

Docket No. UT-051291
Sprint Nextel's Response to Public Counsel Data Request No. 15
Date: 11/3/05 **Revised 1/20/06**
Preparer: Nancy Judy
Witness: Nancy Judy
Preparer Telephone Number: 541.387.9265

PC-15: Please provide a complete copy of all publishing agreements and other individually significant contracts effective between United Telephone Company of the Northwest ("UTNW") and each company involved in the publication of white and yellow pages directories on behalf of UTNW at each of the following historical points in time:

- a. During the test year used in the UTNW's last general rate case before the WUTC.
- b. Immediately prior to the sale of Sprint's directory publishing operations to Donnelley.
- c. Each version of publishing agreement(s) that was effective at any time between the periods specified in parts (a) and (b), above.
- d. Immediately subsequent to the sale of Sprint's directory publishing operations to Donnelley.
- e. The currently effective agreement(s).

ANSWER:

Sprint objects to this request, and all of its subparts, on the grounds that it seeks discovery of information that is beyond the scope of Sprint's Application and is not relevant to this proceeding. Without waiving any specific or general objections, Applicant responds as follows:

- a. The R.H. Donnelly contract that would have been in place in 1988 has not been retained.

Supplemental Response 1/20/06:

The previous answer was incorrect. The contract in place in 1988 was between United and Directories America. Please see Attachment 15b previously submitted on 11/3/05.

- b. See Attachment 15b
- c. Cancelled contracts have not been retained except for Attachment 15b.

- d. See documents provided in response to WUTC Staff Request 10.
- e. See documents provided in response to WUTC Staff Request 10. The contract entered at the time of the sale remains in effect.

Attachment PC 15b

DIRECTORY PUBLISHING AGREEMENT
BETWEEN
UNITED TELEPHONE COMPANY OF THE NORTHWEST
(WASHINGTON)
AND
DIRECTORIESAMERICA

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DIRECTORY PUBLISHING AGREEMENT

THIS DIRECTORY PUBLISHING AGREEMENT (hereinafter referred to as the "Agreement") is effective as of January 1, 1986, by and between DirectoriesAmerica, Inc. a Kansas corporation (hereinafter referred to as the "Directory Company"), and United Telephone Company of the Northwest, an Oregon corporation (hereinafter referred to as the "Telephone Company"):

WITNESSETH:

WHEREAS, the Directory Company is established and organized to produce, publish, and distribute telephone directories, as herein provided; and

WHEREAS, the Telephone Company desires to enter into a business relationship whereby the Directory Company will produce, publish, and distribute telephone directories, or arrange for the foregoing, under the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 As herein used:

- A. "Additional Listings (ALSTs)" mean Telephone Directory listings offered to those customers desiring listings in addition to those offered by the Telephone Company, without charge, as part of basic telephone service.
- B. "Alphabetical Directories" mean Telephone Directories, or sections thereof, which list subscribers in alphabetical order with their telephone numbers and other

pertinent information and which are commonly referred to as "White Pages Directories".

- C. "Alphabetical Listings" mean listings offered by the Telephone Company in Alphabetical Directories, without charge, as part of basic telephone service, as well as Additional Listings and Foreign White Pages Listings.
- D. "Classified Directories" mean Telephone Directories, or sections thereof, which contain classified headings, with advertisers' listings and/or advertising copy, and their telephone numbers and other pertinent information under such headings and which are commonly referred to as "Yellow Pages Directories".
- E. "Directory Advertising" means advertising by Telephone Company subscribers and others to be included in a Telephone Directory published pursuant to this Agreement.
- F. "Foreign White Pages Listings (FWPLs)" mean the listings offered by the Telephone Company to individuals or entities who are not Telephone Company subscribers or to Telephone Company subscribers requesting listings in a Telephone Directory other than that covering the subscriber's telephone exchange area.

