

UT-061254 (AF)
9-13-06



Verizon Northwest Inc.

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

July 31, 2006

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

RECEIVED
06 AUG - 1 PM 9:31
OFFICE OF THE
ATTORNEY GENERAL
COMMUNICATIONS SECTION

Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 280

Dear Ms. Washburn:

Enclosed for filing with the Commission is a verified copy of a Master Services Agreement and a Service Schedule between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business entities, under which Verizon Business Services will provide customer premise equipment support services.

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 a Master Services Agreement and a Service Schedule between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business entities.

Richard E. Potter Date: 7/31/06

Richard E. Potter
Director
Verizon Northwest Inc.

MASTER SERVICES AGREEMENT

This Master Services Agreement (the "**Agreement**") is made between and among Verizon Services Corp. on behalf of the Verizon telephone operating companies identified in **Exhibit A** (collectively, "**Verizon**") and Verizon Business Financial Management Corp. on behalf of the Verizon Business entities set forth in **Exhibit A** (individually or collectively "**Verizon Business**"). Verizon and Verizon Business are sometimes referred to collectively as the "**Parties**". Each of the Verizon telephone operating companies identified in **Exhibit A** or Verizon Business individually is referred to as a "**Party**".

In consideration of the mutual promises set forth in this Agreement, the Parties agree as follows:

1. SERVICES

1.1 Verizon agrees to provide to Verizon Business and Verizon Business agrees to provide to Verizon certain services ("**Services**") as described in the Service Schedules ("**Service Schedules**") signed by the Parties and attached to this Agreement as may be required and ordered by a Party during the term of this Agreement using an ordering document issued to the other Party that refers to this Agreement. When an ordering document is accepted by the other Party, the rates, terms, and conditions of this Agreement shall apply to the ordering and accepting Parties for the Services set forth in the accepted ordering document. The Services are provided subject to the following conditions: (a) the Party providing the Services determines that it has the resource(s) and expertise to provide the requested Services; and (b) Verizon's receipt of any regulatory and/or other governmental approvals and compliance with applicable laws and regulations that may be required to provide the Service(s) under the terms.

1.2 For purposes of this Agreement, Services shall include any materials, products, or goods necessary to perform the Services. The Parties may agree to establish performance measurements for the Services. Such performance measurements, if any, will be considered goals, will not be contractually binding, and failure to meet such measurements shall not be deemed a breach of contract or otherwise be actionable.

2. TERM

2.1 **Term.** This Agreement shall become effective on the date this Agreement is fully executed (the "**Effective Date**"), and unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect for one (1) year from the Effective Date (the "**Initial Term**"). After the Initial Term, this Agreement will continue in effect until a Party gives the other Party(ies) at least ninety (90) calendar days' prior written notice of termination of the Agreement. The Initial Term and all extended periods when this Agreement remains in effect shall collectively be referred to as the "**Term**."

2.2 Notwithstanding the provisions of 2.1, above, either Party may terminate any or all services provided under this Agreement for convenience and without cause at any time by giving the other Parties at least sixty (60) days' prior written notice. In the event of termination, Verizon and/or Verizon Business shall pay all unpaid amounts due for Services provided under this Agreement up to and including the date of termination, including any applicable termination liabilities provided pursuant to the applicable Service Schedules.

3. COMPENSATION

3.1 Verizon and Verizon Business shall be compensated at the rates described in the applicable Service Schedules for the Services performed pursuant to and in accordance with this Agreement.

3.2 The Party receiving the Services shall compensate the Party providing the Services at the rates based on cost allocation and affiliate transaction requirements set forth in 47 C.F.R. Parts 32 and 64. Such compensation shall be subject to increases or decreases during the Term of this Agreement to permit the Party(ies) providing the Services to recover from the Party(ies) purchasing the Services costs allocated pursuant to Parts 32 and 64 for Services performed under this Agreement. The Party receiving the Services shall pay all such increased or decreased compensation prospectively after the increased or decreased compensation has been determined.

