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NO ACTION
verizon

Verizon Northwest Inc.

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

January 19, 2010

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

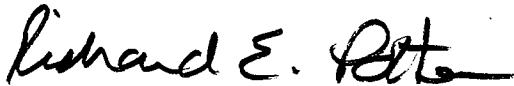
Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 418

To whom it may concern:

Enclosed for the Commission's file is a verified copy of an Ad Insertion Agreement between Verizon Services Corp., on behalf of Verizon companies including Verizon Northwest Inc., Verizon Business, and Verizon Wireless. Under this agreement the parties will be able to insert advertisements on FiOS TV, verizon.net, and Mobile Web. The footer notwithstanding, the companies are not seeking confidential treatment of this document.

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

Very truly yours,



Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

2010 JAN 21 AM 8:07
COMMUNICATIONS
MANAGEMENT

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of an Ad Insertion Agreement between Verizon Services Corp., on behalf of Verizon companies including Verizon Northwest Inc., Verizon Business, and Verizon Wireless.

Richard E. Potter

Date: 1.19.10

Richard E. Potter
Director
Verizon Northwest Inc.

AD INSERTION AGREEMENT

THIS AD INSERTION AGREEMENT (this "Agreement") is effective as of March 2, 2009 (the "Effective Date"), by and between Verizon Services Corp., with offices at One Verizon Way, Basking Ridge, New Jersey 07920, on behalf of its affiliated Incumbent Local Exchange Carrier Companies set forth in Attachment A to the Agreement (individually and collectively, "Verizon"), CELLCO Partnership d/b/a Verizon Wireless, with offices at One Verizon Way, Basking Ridge, New Jersey 07920 ("VZ Wireless") and Verizon Business Network Services Inc., on behalf of the Verizon Business entities set forth in Attachment B to the Agreement (individually or collectively "VZ Business"), with offices at One Verizon Way, Basking Ridge, New Jersey 07920. Verizon, VZ Wireless, and VZ Business may be referred to hereinafter each, individually, as a "Party" and, collectively, as the "Parties".

WHEREAS, the Parties wish to enter into certain advertising arrangements in accordance with the rates, terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The Agreement:

1.1 This Agreement is comprised of: (a) this principal document and (b) Attachments A through C.

1.2 This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, understandings or representations relating thereto, and merges all prior discussions between the Parties.

2. Term:

This Agreement shall commence on the date set forth above and shall continue in effect until a Party provides notice to the other Parties of its intent to terminate this Agreement.

3. Rates and Charges:

3.1 Each Party hereby grants to the other Parties the limited right to advertise as listed in Attachment C, as amended or modified from time to time in accordance with the terms and conditions of this Agreement, for the services provided hereunder.

3.2 To the extent required by Applicable Law and, notwithstanding anything in this Agreement to the contrary, rates and charges billed and/or paid by Parties under this Agreement shall also comply with affiliate transaction requirements set forth in 47 C.F.R. Parts 32.27. Rates and charges shall be subject to increase or decrease during the term of this Agreement so that Parties can recover costs allocated pursuant to Parts 32 for Services performed by those Parties under this Agreement. Parties shall pay all such

increased or decreased charges prospectively after the increased or decreased charges have been determined by each Party.

4. Applicable Law

- 4.1 The construction, interpretation and performance of this Agreement shall be governed by (a) the laws of the United States of America and (b) the laws of the State of New York, without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws.
- 4.2 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement.
- 4.3 No Party shall be liable for any delay or failure in performance by it that results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.
- 4.4 Each Party shall promptly notify the other Parties in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 4.5 If any court or government agency of competent jurisdiction determines any provision of this Agreement is invalid or unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law. If the Parties are unsuccessful in such renegotiations, any disputes shall be resolved as provided in Section 7.

5. Assignment

No Party may assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however that a Party may assign this Agreement in whole or in part to one or more Affiliates by providing notice of such assignment to the other Parties. Any attempted assignment or delegation in violation of this Section 5 shall be void and ineffective and constitute default of this Agreement.

6. Billing and Payment; Disputed Amounts

- 6.1 Without in any way limiting the Parties' obligation to timely pay each other for any and all services that Parties obtain under this Agreement, Parties hereby agree to pay the net difference between Parties at the end of the calendar year. An annual statement of charges incurred by state and provided by

each Party will be sufficient detail to allow the Parties to properly record the transactions into their financial records.

6.2 Except as otherwise provided in this Agreement, payment of undisputed amounts billed for the service provided under this Agreement including any applicable Taxes shall be due, in immediately available U.S. funds, thirty (30) days after the statement invoice is received (the "Due Date").

6.3 Taxes. The parties shall cooperate to minimize the sales, use, and other transfer and transaction taxes (including, but not limited to, any governmentally imposed fees, duties, and surcharges) (collectively, "Taxes") that are payable with respect to the services contemplated by this Agreement. Any such Taxes that are payable by reason of such provision of services and transfers of property shall be, as between the Parties, the responsibility of the Party that is the purchaser of the service (which for Verizon or Verizon Business shall be the specific legal entity from those listed on Attachment A or Attachment B that receives the benefit of the service).

6.4 If any portion of an amount billed under this Agreement is subject to a good faith dispute between the Parties, the Party disputing the amount billed shall give notice to the Party supplying the bill of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item within thirty (30) days following the Due Date. Failure to dispute an amount billed within such thirty (30) day period shall effect a waiver the right to dispute such amount. Disputing an amount after the Due Date shall not be the basis for withholding subsequent payments that become due. Billing disputes shall be subject to the terms of Section 7, Dispute Resolution.