- G. "Light Face Listings" mean the Classified Directory listings offered by the Directory Company to business telephone subscribers without charge.
- H. "Listing Information" means the name, telephone number and any other pertinent information provided by the Telephone Company to the Directory Company to perform the Agreement.
- I. "Telephone Directories" mean both Alphabetical Directories and Classified Directories, regardless of whether such Telephone Directories are bound together or not.
- J. "Base Fee" means a fee paid by the Directory Company to the Telephone Company for the exclusive right to sell directory advertising and publish telephone directories on behalf of the Telephone Company and for the compilation of classified directory listing information to be performed by the Telephone Company on a works made for hire basis.
- K. "Earnings Before Interest and Taxes" means Net Collected Revenue minus all direct and allocated expenses and taxes, (except for local, state and federal income taxes), related to the production, publishing, marketing, sales, commissions, and delivery of Telephone Directories

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under this Agreement. These expenses include the base fee, billing and collection fee, and listing fee indicated in Appendix F which is attached hereto and incorporated herein by reference and any other payments made by Directory Company to Telephone Company, but does not include any additional publishing payments.

- L. "Additional Services" means those services offered to the Telephone Company, including but not limited to those outlined in Appendix E.

ARTICLE 2

GENERAL

2.1 The Telephone Company and the Directory Company agree that the Directory Company shall have the exclusive right and obligation to produce, publish, and distribute Telephone Directories on behalf of the Telephone Company in accordance with the terms of this Agreement for all the exchanges to be served by the Telephone Company as of July 1, 1986, or as the parties may from time to time agree upon. Should the number or size of exchanges served by the Telephone Company be changed, the Base Fee will be changed upon mutual agreement to reflect said change.

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2.2 The Telephone Company and the Directory Company agree that the Directory Company and its agents shall, during the term of this Agreement, have the exclusive right to contact subscribers of the Telephone Company, and all others, for the sole purpose of soliciting and obtaining Directory Advertising to appear in all Telephone Directories published hereunder.

2.3 The Telephone Company retains the right to contact its residential subscribers for the purposes of soliciting Additional Listings to appear in Alphabetical Listings for all Telephone Directories published hereunder.

ARTICLE 3

CONTENT, COMPILATION, PRINTING AND PUBLICATION OF TELEPHONE DIRECTORIES

3.1 The Directory Company agrees to compile, print and publish Telephone Directories to include all Telephone Company exchanges, and such exchanges of other telephone companies, as was the practice January 1, 1986, once every twelve (12) months or at such other intervals as may be agreed to by the parties, commencing with the Publishing Schedule for 1986 contained in Appendix B and subject to the conditions of Appendix E, or as may otherwise be agreed to by the parties.

3.2(a) The Directory Company shall publish the same types of Alphabetical Listings in Alphabetical Directories, and on the same terms and conditions, as were offered in 1985 Telephone Company

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directories, except as may otherwise be agreed to by the parties and in accordance with Appendix E.

3.2(b) The Directory Company shall publish those Alphabetical Directories, as were published by the Telephone Company during 1985, and the Alphabetical Directories will contain the listings of subscribers within a specified set of exchanges in accordance with the practice that applied during 1985 and in accordance with Appendix E, or as otherwise may be agreed between the parties.

3.2(c) The Directory Company shall offer to business telephone subscribers Light Face Listings in Classified Directories on the same terms and conditions as were offered in 1985 Telephone Company directories, except as may otherwise be agreed to by the parties.

3.2(d) The Directory Company shall include in certain of the Telephone Directories published hereunder listings of subscribers of other telephone companies, operating in territories adjacent or in proximity to the Telephone Company, which listings may be furnished to it by the Telephone Company in accordance with the practice that applied during 1985 and in accordance with Appendix E, or as otherwise may be agreed to by the parties. The Telephone Company will provide such listings in the same format and to the same locations as is the case with the Telephone Company's own listings, except as may otherwise be agreed to by the parties.

