding communications such as welcome letter, retention program material, etc.) to its customers as well as the lists of customers who will be receiving communication and/or notification. Customer lists will be broken down by region or area. Customer and product information will be presented no later than 30 days prior to mailing;
9. Provide at least thirty (30) days' prior written notice and formal plan of:
  - New product roll outs
  - Product enhancements
  - Process changes/enhancements
10. Provide billing credit procedures and adjustment guidelines;
11. Provide an annual sales forecast with monthly updates;
12. Provide funding for annual VZ LD Companies' Specialist Conference;
13. Pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

##### **C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Provide marketing and sales activity for the VZ LD Companies' products to the CSSCs;

2. Work in conjunction with the VZ LD Companies to coordinate and facilitate CSSC Training;
3. Provide a SPOC for CSSCs to act as a liaison between the VZ LD Companies and Verizon;
4. Provide quality analysis by performing observations, focus groups and other quality assurance activities. Verizon will share with the VZ LD Companies, the VZ LD Companies' specific sales data as mutually agreed upon;
5. Ensure that all applicable VZ LD Companies' orders are entered via NOCV or PaRT;

**D) INCENTIVES:**

1. Incentive Compensation:

The Parties may agree upon incentive programs under which the VZ LD Companies will provide additional compensation in kind or in US dollars to Verizon, which Verizon may use to encourage sales of Consumer Services by Verizon employees. Incentives may include, but will not be restricted to, paid for tickets for entertainment or sporting events and consumer electronics equipment.

2. Determination of Additional Compensation:

Verizon, and not the VZ LD Companies, will exclusively determine the compensation, including, but not limited to, such additional compensation, paid to its employees and Verizon, not the VZ LD Companies, will exclusively handle any necessary collective bargaining with labor unions representing Verizon employees with respect to such compensation. In no event shall Verizon employees be considered employees of the VZ LD Companies, including, but not limited to, Verizon employees receiving such additional compensation.

3. Incentive Time Away From Office:

The VZ LD Companies will pay compensation to Verizon to cover Verizon employee time away from the office in connection with incentive programs approved by the Parties.

4. Tax Gross-Up:

The VZ LD Companies shall compensate Verizon to offset tax consequences of paid for sporting event tickets, consumer electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

**5. BUSINESS SALES CENTER (BSC)**

**A) DESCRIPTION:**

1. The Verizon Business Sales Centers (“BSC”) will handle sales, ordering and customer inquiry on behalf of the VZ LD Companies.
2. The BSC will handle sales negotiations, service orders, verification of product availability, sales order status inquiries, sales retention attempts, sales quality control observations, post-sales support services including post-sales product support and customer account maintenance, sales complaints and escalations, referrals of misdirected calls and error processing support.

**B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Pay Verizon for the marketing and sale of the VZ LD Companies' products and services;
2. Provide all pertinent sales collateral and supporting materials (e.g., sales brochures, promotional literature, training material, etc.);
3. Provide information about products and where they fit within the portfolio of offerings:
  - Provide product requirements.
  - How the product works.
  - How the product fits into the current portfolio.
  - Sales applications.
4. Provide sales and pricing tools;
5. Work in conjunction with Verizon to develop sales and process training, including the development of procedures and materials for the VZ LD Companies' portion of BSC Training;
6. Provide prior notice to Verizon of any and all customer communications and/or notifications from the VZ LD Companies (excluding communications such as welcome letter, retention program material, etc.) no later than 30 days prior to mailing;
7. Provide escalation lists and timely resolution for the following:
  - Billing inquiries
  - Customer issues
  - Provisioning
8. Provide billing credit procedures and adjustment guidelines;
9. Provide at least 30 days' prior written notice of:
  - New product roll-outs
  - Product enhancements
  - Process changes/enhancements
10. Provide resolution to, or status of, customer inquiries within (2) business days;
11. Provide 30 days' notice of regulatory issues and notifications to the extent possible;
12. Provide personnel for adequate support of:

- Order Entry/Post Sales Provisioning (SMCS)
- Billing Inquiry (SMCS)
- Provide direct toll free numbers to appear on customer's long distance bill

13. Pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

**C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Monitor and provide reports related to order entry accuracy;
2. Correct all discrepancies, rejects and errors;
3. Work in conjunction with the VZ LD Companies to coordinate and facilitate BSC Training;
4. Provide BSC and staff sales support to provide marketing and sales activity for the VZ LD Companies' products;
5. Provide a SPOC for the BSC to act as a liaison between the VZ LD Companies and Verizon;
6. Provide quality analysis by performing observations, focus groups and other quality assurance activities. Verizon will share the VZ LD Companies' specific data as mutually agreed upon;

**D) INCENTIVES:**

1. Incentive Compensation:

The Parties may agree upon incentive programs under which the VZ LD Companies will provide additional compensation in kind or in US dollars to Verizon, which Verizon may use to encourage sales of Business Services by Verizon employees. Incentives may include, but will not be restricted to, paid for tickets for entertainment or sporting events and consumer electronics equipment.

2. Determination of Additional Compensation:

Verizon, and not the VZ LD Companies, will exclusively determine the compensation, including, but not limited to, such additional compensation, paid to its employees and Verizon, not the VZ LD Companies, will exclusively handle any necessary collective bargaining with labor unions representing Verizon employees with respect to such compensation. In no event shall Verizon employees be considered employees of the VZ LD Companies, including, but not limited to, Verizon employees receiving such additional compensation.

3. Incentive Time Away From Office:

The VZ LD Companies will pay compensation to Verizon to cover Verizon employee time away from the office in connection with incentive programs approved by the Parties.

4. Tax Gross-Up:

The VZ LD Companies shall compensate Verizon to offset tax consequences of paid for sporting event tickets, consumer electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.



**7. E-CENTER/E-BIZ**

**A) DESCRIPTION:**

1. The Verizon E-Center/E-Biz organization will reply to Internet requests and provide assistance regarding general inquiry, rates, order inquiries, and order issuance for the VZ LD Companies' services.

**B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Provide all pertinent sales collateral (e.g., sales brochures, promotional literature, etc.);
2. Provide appropriate sales tools;
3. Provide sufficient support personnel and information to resolve customer sales questions, needs, problems, etc;
4. Provide sufficient information and materials for training on the VZ LD Companies' products and services, including product descriptions and guidelines;
5. Provide at least thirty (30) days' prior written notice for major changes/updates for:
  - New product roll outs
  - Product enhancements or changes
  - Process changes/enhancements

**C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Respond to emails inquiries regarding the VZ LD Companies' services within established timeframes agreed to by the Parties;
2. Provide explanations as needed regarding the following VZ LD Companies' Products and Services:
  - Calling Plans
  - Promotions
  - Calling Cards
  - Personal Toll Free Service (PTFS)
  - Rates
  - Provisioning
  - PIC Codes
3. Process emails in accordance with established quality guidelines agreed to by the Parties.

**8. BILL MEDIA**

**A) DESCRIPTION:**

1. **BILL INSERTS AND BILL MESSAGING:** Verizon, directly or via contractors or suppliers to Verizon, may provide one or more of the following functions in order to sell the VZ LD Companies' services. With respect to all of the following services, Verizon reserves the right, for any reason, to reject a request for services. Moreover, Verizon reserves the right, without any advance notice, to cancel an accepted request for services or to delay the timing of when the bill insert, newsletter, bill message/imprint/fyi or bill teaser will appear.
  - a. **Bill Insert:** Verizon shall include inserts in local telephone company bills that promote the sale of the VZ LD Companies' services.
  - b. **Bill Message/Imprint/FYI:** Verizon shall print on the local portion of the customer bill messages promoting the sale of the VZ LD Companies' services, subject to certain line limitations. Bill messages and imprints shall not exceed eight lines. FYI messages shall not exceed 40 lines.
  - c. **Bill Teaser:** Verizon shall rubber stamp on the mailing envelope messages that promote the sale of the VZ LD Companies' services.

**B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Provide copies of requested Bill Inserts to be included in Verizon bills;
2. Provide inserts at least thirty (30) days prior to requested insert date;
3. Provide the proposed bill message or bill teaser to Verizon at least thirty (30) days prior to requested billing date.

**C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Complete Bill Media requests in a timely manner. Verizon reserves the right to decline or to rescheduled Bill Media requests from the VZ LD Companies.