4. LICENSING USE OF DEVELOPED SOFTWARE.

This Agreement does not address any development, use, or licensing of software. Any such use, development, or license shall be subject to a separate agreement between the Parties.

5. ASSIGNMENT

Verizon and Verizon Business may not assign this Agreement without the prior written consent of the Parties, which consent shall not be unreasonably withheld. Notwithstanding the preceding sentence, this Agreement may be assigned by Verizon and Verizon Business to their parent company or to financially responsible affiliates at any time.

6. CHANGES

During the Term of this Agreement, the Parties may request changes in and/or additions to the Services. All changes in or additions to Services must be mutually agreed upon by the Parties in writing in the applicable Service Schedule, and through an amendment to this Agreement.

7. CHOICE OF LAW

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the domestic laws of the state of New York, excluding its conflict of law rules.

8. COMPLIANCE WITH LAWS

The Parties shall comply with all applicable federal, state, and local laws, ordinances, regulations and codes (including procurement of required permits or certificates) applicable to their respective performance under this Agreement. To the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both Parties to this Agreement requires that this Agreement or subsequent amendment be filed with or approved by such regulatory agency before the Agreement or amendment may be effective, this Agreement or amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.

9. PROPRIETARY INFORMATION

This Agreement and all information provided by either party under this Agreement is subject to that certain Mutual Non-disclosure Agreement attached hereto as Exhibit B.

10. COUNTERPARTS

This Agreement may be executed by the Parties in counterparts and by facsimile signature, provided, however, that each executed counterpart shall be considered to be one and the same Agreement and each facsimile signature shall be considered to be original.

11. FORCE MAJEURE

Except for a Party's obligation to pay another Party amounts due under this Agreement, neither Verizon Business nor Verizon shall be held responsible for any delay or failure in performance hereunder caused by fires, strikes, embargoes, requirements imposed by government regulation, civil or military authorities, acts of God or the public enemy, or other similar causes beyond such Party's reasonable control.

12. DEFAULT

In the event any Party shall be in breach or default of any material term, condition or provision of this Agreement, then, in addition to all other rights and remedies provided hereunder or at law or equity, the Party not in default shall have the right to immediately cancel this Agreement, in whole or in part, by thirty (30) days' advance written notice to the other Parties if such default is not cured within such thirty-day notice period.

13. LIMITATION OF LIABILITY

In no event shall either Party be liable to another Party for special, indirect, incidental, consequential, or exemplary damages, including but not limited to loss of profits anticipated profits or other economic loss, loss of customers, or loss of goodwill, arising out of this Agreement, even if having been advised of the possibility thereof.

14. INDEMNITY

- (a) Subject to the limitations contained in this Agreement, each Party ("**Indemnifying Party**") hereby agrees to indemnify, defend, and hold harmless the other Party ("**Indemnified Party**") and its affiliates, and each of their employees, contractors, and agents, against **Claims** (as defined below) by a third person against the Indemnified Party for (i) personal injury or death to any third person, or damage, destruction, or loss of real and/or tangible personal property of any third person, to the extent that such personal injury, death, damage, destruction, or loss was proximately caused by the negligent or otherwise tortious acts or omissions of the Indemnifying Party; or (ii) material breach of this Agreement by the Indemnifying Party; and (iii) any violation of any law, ordinance, regulation or code by the Indemnifying Party, or its employees, agents, representatives, or subcontractors.
- (b) The foregoing indemnification shall apply regardless of whether the terms of any insurance coverage maintained by the Indemnifying Party satisfies in whole or part the **Claims**.
- (c) "**Claims**" shall mean any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including, but not limited to, court costs), and expenses (including, but not limited to, reasonable attorney's fees) by a third person against the Indemnified Party.
- (d) Each Party agrees to notify the other Party promptly of any written claims or demands for which the Indemnifying Party is responsible hereunder and to tender control of the defense of **Claims** to the Indemnifying Party. The Indemnified Party may participate in the defense at its sole cost and expense. The Indemnified Party will cooperate with the Indemnifying Party in the defense of **Claims**.