3.2(e) The content (which shall be limited to information necessary for the conduct of normal Telephone Company business and compliance with any Regulatory Requirements) and format of information pages will be prescribed by the Telephone Company with sufficient notice so as to enable the Directory Company to provide proofs to the Telephone Company for its approval prior to commencement of production. After approval by the Telephone Company, subsequent changes to these pages requested by the Telephone Company shall be subject to additional charges for the costs incurred by the Directory Company.

3.3 The Directory Company will furnish a pre-printed standard cover for directories. The cover shall include the imprinting of the directory name, issue date and other appropriate copy for the outside of the cover in one color at the time a directory issue is produced. In the event the Telephone Company requires a cover differing from the Standard cover, the Directory Company shall produce the local cover and shall be reimbursed by the Telephone Company for the actual costs in excess of the cost had the Standard cover been used. Said local cover shall conform to established printing specifications and Cover Design Elements.

3.4 The annual schedule of directory publishing dates will be as set forth in Appendix B, unless otherwise agreed to by the parties, provided that the Directory Company shall in all cases be afforded the time reasonably necessary to complete the required work and shall not be obligated to publish material received after

mutually established closing dates. Notwithstanding the foregoing, the Directory Company shall make every reasonable effort to publish material received after the closing date when requested to do so by the Telephone Company. The Telephone Company will be responsible for payment of additional printing expense resulting from failure of the Telephone Company to forward material to the printer or Directory Company by schedule dates.

3.5 The Telephone Directories compiled, printed and published by the Directory Company hereunder shall be owned by the Directory Company. The Alphabetical Listings supplied by the Telephone Company shall be copyrighted by Directory Company in the name of Telephone Company and Telephone Company will own and shall be permitted to sell at its discretion and for its sole profit the Alphabetical Listings. The Yellow Pages, as well as any other advertising sections or special sections or sales or promotional material, shall be owned by Directory Company and copyrighted in the name of Directory Company.

3.6 The Telephone Company agrees to furnish current listing information and maintain the white page alpha data base, including any changes or modifications for the Directory Prep System. Listing information relating to classified headings shall be compiled and maintained by the Telephone Company for the Directory Company on a works made for hire basis.

3.7 Filler material supplied by Telephone Company shall be utilized by the Directory Company to fill a portion of unsold classified directory space.

ARTICLE 4

DISTRIBUTION AND DELIVERY OF DIRECTORIES

4.1 The Directory Company shall deliver to Telephone Company access line subscribers (including business, residential and semi-public pay telephone subscribers) a copy or copies of each initial issue of the Telephone Directory or Telephone Directories. Subsequent deliveries will be the responsibility of the Telephone Company.

4.2 The number of alphabetical Telephone Directories to cover the requirements specified in Section 4.1, and to cover additional Telephone Company requirements for replacements and other needs, will be produced by the Directory Company for the Telephone Company. The Telephone Company will reimburse the Directory Company for all costs incurred in printing, supplying, and delivering requested quantities of Alphabetical Directories up to a maximum of 175% of access lines. The Telephone Company will reimburse the Directory Company for all costs incurred in printing, supplying and delivering additional quantities of Telephone Directories in excess of the 175% limitation.

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4.3 The Telephone Company shall provide the Directory Company in a prescribed Directory Company format, with as complete address information as is reasonably possible, and in compliance with appropriate U.S. Postal regulations governing bulk mailings to facilitate delivery to Telephone Company subscribers.

4.4 The delivery of each issue of Telephone Directories by the Directory Company shall be completed within a reasonable period of time, as agreed upon by the parties, after the publishing dates set forth in Appendix B hereto.

ARTICLE 5

BILLING AND COLLECTION SERVICES

5.1 During the term of this Agreement, and all renewals thereof, the Telephone Company agrees to perform as agent for the Directory Company the billing and collection services for directory advertising sold to business telephone subscribers served by the Telephone Company as specified in Appendix C to this Agreement, or as otherwise may be agreed to by the parties.