**9. TELEMARKETING SUPPORT FOR CAMPAIGN SERVICES – SYSTEM ACCESS**

**A) DESCRIPTION:**

1. Verizon may provide systems access to its employees, contractors or suppliers for Consumer Marketing Campaigns.
2. Verizon may provide systems access to its employees, contractors or suppliers for Business Marketing Campaigns.

**B) THE VZ LD COMPANIES' RESPONSIBILITIES TO VERIZON:**

1. Provide all pertinent sales collateral (e.g., sales brochures, promotional literature, etc.);
2. Provide competitive information in a timely fashion in order to provide Verizon support personnel with applicable market information;
3. Provide product support, including information on how the product performs and how the product fits into the current portfolio of the VZ LD Companies' services;
4. Provide sales and pricing tools.

**C) VERIZON RESPONSIBILITIES TO THE VZ LD COMPANIES:**

1. Monitor and provide system access.

**10. NETWORK SERVICES**

**A) DESCRIPTION:**

Verizon employees who do not participate in any other Verizon sales incentive compensation plans will be compensated for sales referrals for the VZ LD Companies' products and services.

**B) TAXES GROSS-UP**

The VZ LD Companies shall compensate Verizon to offset tax consequences of incentives provided by Verizon to its employees in connection with this Agreement. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

## COMPENSATION SALES AND MARKETING SERVICES

In consideration of the Verizon provision of services to the VZ LD Companies in accordance with the Agreement, the VZ LD Companies agree to pay the following compensation to Verizon in accordance with the Agreement:

### 1. VERIZON PLUS™ RATES

- A) Sales, Ordering and Customer Inquiry Service for the VZ LD Companies' orders, other than orders for the VZ LD Companies' iobi Home and iobi Professional services and the VZ LD Companies' VoiceWing Broadband Phone services. This includes sales negotiations, service orders, verification of product availability, sales order status inquiry, error correction for orders initiated by Verizon, operational performance reports, sales retention attempts, and sales quality control observations.

Verizon	Service/ Employee Title	Rate
Verizon <sup>1</sup>	Consumer Sales, Ordering & Inquiry Service/Retail Sales Consultant	\$9.31 per sale
Verizon	Business Sales, Ordering & Inquiry Service/Retail Sales Consultant	\$9.79 per sale

- B) Sales, Ordering and Customer Inquiry Service for orders for the VZ LD Companies' iobi Home and iobi Professional services. This includes sales negotiations, service orders, verification of product availability, sales order status inquiry, error correction for orders initiated by Verizon, operational performance reports, sales retention attempts, and sales quality control observations.

Verizon	Service/ Employee Title	Rate
Verizon	Sales, Ordering & Inquiry Service for iobi Services/Retail Sales Consultant	\$9.31 per sale

- C) Training including initial and ongoing training of new and incumbent Verizon personnel.

Verizon	Service/ Employee Title	Rate
Verizon	Training/Retail Sales Consultant	\$72.19 per hour
Verizon	Training Material	Actual expenses incurred
Verizon	Training/ Specialist, Supervisor (4M/4L), Assistant Supervisor (5L), Training Manager (2L)	\$110.30 per hour

- D) Tax Gross-Up: the VZ LD Companies will compensate Verizon to offset taxes for the provision of paid for sporting event tickets, electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

- E) Miscellaneous Expenses: the VZ LD Companies will pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

Verizon	Service/ Employee Title	Rate
Verizon	Employee travel expense	Actual expenses incurred
Verizon	Employee meal expense	Actual expenses incurred not to exceed \$75/day /employee
Verizon	Employee hotel expense	Actual expenses incurred not to exceed \$400/day /employee

<sup>1</sup> Verizon means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid-States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

**2. CONSUMER SALES AND SOLUTIONS CENTER RATES**

A) Sales, Ordering and Customer Inquiry Service and General Inquiry and Post Sales Support Service for the VZ LD Companies' orders, other than orders for iobi Home services. This includes sales negotiations, service orders, verification of product availability, sales order status inquiry, error correction for orders initiated by Verizon, operational performance reports, sales retention attempts, sales quality control observations, post sales product support and customer maintenance, sales complaints and escalations, referrals of misdirected calls and error processing support.