15. INDEPENDENT CONTRACTOR RELATIONSHIP

- a. Verizon Business and Verizon acknowledge that they are contractors independent of one another. Neither has the authority to legally bind the other to any third person or otherwise to act in any way as the agent or representative of the other in connection with the performance of this Agreement. Neither Party shall make any representation or

warranties concerning another Party's Services other than as may be set forth in this Agreement.

- b. All persons furnished by a Party, including any contractors, shall be subject to the exclusive control and supervision of such Party and shall be considered solely such Party's employees, agents or contractors, and not employees, agents or contractors of another Party. Each Party shall be responsible for compliance with all laws, rules and regulations related to employment of labor, hours of labor, working conditions, worker's compensation, payment of wages, and payment of taxes, such as unemployment, Social Security and other payroll taxes, including applicable contributions from its employees, agents and contractors, when required by law.

16. INSURANCE

Verizon shall maintain appropriate insurance or self-insurance as necessary and required to perform its obligations hereunder, and any other insurance, self-insurance, and/or bonds required by applicable law. Verizon Business shall maintain, during the term hereof, appropriate insurance or self-insurance as necessary and required to perform its obligations hereunder, and any other insurance, self-insurance, and/or bonds required by applicable law. Verizon may require Verizon Business to maintain certain limits (either on a per occurrence or on an aggregate basis) to insure against specific risks, including without limitation, Workers' Compensation Insurance, Employer's Liability Insurance, and Comprehensive or Commercial General Liability Insurance. Verizon shall provide written notice to Verizon Business as to any specific requirements for insurance coverage, and Verizon Business shall have no more than 30 days to comply with such request. If Verizon Business objects to such insurance requirements, Verizon Business may terminate the affected Services or this Agreement without further liability.

Upon request, either Party, prior to commencing performance hereunder, shall furnish to the other Party certificates or adequate proof of the foregoing insurance or self-insurance.

Each Party shall also require its subcontractors, if any, to maintain similar insurance coverage and to furnish the other Party, if requested, certificates or adequate proof of such insurance. Certificates furnished by either Party or its subcontractors shall require that the other Party be notified in writing and thirty (30) days in advance of cancellation or material changes in such insurance.

17. WARRANTY

EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PARTIES MAKE NO WARRANTIES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

18. NON-EXCLUSIVE MARKET RIGHTS

It is expressly understood and agreed that this Agreement does not grant to any Party an exclusive privilege to sell or otherwise provide to another Party any or all Services of the type described in this Agreement. It is, therefore, understood that any Party may contract with other suppliers for the procurement of comparable services, goods, or materials.

19. NON-WAIVER

Any Party's failure at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or equity, or to exercise any option herein provided, shall in no way be construed to be a waiver of such provisions, rights, remedies or options or in any way to affect the validity of this Agreement. The exercise by any Party of any rights, remedies or options provided hereunder or at law or equity shall not preclude or prejudice the exercising thereafter of the same or any other rights, remedies or options. No consent by any Party under any provision of this Agreement or waiver by any Party of any provision of this Agreement shall

be valid or effective unless made expressly in writing by an authorized officer of the Party charged with giving consent or waiving such provision.

20. NOTICES

Any notices or demands which under the terms of this Agreement must be in writing shall be given or made by confirmed facsimile, overnight delivery, or by certified or registered mail, return receipt requested, addressed to the respective Parties as follows:

To Verizon:

Commercial Agreement Contract Management
600 Hidden Ridge Road, HQE02L24
Irving, Texas 75039
Fax: (972) 719-1504

To Verizon Business:

Verizon Business Communications Services Inc.
20855 Stone Oak Parkway
San Antonio, TX 78258
Attn: Customer Service
email: notice@mci.com

With a copy to:

Verizon Business
22001 Loudoun County Pkwy
Ashburn, VA 20147
Attn: Vice President and Deputy General Counsel
Marketing, Sales, and Service

or as such addressee or address is changed by notice to the other Parties. All such notices or demands shall be deemed effective upon receipt.