5.2 The Directory Company or its agent will bill and collect for advertising sold to foreign business accounts (those business telephone subscribers located outside the Telephone Company franchise area) and for advertising sold in directories hereunder through National Yellow Pages Service (NYPS).

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ARTICLE 6

TERM OF AGREEMENT

6.1 This Agreement shall become effective on the 1st day of January 1986 and shall remain in force until the 31st day of December 1989; it shall thereafter renew itself automatically on the same terms and conditions for further periods of one (1) year, provided that either party may terminate this Agreement on the expiration of the original or any renewal term upon twelve (12) month's prior written notice to the other party.

6.2 Upon termination of this Agreement, the Directory Company will turn over to the Telephone Company or its designee all work in progress (data associated with white page listing bases) obtained on behalf of the Telephone Company.

6.3 The Telephone Company will pay to the Directory Company the prepaid expense of the Directory Company of any work in progress transferred pursuant to this Article. Payment shall be made within thirty (30) days following date of termination. Any revenue derived from telephone directories published by the Telephone Company after the date of termination utilizing such work in progress shall accrue to the benefit of the Telephone Company. Any revenue derived after such date from Telephone Directories published by the Directory Company before such date shall accrue to the benefit of the Directory Company.

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ARTICLE 7

INFORMATION FURNISHED UNDER AGREEMENT

7.1 Beginning with the effective date of this Agreement, the Telephone Company will furnish to the Directory Company the material and information specified in Appendix D required for the Directory Company to perform its obligations under this Agreement.

ARTICLE 8

COMPENSATION

8.1 The Directory Company shall pay to the Telephone Company the amounts specified in Appendix A of this Agreement in accordance with the terms set forth in Appendix A.

ARTICLE 9

LIABILITY AND INDEMNIFICATION

9.1 The Directory Company shall save and hold the Telephone Company harmless from any and all suits, claims and costs for loss or damages, including claims for errors or omissions in publishing items in the Telephone Directories, which may arise from the Directory Company or any of its agents or subcontractor's performance or failure to perform any obligation under this Agreement. In no event, however, shall the Directory Company be liable for any errors, omissions or other acts occurring prior to the effective date of the Agreement.

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9.2 The Telephone Company shall save and hold the Directory Company harmless from any and all suits, claims, and costs for loss or damages, which may arise from the Telephone Company or any of its agents or subcontractor's performance or failure to perform any obligations under this Agreement, including claims arising from any errors or omissions in any Telephone Directory produced hereunder which resulted from an error or omission in the Listing Information provided to the Directory Company by the Telephone Company, its agents, or subcontractors.

9.3 All rights, including particularly, limitations of liability whether arising by contract or tariff shall inure to the benefit of both parties.

9.4 At all times during the performance of this Agreement, the Directory Company and any subcontractor engaged by the Directory Company shall maintain in full force and effect workmen's compensation insurance and public liability insurance in amounts satisfactory to the Telephone Company and the Directory Company and any subcontractors shall furnish to the Telephone Company prior to the performance of any work hereunder such satisfactory evidence and proof of the maintenance of such insurance as the Telephone Company may request.

9.5 The Directory Company agrees to bear all sales, use or equivalent taxes assessed by local, state, and/or Federal agencies based on printing and/or delivering telephone directories

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hereunder. The Telephone Company will bear all taxes assessed by local, state and/or Federal agencies other than sales, use or equivalent taxes on telephone directories.

ARTICLE 10

FORCE MAJEURE

10.1 Neither party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control such as acts of God, acts of civil or military authorities, government regulations, embargoes, epidemics, war terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, inability to secure products or services of other persons or transportation common carriers (collectively referred to as "Force Majeure Conditions"). In the event of a Force Majeure Condition affecting either party, both parties shall cooperate as appropriate to have Telephone Directories produced using alternative arrangements.