6.5 Although it is the intent of each Party to submit timely statements of charges, failure to present statements in a timely manner shall not constitute a breach or default, or a waiver of the right to receive payment of the incurred charges, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, no Party shall be entitled to dispute statement(s) based on the failure to submit them in a timely fashion.

6.6 The Parties intend that the rates and charges described in Section 3 be in accordance with the arm's length standard as required by applicable laws and regulations to reflect the risks assumed and managed, functions performed and activities undertaken by each Party. In the event of any subsequent change to those rates and charges, such changes shall be subject to review and adjustment of terms (if necessary) to ensure that this Agreement is in accordance with the accepted arm's length standard and continues to conform to the returns earned by comparable unrelated companies. Any such adjustment shall be reflected on the legal books and records of the respective Parties as an increase or decrease to revenues or costs, and as a receivable from or payable to the other Party, as the case may be.

7. Dispute Resolution

7.1 General. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall attempt to be settled first, by good faith efforts of the Parties to reach mutual agreement, and second, if mutual agreement is not reached to resolve the dispute, by final, binding arbitration as set out in Section 7.3 below.

7.2 Initial Resolution. A Party that wishes to initiate the dispute resolution process shall send written notice to the other Party with a summary of the controversy and a request to initiate these dispute resolution procedures. Each Party shall appoint a knowledgeable, responsible representative from the company who has the authority to settle the dispute, to meet and negotiate in good faith to resolve the dispute. The discussions shall be left to the discretion of the representatives, who may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, shall be exempt from discovery and production, and shall not be admissible in the arbitration described above or in any lawsuit pursuant to Rule 408 of the Federal Rules of Evidence. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in the arbitration or lawsuit. The Parties agree to pursue resolution under this subsection for a minimum of thirty (30) days before requesting arbitration.


7.3 Arbitration. If the dispute is not resolved under the preceding subsection within thirty (30) days of the initial written notice, either Party may demand arbitration by sending written notice to the other Party. The Parties shall promptly submit the dispute to the American Arbitration Association for resolution by a single neutral arbitrator acceptable to both Parties, as selected under the rules of the American Arbitration Association. The dispute shall then be administered according to the American Arbitration Association's Commercial Arbitration Rules, with the following modifications: (i) the arbitration shall be held in a location mutually acceptable to the Parties, and if the parties do not agree, the location shall be New York, NY; (ii) the arbitrator shall be licensed to practice law; (iii) the arbitrator shall conduct the arbitration as if it were a bench trial and shall use, apply and enforce the Federal Rules of Evidence and Federal Rules of Civil Procedure; (iv) except for breaches related to Confidential Information the arbitrator shall have no power or authority to make any award that provides for consequential, punitive or exemplary damages; (v) the arbitrator shall control the scheduling so that the hearing is completed no later than thirty (30) days after the date of the demand for arbitration; and (vi) the arbitrator's decision shall be given within five (5) days thereafter in summary form that states the award. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the Parties. Each Party to the dispute shall bear its own expenses arising out of the arbitration, except that the expenses of

the facilities to conduct the arbitration and the fees of the arbitrator shall be shared equally by the Parties.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

VERIZON SERVICES CORP.

By: 
Name: Shant Joshi
Title: Executive Director
Date: 10-29-09

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS

By:
Name:
Title:
Date:

VERIZON BUSINESS NETWORK SERVICES INC.

By:
Name:
Title:
Date:

the facilities to conduct the arbitration and the fees of the arbitrator shall be shared equally by the Parties.


SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

VERIZON SERVICES CORP.

By:
Name:
Title:
Date:

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS

By: 
Name: Daniel Redd
Title: chief operating officer, Verizon wireless
Date: 1/4/10

VERIZON BUSINESS NETWORK SERVICES INC.

By:
Name:
Title:
Date:

the facilities to conduct the arbitration and the fees of the arbitrator shall be shared equally by the Parties.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

VERIZON SERVICES CORP.

By:
Name:
Title:
Date:

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS

By:
Name:
Title:
Date:

VERIZON BUSINESS NETWORK SERVICES INC.

By: *Rebecca Carr*
Name: *Rebecca Carr*
Title: *Vice President Marketing*
Date: *November 3, 2009*

Attachment A

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 LLC, a Delaware corporation
Verizon Florida LLC, 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

Attachment B

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 New York, Inc.
Teleconnect Long Distance Services & Systems Co.
Verizon Clinton Center Drive Corp
TTI National Inc.
Verizon Select Services Inc.
Verizon Global Networks Inc

Attachment C

FiOS TV

For each thirty (30) second unit of national advertising on FiOS TV, Verizon will charge the other Parties the effective rate of Eighty Two Dollars and fifty three cents (\$82.53).

Verizon.net

For each one thousand impressions served for advertising units in non-webmail inventory on Verizon.net sites, Verizon will charge the other Parties the effective cost per thousand (CPM) of Twenty Four Dollars and ninety-five cents (\$24.95).

For each one thousand impressions served for advertising units in webmail inventory on Verizon.net sites, Verizon will charge the other Parties the effective cost per thousand (CPM) of Fourteen Dollars and ninety-five cents (\$14.95).

Mobile Web

For each one thousand impressions served for advertising units in inventory on Verizon Wireless Mobile Web, Verizon Wireless will charge the other Parties the effective cost per thousand (CPM) of Twenty One Dollars and zero cents (\$21.00).