21. PLANT AND WORK RULES

Each Party and its respective employees, agents, representatives and subcontractors, shall, while on another Party's premises, comply with all reasonable security and plant rules and regulations, including, where required by Government Regulations, submission of satisfactory clearance from the U.S. Department of Defense and other federal authorities concerned.

22. RECORDS AND AUDIT

Each Party shall maintain complete and accurate records of all amounts billable to and payments made by another Party hereunder in accordance with generally accepted accounting practices and shall retain such records during the term of this Agreement and thereafter in accordance with reasonable record retention practices. Each Party agrees to provide reasonable supporting documentation concerning any disputed amount to another Party within forty-five (45) days after such Party provides written notification of the dispute, and shall permit such Party's representatives to examine and audit such records and all supporting documentation and to reproduce same at reasonable times and places as mutually agreed to by the Parties.

23. RELEASES VOID

No Party shall require a waiver or release of any personal rights from representatives or customers of the other in connection with visits to its premises and the Parties agree that no such release or waiver shall be pleaded by them in any action or proceeding.

24. SEVERABILITY

In the event that any one or more of the provisions contained herein shall, for any reason, be held to be unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement, but this Agreement shall then be construed as if such unenforceable provision or provisions never had been contained herein.

25. SURVIVAL

All obligations hereunder incurred by any Party prior to the cancellation, termination or expiration of this Agreement shall survive such termination or expiration.

26. TAXES

Each Party that purchases Services under this Agreement shall pay taxes, fees and surcharges applicable by law to purchase of such Services in addition to the rates for such Services, except for taxes on the net income of the Party that provides such Services.

27. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

This Agreement shall incorporate the Service Schedule(s) executed pursuant to this Agreement as set forth in paragraph 1 above. This Agreement and such Service Schedule(s) hereto constitute the entire agreement among the Parties pertaining to the subject matter hereof, supersede all prior and contemporaneous agreements, understandings, negotiations and representations pertaining to the subject matter hereof, and may not be modified or waived except by a writing signed by the duly authorized representatives of all Parties. In case of conflicts in the terms of this Agreement and a Service Schedule, the Service Schedule shall control.

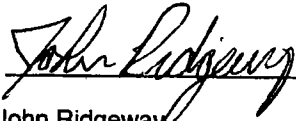
28. REMEDIES CUMULATIVE

Except as otherwise stated in this Agreement, the rights and remedies of the Parties set forth in this Agreement are in addition to, and not in lieu of, the rights and remedies available to the Parties at law, in equity or otherwise.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed effective as of the day and year last written below.

Verizon Services Corp.:
on behalf of the Verizon
Telephone Operating Companies
listed on Exhibit A hereto

Verizon Business Financial Management Corp.:

By: 
Name: John Ridgeway

Title: Director – Marketing Services

Date: 7-19-06

By: _____

Name: _____

Title: _____

Date: _____

24. SEVERABILITY

In the event that any one or more of the provisions contained herein shall, for any reason, be held to be unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement, but this Agreement shall then be construed as if such unenforceable provision or provisions never had been contained herein.