ARTICLE 11

NOTICES AND DEMANDS

11.1 Any notice or other communication hereunder shall be deemed to be sufficiently given to the addressee when sent by certified or registered mail, postage prepaid, to the respective parties as follows:

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Directory Company

General Manager
DirectoriesAmerica
5454 West 110th Street
Overland Park, Kansas 66211

Telephone Company

Director of Business Service
United Telephone Company of
the Northwest
601 State Street
Hood River, OR 97031

The foregoing addresses may be changed at any time by written notice to the other party.

ARTICLE 12

AUDIT CLAUSE

12.1 During the term of this Agreement, the Directory Company shall, for the purpose of audit or review, allow the Telephone Company access to the accounting records supporting the calculation of the compensation described in Article 8.1 due the Telephone Company. Such access shall be granted during normal business hours and upon reasonable request by the Telephone Company.

12.2 During the term of this Agreement, the Telephone Company shall, for the purpose of audit or review, allow the Directory Company access to the accounting records supporting the billing and related collection of the amounts billed by the Telephone Company on the Directory Company's behalf as described in Article 5. Such access shall be granted during normal business hours and upon reasonable request by the Directory Company.

ARTICLE 13

MISCELLANEOUS

13.1 No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition.

13.2 The headings in this Agreement are for convenience only and shall not be construed to define or limit any terms herein.

13.3 Each party acknowledges that certain material and information which has or will come into the possession or knowledge of the other in connection with the performance of this Agreement may consist of confidential and proprietary data, the disclosure of which would be adverse to the interest of the party from whom the data originates. Both parties therefore agree to hold such material and information in confidence.

13.4 All obligations under this Agreement shall be subject to legislation and to valid and applicable government agency orders and regulations, tariff provisions, and decisions and orders of courts of competent jurisdiction; provided, however, that if compliance with such legislation, agency orders and regulations, tariff provisions or court orders and decisions results in increased costs to the Directory Company relating to the compilation, production, printing, publication, or delivery of

Telephone Directories, such costs will be borne by the Telephone Company.

13.5 The Agreement shall be governed, construed and enforced in accordance with the laws of Oregon.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the first day of January, 1986.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By: David Matson

Title: General Counsel / Secretary

DIRECTORIESAMERICA, INC.

By: _____

Title: _____

APPENDIX A

COMPENSATION TO BE PAID BY THE DIRECTORY COMPANY
TO THE TELEPHONE COMPANY

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APPENDIX A

COMPENSATION TO BE PAID
BY THE DIRECTORY COMPANY TO THE TELEPHONE COMPANY

A. In accordance with Article 8 of the Agreement, the Directory Company will pay to the Telephone Company, during the initial term of this Agreement and during all extensions thereto, the amounts described below and specifically detailed in Appendix F.

1. A publishing payment which consists of:
 - a. A base fee for the exclusive right to publish and sell telephone directories
 - b. The Directory Company will annually make additional payments to the Telephone Company equal to 10% of any amounts by which earnings before interest and taxes for the contractual year exceed 7% of the net collected revenues for the contractual year.
2. A payment for billing and collection services to be provided by the Telephone Company for the Directory Company in accordance with Article 5 and Appendix C of the Agreement.
3. A payment for Listing Information provided by the Telephone Company for the purpose of publishing a

directory, which payment shall be the same amount per item of Listing Information which the Telephone Company charges to other businesses who buy Listing Information data from the Telephone Company.

- B. The annual base fee publishing payment shall be paid monthly in twelve equal installments.
- C. The annual publishing payment amount above the base fee as described in Section A-1-b above shall be estimated at the beginning of each year and such annual estimated amount shall be paid monthly in 12 equal installments subject to a Final Settlement following the end of the contract year. Final Settlement shall be made no later than 90 days after the year covered by the Agreement.
- D. Payment for billing and collection services shall be made each month in accordance with the provisions of Schedule F.
- E. Payment for Listing Information shall be made prior to receiving the listings based upon the provisions of Appendix F.
- F. Payments shall be transmitted on or before the 20th of the month. Payments between the Telephone Company and the Directory Company shall be netted and paid to the bank or

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depository account by electronic funds transfer in immediately
available funds.