Verizon	Service/ Employee Title	Rate
Verizon <sup>1</sup>	Sales, Ordering & Inquiry Service and General Inquiry & Post Sales Support/ CSSC Representatives, CSSC Sales Support and Order Correction Clerks	\$32.15 per sale

B) Sales, Ordering and Customer Inquiry Service and General Inquiry and Post Sales Support Service for orders for the VZ LD Companies' iobi Home services. This includes sales negotiations, service orders, verification of product availability, sales order status inquiry, error correction for orders initiated by Verizon, operational performance reports, sales retention attempts, sales quality control observations, post sales product support and customer maintenance, sales complaints and escalations, referrals of misdirected calls and error processing support.

Verizon	Service/ Employee Title	Rate
Verizon	Sales, Ordering & Inquiry Service for iobi Home Services/ CSSC Representatives, CSSC Sales Support and Order Correction Clerks	\$13.16 per sale

C) Sales and Negotiations for Third Party Vendors. This includes sales negotiations and verification of product availability.

Verizon	Service/ Employee Title	Rate
Verizon	Sales & Negotiations/Third Party Vendors	Actual expenses incurred

D) CSSC Offline Support for Retail Markets. This includes the off-line support and the off-line activity of sales negotiation and acquisition; account planning; all presale customer meetings, strategy sessions, and solutions design; costs of custom bid development and presentation; service order processing; systems maintenance for ordering, pricing, electronic product references; verification of product availability; error correction for orders; and sales retention attempts.

Verizon	Service/ Employee Title	Rate
Verizon	Sales, Ordering & Sales Inquiry/CSSC Offline Reps	\$87.37 per hour
Verizon	Sales, Ordering & Sales Inquiry/CSSC Offline Reps	\$5.19 per Validated/Unvalidated Account Code Activation

E) Training: including initial and ongoing training of new and incumbent Verizon personnel.

Verizon	Service/ Employee Title	Rate
Verizon	Training/CSSC Reps	\$87.37 per hour
Verizon	Training/CSSC Sales Support and Order Correction Clerks/ SRC Reps	\$87.37 per hour
Verizon	Training/Coach/Team Leader	\$110.30 per hour
Verizon	Training Materials	Actual expenses incurred

F) Time Away From Office: the VZ LD Companies will pay for time away from the office associated with sales incentive programs, as agreed upon by the Parties.

<sup>1</sup> **Verizon** means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	Time Away From Office/CSSC Reps, CSSC Sales Support & Order Correction Clerks, SRC Reps	\$87.37 per hour
Verizon	Time Away From Office/Coach/Team Leader	\$110.30 per hour

G) Tax Gross-Up: the VZ LD Companies will compensate Verizon to offset taxes for the provision of paid for sporting event tickets, electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

H) Miscellaneous Expenses: the VZ LD Companies will pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	Employee travel expense	Actual expenses incurred
Verizon	Employee meal expense	Actual expenses incurred not to exceed \$75/day /employee
Verizon	Employee hotel expense	Actual expenses incurred not to exceed \$400/day /employee

**3. BUSINESS SALES CENTER RATES**

A) Sales, Ordering and Customer Inquiry Service and General Inquiry and Post Sales Support Service for the VZ LD Companies' orders, This includes sales negotiations, service orders, verification of product availability, sales order status inquiry, error correction for orders initiated by Verizon, operational performance reports, sales retention attempts, sales quality control observations, post sales product support and customer maintenance, sales complaints and escalations, referrals of misdirected calls and error processing support.

Verizon	Service/ Employee Title	Rate
Verizon <sup>1</sup>	Sales, Ordering & Inquiry Service and General Inquiry & Post Sales Support Service/ BSC <sup>2</sup> Consultant	\$24.03 per sale

B) Training: including initial and ongoing training of new and incumbent Verizon personnel.

Verizon	Service/ Employee Title	Rate
Verizon	Training/BSC Consultant	\$87.37 per hour
Verizon	Training /BSC Team Leader	\$110.30 per hour
Verizon	Training /BSC Manager	\$152.14 per hour

C) Incentives

1. Time Away From Office: the VZ LD Companies will pay for time away from the office associated with sales incentive programs, as agreed upon by the Parties.