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on behalf of the Verizon
Telephone Operating Companies
listed on Exhibit A hereto

Verizon Business Financial Management Corp.:

By: _____

Name: John Ridgeway

Title: Director – Marketing Services

Date: _____

By: 

Name: Saleiman Hessami

Title: VP Pricing & Contracts

Date: 7/24/06

EXHIBIT A

Verizon Telephone Operating Companies

Contel of the South, Inc. d/b/a Verizon Mid-States, a Georgia corporation
GTE Southwest Incorporated d/b/a Verizon Southwest, a Delaware corporation
Verizon California Inc., a California corporation
Verizon Delaware Inc., a Delaware corporation
Verizon Florida Inc., a Florida corporation
Verizon Maryland Inc., a Maryland corporation
Verizon New England Inc., a New York corporation
Verizon New Jersey Inc., a New Jersey corporation
Verizon New York Inc., a New York corporation
Verizon North Inc., a Wisconsin corporation
Verizon Northwest Inc., a Washington corporation
Verizon Pennsylvania Inc., a Pennsylvania corporation
Verizon South Inc., a Virginia corporation
Verizon Virginia Inc., a Virginia corporation
Verizon Washington, DC Inc., a New York corporation
Verizon West Virginia Inc., a West Virginia corporation
Verizon West Coast Inc., a California corporation

Verizon Business Entities

MCI Communications Services, Inc., d/b/a Verizon Business Services
MCI International Services, Inc.
MCI International, Inc.
Verizon Business Network Services, Inc.
MCI Network Services of Virginia, Inc.
MCI metro Access Transmission Services LLC, d/b/a Verizon Access Transmission Services
MCI metro Access Transmission Services of Virginia, Inc., d/b/a Verizon Access Transmission Services of Virginia
MCI metro Access Transmission Services of Massachusetts, Inc., d/b/a/ Verizon Access Transmission Services of Massachusetts
Metropolitan Fiber Systems of New York, Inc.
Teleconnect Long Distance Services & Systems Co.
Skytel Corporation
TTI National Inc.

EXHIBIT B
MUTUAL NONDISCLOSURE AGREEMENT

This NONDISCLOSURE AGREEMENT (this "**Agreement**"), effective upon the last date of execution by a party (the "**Effective Date**"), is made between Verizon Services Corp. on behalf of the Verizon telephone operating companies listed on **Exhibit 1** hereto ("**Verizon**"), with address for this Agreement at 600 Hidden Ridge, Irving, Texas 75038, and Verizon Business Financial Management Corp. on behalf of the Verizon Business entities set forth in **Exhibit 1** (individually or collectively ("**Customer**"), with address at 20855 Stone Oak Parkway, San Antonio, TX 78258, to protect the confidential or proprietary nature of information to be disclosed by the parties to each other with respect to the following subject matter: Provision of telecommunication services by Verizon to Customer ("**Purpose**").

1. To facilitate discussions, meetings and the conduct of business between the parties with respect to the Purpose as set forth above, it may be necessary for either party to disclose to the other technical, customer, personnel, and/or business information in written, graphic, oral, or other tangible or intangible forms including, but not limited to, specifications, records, data, computer programs, drawings, schematics, know-how, notes, models, reports, and samples. Such information may contain proprietary or confidential material, or material subject to applicable laws regarding secrecy of communications or trade secrets ("**Confidential Information**").
2. Each party acknowledges and agrees to the following:
 - a. Other than as specifically permitted by the terms of this Agreement, the disclosing party shall identify in writing as confidential or proprietary, or mark as confidential or proprietary, any information that the disclosing party deems to be Confidential Information;
 - b. Information that is disclosed orally shall not be considered Confidential Information unless it is reduced to writing or to a written summary that identifies the orally-disclosed topics to be considered as Confidential Information and such writing is provided to the recipient at the time of disclosure or within thirty (30) days thereafter;
 - c. Unless permitted in writing by the disclosing party or otherwise permitted under this Agreement, the receiving party shall
 - (1) receive in confidence any Confidential Information;
 - (2) limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information;
 - (3) not disclose such Confidential Information to any other person or entity;
 - (4) not authorize anyone else to disclose such Confidential Information to others; and
 - (5) use the same degree of care to protect Confidential Information received under this Agreement from use or disclosure as the receiving party uses to protect its own confidential information, but in any event no less than a reasonable standard of care,
 - d. The receiving party shall use such Confidential Information only in connection with the Purpose described above;
 - e. At the disclosing party's request, the receiving party shall return promptly to the disclosing party, or destroy (and certify such destruction in writing), copies of any Confidential Information in written, graphic, or other tangible form;
 - f. The obligations with respect to Confidential Information shall extend for a period of three (3) years following the date of initial disclosure of that Confidential Information, and such obligations shall extend beyond expiration or termination of this Agreement; and
3. Unless terminated earlier by written notice, this Agreement shall remain in effect for a period of two (2) years from the Effective Date.
4. These obligations do not apply to Confidential Information that:
 - a. was in the receiving party's possession prior to receipt thereof from the disclosing party; or
 - b. was received by one party in good faith from a third party not subject to a confidential obligation to the other party; or