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APPENDIX B

PUBLISHING SCHEDULE FOR 1986

UNITED TELEPHONE COMPANY OF THE NORTHWEST

DIRECTORY

ISSUE

WASHINGTON

Lower Yakima Valley

02-86

Poulsbo

06-86

Quilcene

01-86

APPENDIX C

BILLING AND COLLECTION SERVICES TO BE PROVIDED BY
THE TELEPHONE COMPANY

In accordance with Article 5, and except as otherwise specified in this Agreement, the Telephone Company, as agent for the Directory Company, will perform the following billing and collection services, and such other miscellaneous Telephone Directory billing and collection services to Telephone Company subscribers as was the practice during 1985, upon the terms and conditions herein outlined, for Telephone Directories published under this Agreement:

1. (a) The Telephone Company shall render monthly bills for directory advertising charges to each and every Directory Company customer who is also a Telephone Company subscriber, except as otherwise may be agreed to by the parties. The Telephone Company shall render bills for directory advertising charges in accordance with the billing instructions provided by the Directory Company pursuant to Section 2 of this Appendix C. The Telephone Company's obligation to render a bill for directory advertising charges will commence upon receipt by the Telephone Company of the billing instructions from the Directory Company as provided in Section 2 and shall terminate on the first to occur of:
 - (i) the issuance of a final bill for telephone service;

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- (ii) the issuance of a final bill for directory advertising charges; or
 - (iii) the receipt of termination instructions from the Directory Company.
- (b) The bills to be rendered by the Telephone Company for directory advertising charges shall be included as part of the Telephone Company's normal monthly billing to Telephone Company's subscribers, provided that (i) the total charges for directory advertising charges shall be listed separately on the billing statement and (ii) the amounts due for directory advertising charges shall be included in the total amount due for all charges contained in the billing statement. Except as provided above, the bills to be rendered by the Telephone Company under this Section shall be in the form established by the Telephone Company.
- (c) The Telephone Company shall collect the amounts billed pursuant to this Section following the Telephone Company's normal business practices and procedures which were in effect for collecting charges for directory advertising on December 31, 1985, except as may otherwise be agreed to by the parties. The Telephone Company shall refer any inquiries from customers concerning specific

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charges for directory advertising to the Directory Company.

- (d) The Telephone Company shall maintain records of the bills rendered for directory advertising charges in the same manner as records are maintained for bills rendered to customers for the Telephone Company's products and services.
- (e) The Telephone Company shall send to the Directory Company monthly a statement showing the total amounts billed by the Telephone Company on behalf of the Directory Company during such month (the "Settlement Statement"). The Settlement Statement shall indicate the amount due from the Telephone Company to the Directory Company, which shall be the amount billed for directory advertising charges, less uncollectibles, updated for customers added or deleted during the month as well as any billing adjustments authorized by the Directory Company. Remittances of sums due the Directory Company shall be made by the Telephone Company at monthly intervals. The Telephone Company payments shall be transmitted on or before the 20th to the bank or depository account designated by the Directory Company by electronic funds transfer in immediately available funds.

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2. The Directory Company shall provide the Telephone Company with the billing instructions to enable the Telephone Company to render bills for directory advertising charges. Unless otherwise agreed to by the parties in writing, the billing instructions provided by the Directory Company shall be in the format and provided in accordance with the schedule utilized by the Telephone Company to input billing for directory advertising during 1985.

3. For purposes of this Appendix C, "directory advertising" shall mean advertising purchased from the Directory Company or its authorized sales agent by Telephone Company subscribers to be included in a Telephone Directory published pursuant to this Agreement.

4. The Directory Company shall reimburse the Telephone Company for billing and collection services as specified in Appendix A.