Verizon	Service/ Employee Title	Rate
Verizon	Time Away From Office/BSC Consultant	\$ 87.37 per hour
Verizon	Time Away From Office/BSC Team Leader	\$ 110.30 per hour
Verizon	Time Away From Office/BSC Manager	\$ 152.14 per hour

2. Tax Gross-Up: the VZ LD Companies will compensate Verizon to offset taxes for the provision of paid for sporting event tickets, electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties.. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

D) Miscellaneous Expenses: the VZ LD Companies will pay Verizon for all undisputed miscellaneous expenses incurred by Verizon in the provision of services in accordance with the Agreement.

Verizon	Service/ Employee Title	Rate
Verizon	Employee travel expense	Actual expenses incurred
Verizon	Employee meal expense	Actual expenses incurred not to exceed \$75/day /employee
Verizon	Employee hotel expense	Actual expenses incurred not to exceed \$400/day /employee

<sup>1</sup> Verizon means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

<sup>2</sup> BSC means Business Sales Center.



4. **E-CENTER/E-BIZ RATES**

A) E-Center/E-Biz – Verizon shall receive and handle e-mail correspondence as it relates to the VZ LD Companies. The services will include responding to sales inquiries, sales negotiation, error correction and order entry.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon <sup>1</sup>	E-Commerce Customer Service Associates	\$ 20.78 per contact

B) Training: including initial and ongoing training of new and incumbent Verizon personnel

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	E-Commerce Customer Service Associates	\$ 87.37 per hour

C) Tax Gross-Up: the VZ LD Companies will compensate Verizon to offset taxes for the provision of paid for sporting event tickets, electronic equipment, and other incentives provided by Verizon to its employees in connection with incentive programs approved by the Parties. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

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<sup>1</sup> **Verizon** means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

**5. BILL MEDIA RATES**

**A. Bill Insert:**

Verizon shall include inserts and newsletter inserts in local telephone company bills that promote the sale of Business and/or Consumer Services.

<b>Verizon<sup>1</sup></b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	Bill Insert - Single Sheet	\$ 0.025 per insert

**B. Bill Message/Imprint/FYI:**

Verizon shall print on the local portion of the customer bill messages promoting the sale of Business and/or Consumer Services, subject to certain line limitations. Bill messages and imprints shall not exceed eight lines. FYI messages shall not exceed 40 lines.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	Bill Message ,Bill Imprint ,Bill FYI	\$ 0.025 per message

**C. Bill Teaser:**

Verizon shall rubber stamp a message that promotes the sale of Business and/or Consumer Services.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	Bill Teaser	\$0.025 per teaser

<sup>1</sup> **Verizon** means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

6. **TELEMARKETING SUPPORT FOR CAMPAIGN SERVICES**

A) System Access for Consumer Marketing Campaigns

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon <sup>1</sup>	System Access	\$2.75 per sale

B) System Access for Business Marketing Campaigns

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon	System Access	\$ 2.75 per sale

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<sup>1</sup> **Verizon** means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

**7. NETWORK SERVICES**

A) Verizon employees who do not participate in any other Verizon sales incentive compensation plans will be compensated for sales referrals for the VZ LD Companies' products and services.

<b>Verizon</b>	<b>Service/ Employee Title</b>	<b>Rate</b>
Verizon <sup>1</sup>	Referrals/ Outside Plant Technician, Outside Plant Engineers, Repair Associates, Voice Associates, NOREC <sup>2</sup> Employees	\$16.19 per referral

**B) Taxes**

The VZ LD Companies shall compensate Verizon to offset tax consequences of incentives provided by Verizon to its employees in connection with this Agreement. Verizon will determine the tax gross-up based on the fair market value of the incentive provided to Verizon employees and the tax rates applicable under law.

<sup>1</sup> **Verizon** means the Verizon Incumbent Local Exchange Carriers of Verizon California Inc., Verizon Florida LLC., Contel of the South, Inc. d/b/a Verizon Mid States, Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and GTE Southwest Inc. d/b/a Verizon Southwest.

<sup>2</sup> **NOREC** means the National Order Record Entry Center