- c. Now is or later becomes publicly known through no breach of confidential obligation by the receiving party; or
 - d. Is disclosed pursuant to a requirement imposed by a governmental agency or is otherwise required to be disclosed by operation of law, except that prior to any disclosure pursuant to this subsection, the party receiving the request for Confidential Information shall notify the disclosing party and shall give that party an opportunity to participate in objecting to production of the Confidential Information; or
 - e. Was developed by the receiving party without the developing person(s) having access to any of the Confidential information received from the disclosing party; or
 - f. Is authorized in writing by the disclosing party to be released.
5. It is agreed that a violation of any of the provisions of this Agreement may cause irreparable harm and injury to the non-violating party and that party shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to seek an injunction enjoining and restraining the violating party from doing or continuing to do any such act and any other violations or threatened violations of this Agreement. Neither party shall be liable to the other, whether in contract or in tort or otherwise, for special, indirect, incidental, or consequential damages, in conjunction with this Agreement.
6. Neither this Agreement nor provision of Confidential Information pursuant to it shall be construed as an agreement, commitment, promise, or representation by either party to do business with the other or to do anything except as set out specifically in this Agreement. Neither disclosure of Confidential Information nor this Agreement shall be construed as a license granting to the receiving party any rights under any patent, trademark, copyright, trade secret, or other intellectual property right now or hereafter owned, obtained or licensable by the disclosing party. All Confidential Information disclosed by a party shall be and remain the exclusive property of the disclosing party
7. This Agreement shall be construed in accordance with the laws of the State of New York without reference to conflicts of laws principles.
8. This Agreement is the entire agreement between the parties with respect to disclosure and use of Confidential Information pertaining to the Purpose and supersedes all prior agreements and understandings with respect to this subject. This Agreement may be amended only by written agreement executed by both parties. This Agreement shall not be assigned or transferred by either party without the prior written consent of the other. This Agreement shall be binding on agents, successors, and permitted assigns of the parties.
9. Any written notice either party may give the other concerning the subject matter of this Agreement shall be in writing, and be given or made by means of facsimile transmission, U.S. certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges paid and addressed or directed to the respective parties as set forth below. A notice shall be deemed served or delivered to the addressee or its office when actually received at the address when hand delivered; upon confirmation of sending when sent by fax; on the day after being sent when sent by overnight delivery service; or three (3) days after deposit in the mail when sent by U.S. mail. A party may, by written notice, designate a different address for notices, requests or other communications or different or additional persons to be notified or to receive requests or other communications under this Agreement by sending written notice in accordance with this section.