5. Upon twelve (12) months prior written notice, the Directory Company may elect to stop receiving, and reimbursing the Telephone Company for, the billing and collection services outlined herein.

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APPENDIX D

INFORMATION REQUIRED BY THE DIRECTORY COMPANY
TO PERFORM THE AGREEMENT

A. The Telephone Company will provide the Directory Company with the following material and information, upon the terms and conditions herein specified, necessary for the Directory Company to perform its obligations under the Agreement:

1. Sufficient Listing Information to enable the Directory Company to provide Telephone Directories pursuant to this Agreement. Such Listing Information shall be supplied in that format, and at such locations, as were applicable during the calendar year 1985, unless otherwise agreed to by the parties. All Listing Information provided by the Telephone Company hereunder shall be a complete and accurate representation of the information to be published by the Directory Company. The Directory Company shall publish the Listing Information as submitted by the Telephone Company.
2. All information in the possession of the Telephone Company as is reasonably necessary for the Directory Company to perform its obligations under this Agreement.
3. All work in progress on Telephone Directories not yet published as of January 1, 1986, including but not

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limited to advertising contracts, copy, artwork and
canvassing lists.

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APPENDIX E

ADDITIONAL SERVICES PROVIDED TO THE TELEPHONE
COMPANY FOR WHICH A CHARGE SHALL APPLY

The Directory Company shall provide upon request by the Telephone Company, the following services and any other special directory services or features required by the Telephone Company as may be mutually agreed. The compensation relating to the provision of such Specialized Services or features shall be the Directory Company's actual cost, unless otherwise provided.

1. ALPHABETICAL DIRECTORIES

This shall include the actual cost of paper, printing, binding, and distribution.

2. SUBSCRIBER DATA BASE MAINTENANCE

In as much as the Telephone Company has developed its own subscriber database and achieved mechanized capability for alphabetical directory listings, the Telephone Company shall maintain such database unless the Telephone Company and the Directory Company mutually agree that the Directory Company shall assume such maintenance for appropriate and mutually agreeable compensation.

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3. TRAFFIC DIRECTORIES

This service shall include the scheduling, composition, paper and printing and shipping all addenda, directory interims, reprints and intercept lists produced to satisfy Traffic requirements.

4. DIRECTORY COVER PASTERS OR HANGERS

This service shall include the paper, printing and affixing of pasters or hangers that may be required for a given directory.

5. ADVERTISING BY TELEPHONE COMPANY

To the extent that the Telephone Company or any of its subsidiaries elect to advertise in the directories produced pursuant to this Agreement, it shall compensate the Directory Company based upon the Advertising rates applicable to all advertisers.

6. DRILLING DIRECTORY HANGER HOLES

7. SIDE MARGIN BLEEDS

8. CIVIC PAGES

This shall include the composition, paper, printing, delivery, and binding into the Telephone Directories of any special pages of a civic, health, human services, or

community-relations nature, commonly referred to as "Civic Pages", for the Telephone Company when this feature is desired in any given directory issue. The Telephone Company will be charged only for pages in excess of the number of Civic Pages in 1985 directories.

9. DIRECTORY HEADING INDEXES

If the Telephone Company elects to include a heading index in any directory hereunder, the Telephone Company will reimburse the Directory Company for the actual additional costs incurred.

10. EXTENDED AREA SERVICE (EAS) LISTINGS

This shall include the provision of separately bound copies of foreign EAS directories for distribution to the Telephone Company subscribers requiring them. This shall also include EAS alphabetical signatures or listings, whether foreign or another Telephone Company exchange, which are to be bound in as a part of a given Telephone Company directory. The costs to be billed to the Telephone Company shall also include the additional expense of production and distribution.

APPENDIX F

COMPENSATION SCHEDULE

UNITED TELEPHONE COMPANY OF THE NORTHWEST

WASHINGTON

Base Fee \$595,000.00

Billing & Collection

\$1.00 per Customer Billed per month

Listings

\$.35 per directory listing.