Customer will send all notices under this Agreement to:

Vice President & Associate General Counsel – Wholesale Markets
1515 N. Courthouse Road
Suite 500
Arlington, Virginia 22201.

with a copy to:

Commercial Agreement Contract Management
Mail code: MC:HQE02L24
600 Hidden Ridge, Irving, TX, 75038
Facsimile: 972-719-1504

Verizon will send all notices under this Agreement to:

Verizon Business Communications Services Inc.
20855 Stone Oak Parkway
San Antonio, TX 78258
Attn: Customer Service
email: notice@mci.com

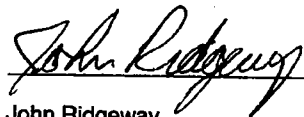
with a copy to:

Verizon Business
22001 Loudoun County Pkwy
Ashburn, VA 20147
Attn: Vice President and Deputy General Counsel
Marketing, Sales, and Service

10. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. This Agreement may be delivered by facsimile.

Verizon Services Corp.:
on behalf of the Verizon
Telephone Operating Companies
listed on Exhibit A hereto

Verizon Business Financial Management Corp.:

By: 
Name: John Ridgeway
Title: Director - Marketing Services
Date: 7-19-06

By: _____
Name: _____
Title: _____
Date: _____

Verizon will send all notices under this Agreement to:

Verizon Business Communications Services Inc.
20855 Stone Oak Parkway
San Antonio, TX 78258
Attn: Customer Service
email: notice@mci.com

with a copy to:

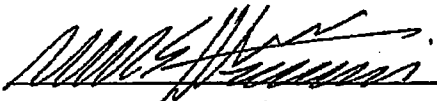
Verizon Business
22001 Loudoun County Pkwy
Ashburn, VA 20147
Attn: Vice President and Deputy General Counsel
Marketing, Sales, and Service

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Verizon Services Corp.:
on behalf of the Verizon
Telephone Operating Companies
listed on Exhibit A hereto

Verizon Business Financial Management Corp.:

By: _____
Name: John Ridgeway
Title: Director – Marketing Services
Date: _____

By: 
Name: Sulaiman Hessami
Title: VP Pricing & Contracts
Date: 7/24/06

**NON-DISCLOSURE AGREEMENT
EXHIBIT 1**

Verizon Telephone Operating Companies

Contel of the South, Inc. d/b/a Verizon Mid-States, a Georgia corporation
GTE Southwest Incorporated d/b/a Verizon Southwest, a Delaware corporation
Verizon California Inc., a California corporation
Verizon Delaware Inc., a Delaware corporation
Verizon Florida Inc., a Florida corporation
Verizon Maryland Inc., a Maryland corporation
Verizon New England Inc., a New York corporation
Verizon New Jersey Inc., a New Jersey corporation
Verizon New York Inc., a New York corporation
Verizon North Inc., a Wisconsin corporation
Verizon Northwest Inc., a Washington corporation
Verizon Pennsylvania Inc., a Pennsylvania corporation
Verizon South Inc., a Virginia corporation
Verizon Virginia Inc., a Virginia corporation
Verizon Washington, DC Inc., a New York corporation
Verizon West Virginia Inc., a West Virginia corporation
Verizon West Coast Inc., a California corporation

Verizon Business Entities

MCI Communications Services, Inc., d/b/a Verizon Business Services
MCI International Services, Inc.
MCI International, Inc.
Verizon Business Network Services, Inc.
MCI Network Services of Virginia, Inc.
MCImetro Access Transmission Services LLC, d/b/a Verizon Access Transmission Services
MCImetro Access Transmission Services of Virginia, Inc., d/b/a Verizon Access Transmission Services of Virginia
MCImetro Access Transmission Services of Massachusetts, Inc., d/b/a Verizon Access Transmission Services of Massachusetts
Metropolitan Fiber Systems of New York, Inc.
Teleconnect Long Distance Services & Systems Co.
Skytel Corporation
TTI National Inc.

SERVICE: CPE SUPPORT SERVICES

SERVICE DESCRIPTION

During the term of this agreement, MCI Communications Services Inc. d/b/a Verizon Business Services (hereinafter referred to as "Verizon Business" or "Supplier") shall provide CPE Support Services ("**CPE Service**") to Verizon Services Corp. on behalf of itself and Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Florida Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon West Coast Inc., (hereinafter referred to as "Verizon" or "Customer").

- 1.0 Supplier agrees to perform and provide the following as CPE Service:
 - 1.1 Supplier will dispatch qualified technicians to Customer locations upon receipt by Supplier of an installation request or a trouble report from Customer;
 - 1.2 Supplier will perform installation, maintenance and on-site testing as required of Customer CPE;
 - 1.3 Supplier will provide status updates via Suppliers electronic trouble ticket reporting system.
- 2.0 Customer agrees to perform and provide the following:
 - 2.1 Customer will provide to Supplier all required equipment, including equipment, replacement parts ("Spares"), materials or supplies required for Supplier to perform installation, maintenance or repairs related to Customer CPE.
 - 2.2 Customer will provide Supplier site access, local, regional and national contact information.

3.0 PRICING

Employee Title/Service	Pricing Criterion	Rate per Hour (Month, etc.)	Frequency of Transaction: (per service)
Technician	FDC ¹	\$72.63 / Standard ² hour \$105.43/ Overtime ³ hour \$138.23/ Premium ⁴ hour	Occasionally

- i. Fully Distributed Costs – Services are provided at the lower of the Estimated Fair Market Value (EFMV) and Fully Distributed Cost (FDC). FDC rates are fully loaded rates which include the costs of materials and all direct and indirect miscellaneous and overhead costs.
- ii. Standard hours are Monday through Friday, excluding Holidays, between 9 AM and 5 PM local time at the location of the dispatched technician.
- iii. Overtime hours are Monday through Friday, excluding Holidays, between 5 PM and 9 AM local time at the location of the dispatched technician and any time on Saturdays
- iv. Premium hours are any time on Sundays or Holidays.

Verizon Services Corp.:

Verizon Business Financial Management Corp. on behalf of MCI Communications Services Inc., d/b/a Verizon Business Services

By: John Ridgway
 Name: John Ridgway
 Title: Director – Marketing Services
 Date: 7-19-06

By: _____
 Name: _____
 Title: _____
 Date: _____

SERVICE: CPE SUPPORT SERVICES

SERVICE DESCRIPTION

During the term of this agreement, MCI Communications Services Inc. d/b/a Verizon Business Services (hereinafter referred to as "Verizon Business" or "Supplier") shall provide CPE Support Services ("CPE Service") to Verizon Services Corp. on behalf of itself and Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Florida Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon West Coast Inc., (hereinafter referred to as "Verizon" or "Customer").

1.0 Supplier agrees to perform and provide the following as CPE Service:

- 1.1 Supplier will dispatch qualified technicians to Customer locations upon receipt by Supplier of an installation request or a trouble report from Customer;
- 1.2 Supplier will perform installation, maintenance and on-site testing as required of Customer CPE;
- 1.3 Supplier will provide status updates via Suppliers electronic trouble ticket reporting system.

2.0 Customer agrees to perform and provide the following:

- 2.1 Customer will provide to Supplier all required equipment, including equipment, replacement parts ("Spares"), materials or supplies required for Supplier to perform installation, maintenance or repairs related to Customer CPE.
- 2.2 Customer will provide Supplier site access, local, regional and national contact information.

3.0 PRICING

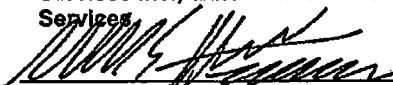
Employee Title/Service	Pricing Criterion	Rate per Hour (Month, etc.)	Frequency of Transaction: (per service)
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Verizon Services Corp.:

Verizon Business Financial Management Corp. on behalf of MCI Communications Services Inc., d/b/a Verizon Business Services

By: _____
 Name: John Ridgeway
 Title: Director – Marketing Services
 Date: _____

By: 
 Name: Suleiman Hessami
 Title: VP Pricing & Contracts
 Date: 7/24/06